Registration document 2014

including the annual financial report

ingenico GROUP

CONTENTS

2014 Registration document

including the annual financial report

This document is a free translation of the French language reference document that was filed with the Autorité des marchés financiers (the "AMF") on 20 March 2015.

It has not been approved by the AMF. This translation has been prepared solely for the information and convenience of English-speaking readers.

No assurances are given as to the accuracy or completeness of this translation, and INGENICO assumes no responsibility with respect to this translation or any misstatement or omission that may be contained therein. In the event of any ambiguity or discrepancy between this translation and the French reference document, the French reference document shall prevail.

In accordance with the General Regulations of the Autorité des marchés financiers, notably Article 212-13, the French language version of this document was filed with the Autorité des marchés financiers on 20 March 2015.

This document may only be used in connection with a financial transaction if it is part of a prospectus which has received the visa of the Autorité des marchés financiers. This document has been prepared by the issuer under the responsibility of its signatories.

This document is available on the Ingenico Group internet website: www.ingenico.com.

1

PRESENTATION OF THE GROUP

1.1 Key figures

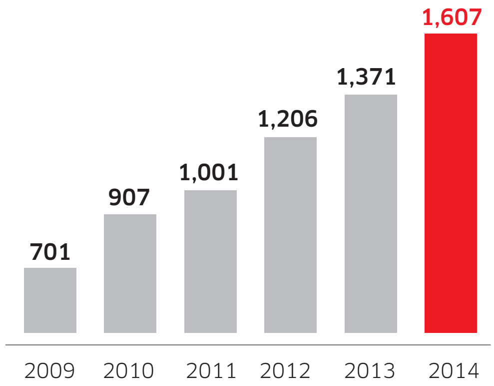
2014 REVENUE
€1,607 M

EBITDA
€377 M

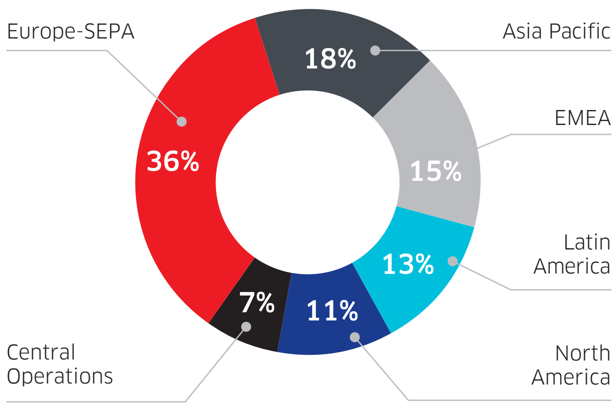
NET PROFIT
€172 M

FREE CASH FLOW
€255 M

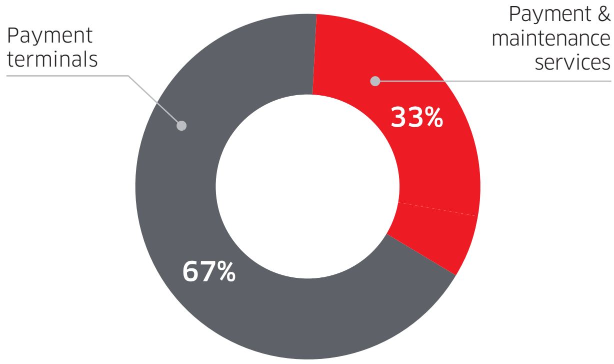
REVENUE EVOLUTION
In millions of euros



REVENUE
By region

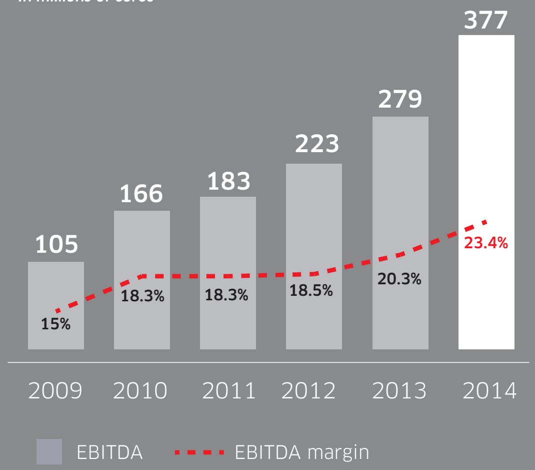


REVENUE
By activity



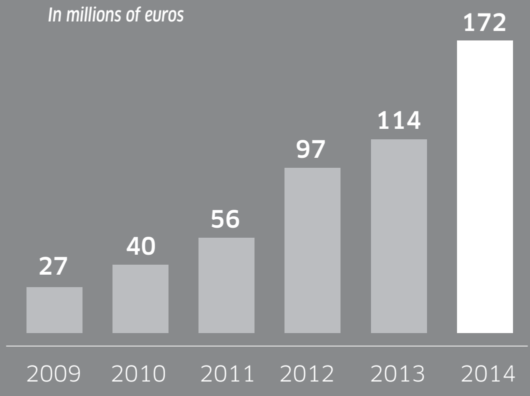
EBITDA

In millions of euros



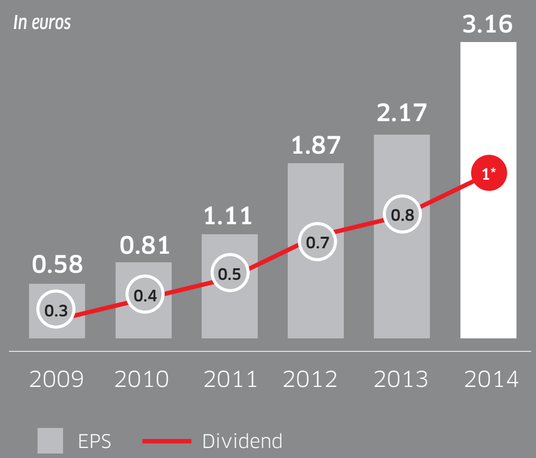
NET PROFIT, ATTRIBUABLE TO SHAREHOLDERS

In millions of euros



NET PROFIT AND DIVIDEND PER SHARE

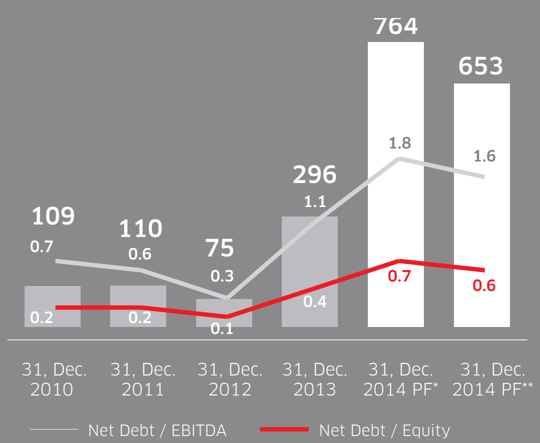
In euros



* Dividend proposed at the next AGM.

NET DEBT

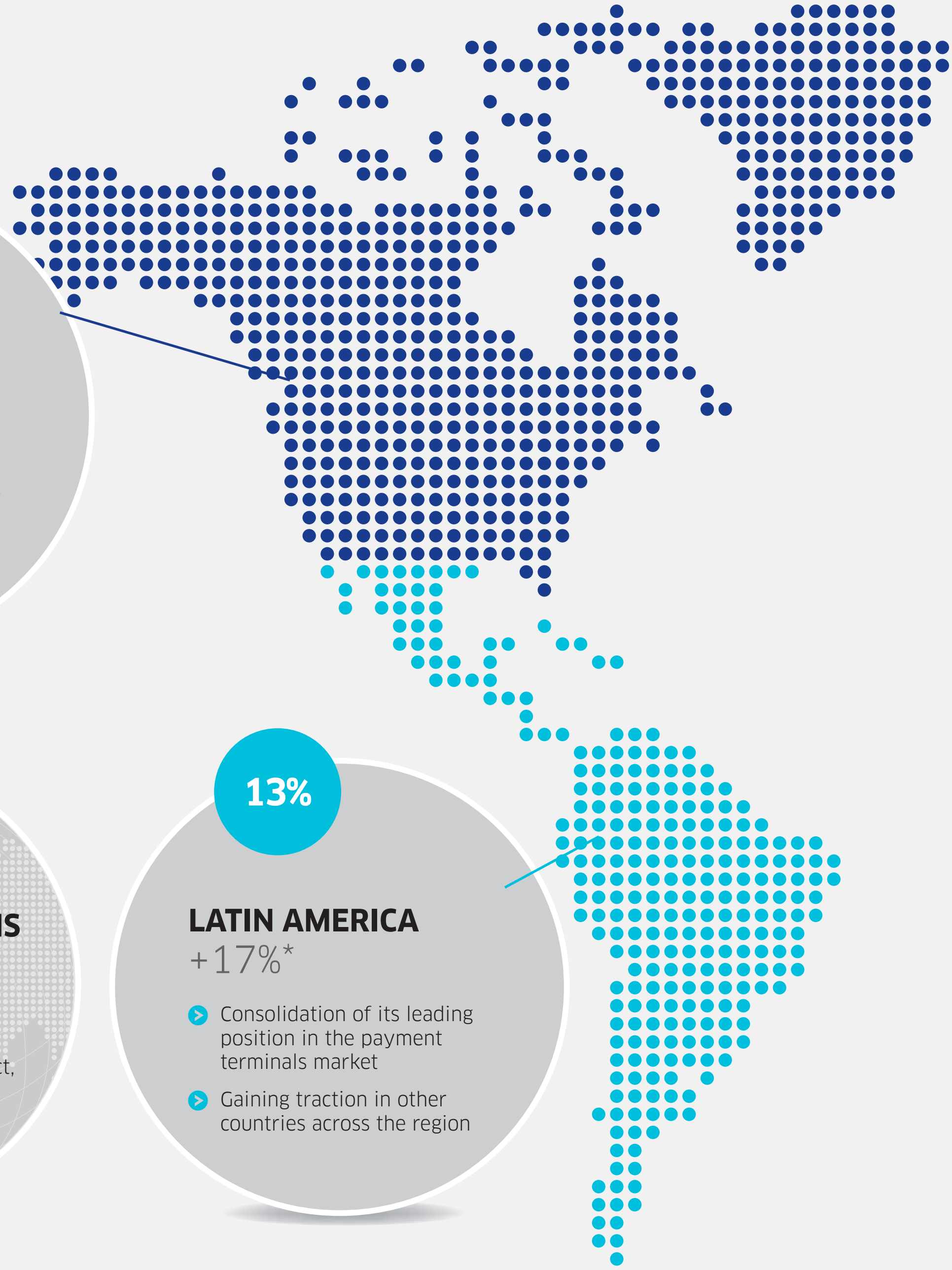
In millions of euros



* GlobalCollect on a FY basis.
** GlobalCollect on a FY basis and taking into account the OCEANE's bonds early redemption.

1.2 Ingenico Group in the world in 2014

The Group's performance in 2014 was driven by its multi-local positioning and the breadth of its seamless payment solutions offering across all channels: in-store, online and mobile.



11%

NORTH AMERICA

+47%*

- Growth acceleration
- EMV and contactless (NFC) deployment in the US across all market segments

7%

CENTRAL OPERATIONS

+48%*

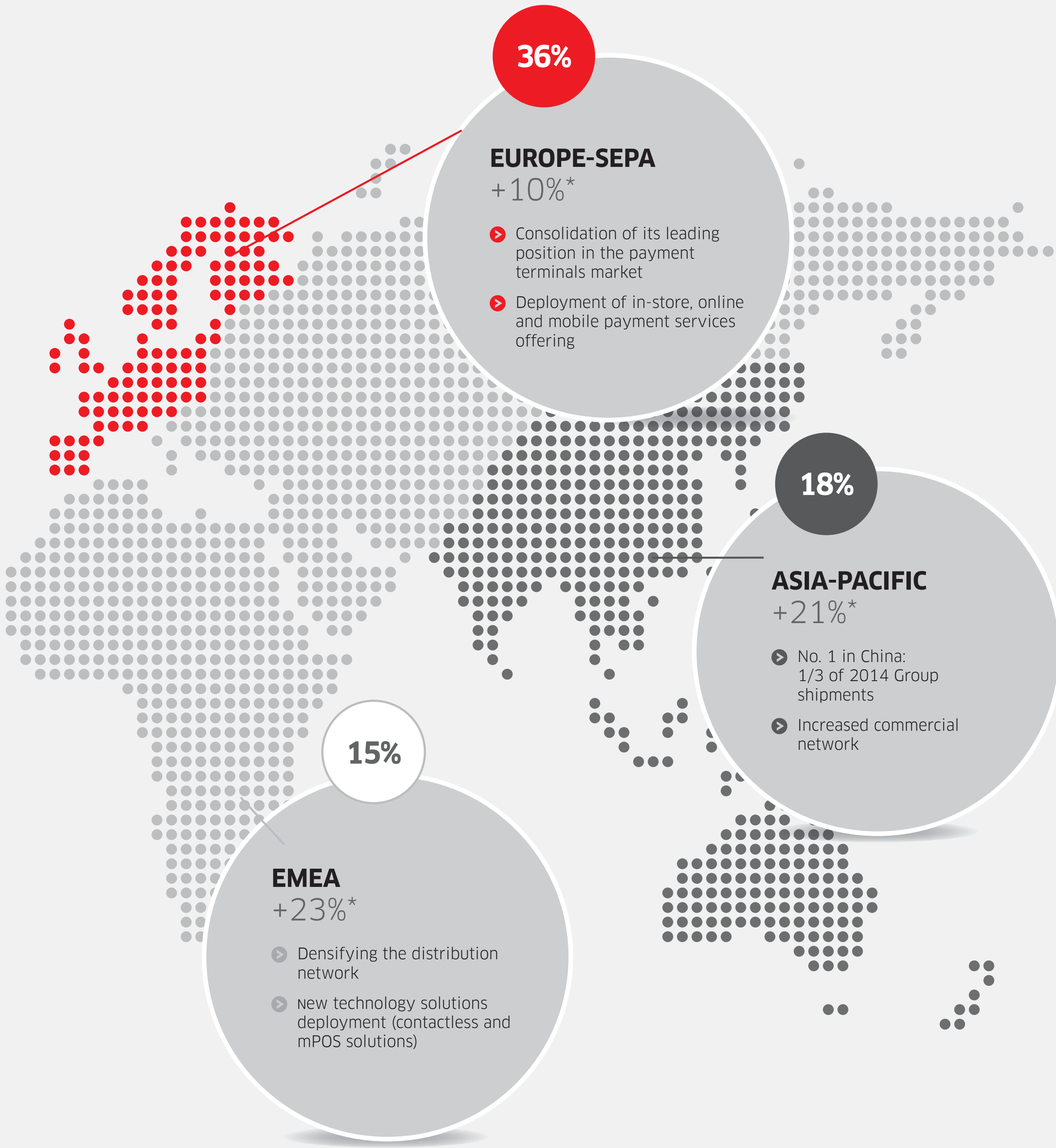
- Acceleration of the Group's transformation strategy with the acquisition of GlobalCollect, the leading online full service payment provider

13%

LATIN AMERICA

+17%*

- Consolidation of its leading position in the payment terminals market
- Gaining traction in other countries across the region



* *Growth rate in 2014 on a like-for-like basis.*

1.3 History of the group

1980

FOUNDING COF INGENICO

- SA company specializing in the design and manufacture of electronic payment card terminals.

1984

LAUNCH OF THE FIRST MAGNETIC STRIPE AND CHIP SMART TERMINAL

1985

STOCK MARKET LISTING

- Listing on the Second Marché of the Paris Stock Exchange.

1987 – 2001

INTERNATIONAL GROWTH AND EXPANSION

- **1987** Incorporation of Ingenico International Pacific Pty Ltd (Australia).
- **1994** Major card issuers such as Visa, MasterCard and Europay adopt a payment chip-card standard, accelerating Ingenico's growth.
- **1996** Acquisition of EPOS in Germany.
- **1999** Acquisition of the terminals business of the De La Rue and Bull groups.
- **2001** Acquisition of IVI Checkmate Corp. in the United States.

2006

BUSINESS TRANSFORMATION

- Outsourcing of terminal manufacturing.
- Acquisition of Moneyline, a company providing centralized transaction solutions in France.

2007

GROUP CONFIRMS ITS RETURN TO PROFITABILITY

- Buyout of the Turkish companies Planet Ödeme and Planet Electronik.

2008

CONSOLIDATION OF GLOBAL LEADERSHIP IN PAYMENT TERMINALS

- Acquisition of the payment terminal business of Sagem Sécurité (Sagem Monétel).
- Interests acquired in Fujian Landi, China's second largest terminals supplier.
- Launch of a full range of international, cross-border terminal-based services.

2009

EVOLUTION OF GROUP PROFILE

- Acquisition of easycash (today Ingenico Payment Services), the payment services leader in Germany.
- Launch of the new generation of traditional payment terminals.

2010

IMPLEMENTATION OF THE 2010-2013 STRATEGIC PLAN

- Integration of easycash (today Ingenico Payment Services).
- Deployment of the strategy in value-added services through various acquisitions.
- Ramp-up of the new range of terminals using the Telium 2 platform.

2011

CONFIRMATION OF THE GROUP'S PROFILE SHIFT

- Consolidated revenue passes the €1 billion milestone.
- 31% of revenue derived from maintenance, services and transaction servicing.
- Partnerships with new players in the payment ecosystem (Google).
- Launch of the new generation of mobile devices (iWL, iSMP, etc.).

2012

FULL SPEED AHEAD

- Confirmed as the world leader on the payment terminals market, with double-digit growth in this segment.
- New investment in the United States and the mobile payment sector with the takeover of Roam Data.
- Partnerships with new players in the payment ecosystem (PayPal, Microsoft).
- Expansion of the commercial network (acquisition of Arcomin Russia, PT Integra in Indonesia).

2013

FIRST YEAR OF IMPLEMENTATION OF THE 2013-2016 STRATEGIC PLAN

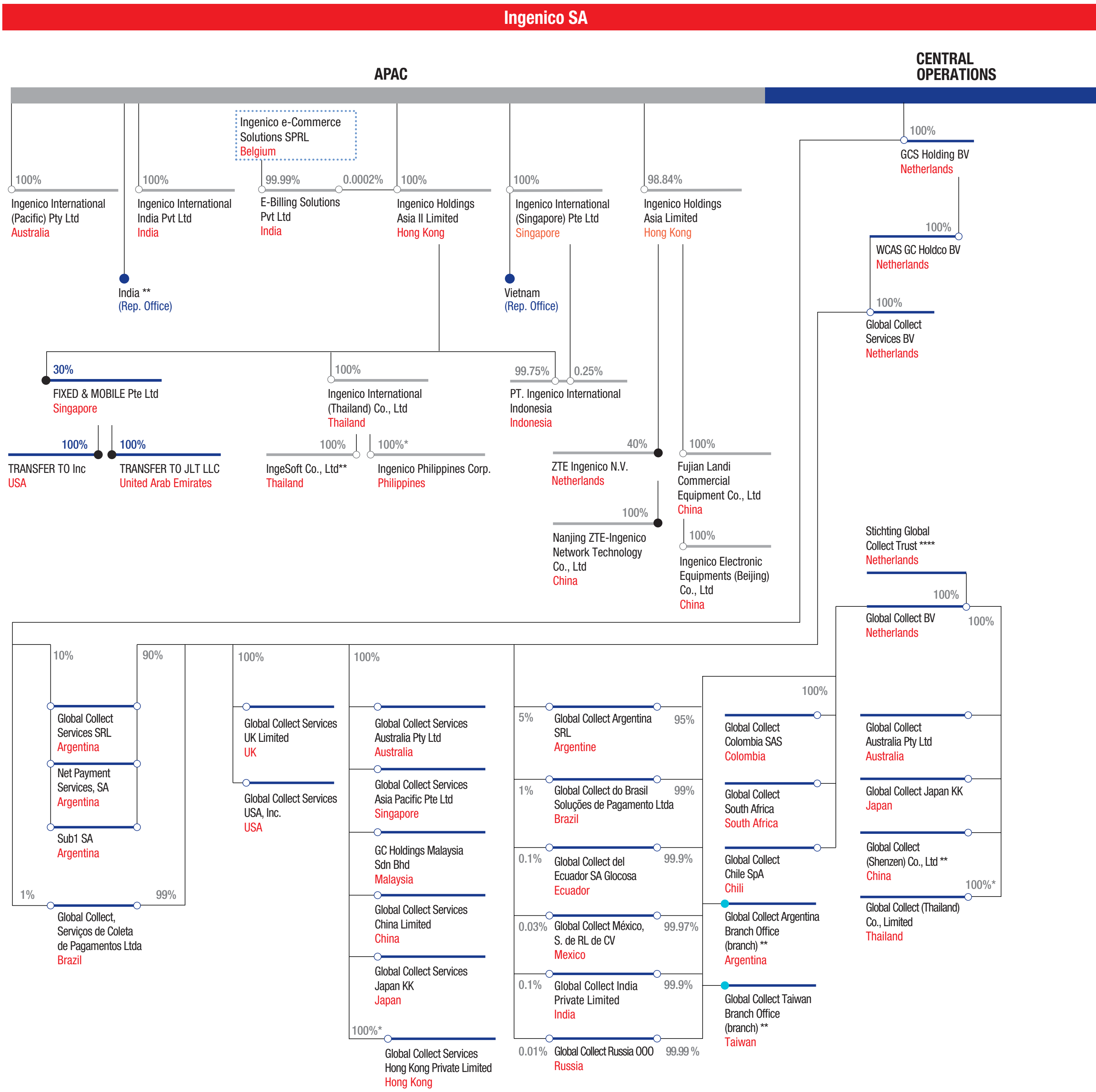
- Acquisition of Ogone (today Ingenico E-Commerce Solutions), the leading pan-European online payment services provider.
- Double-digit growth and increased profitability.
- Accelerated de-ployment of in-store, online and mobile services.

2014

TRANSFORMATION STRATEGY IN PROGRESS

- Ingenico becomes Ingenico Group and structures its offer around three commercial brands:
  - Ingenico Smart Terminals,
  - Ingenico Payment Services,
  - Ingenico Mobile Solutions.
- Acquisition of GlobalCollect, world leader in full service payment.
- Launch of Telium Tetra, a new seamless integration payment solution for in-store sales.

1.4 Organizational chart (as at December 31, 2014)



- Equity interest
- Branch
- Representation Office
- Shareholder outside the region

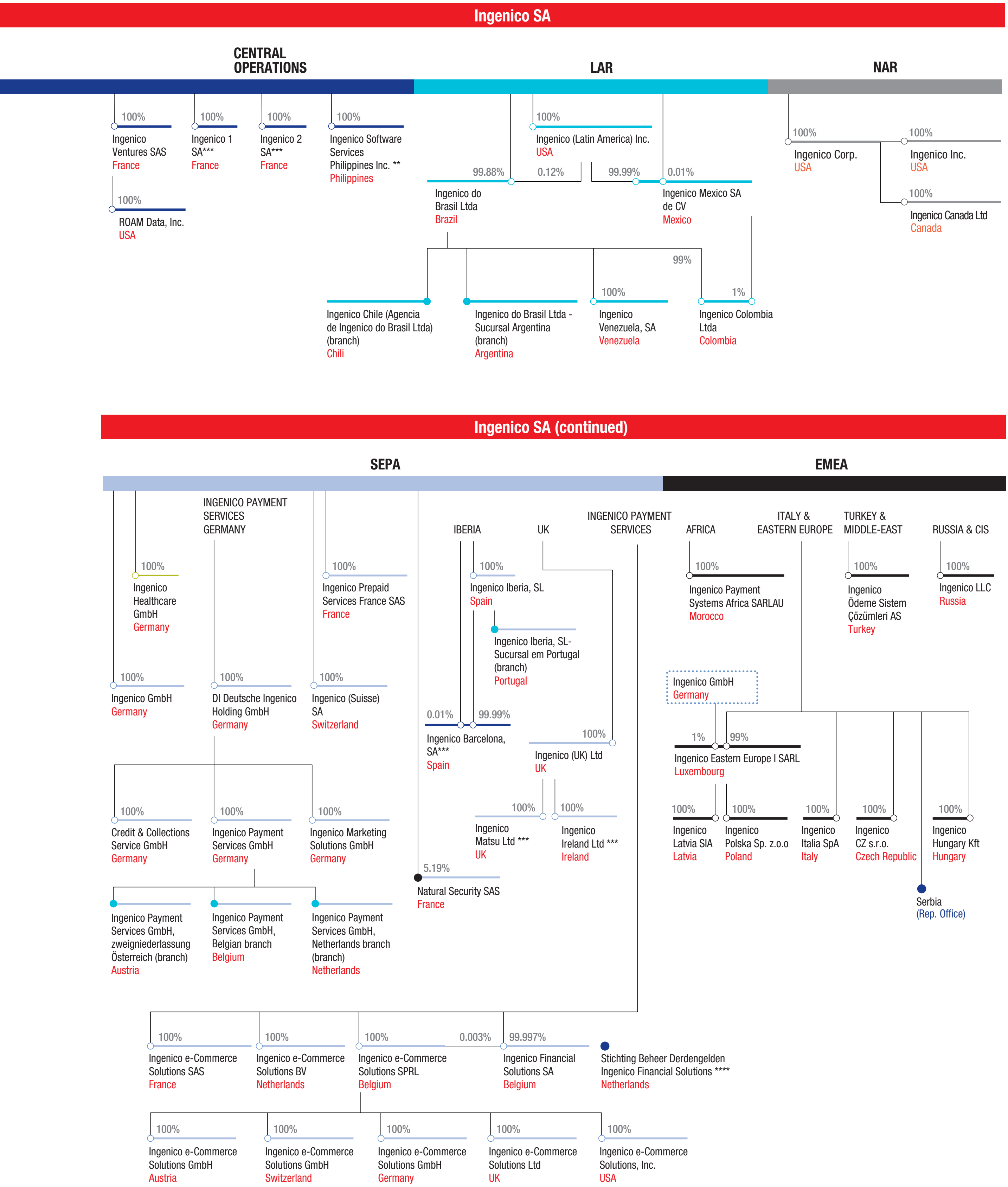
- NAR-North America Region
- LAR-Latin America Region
- APAC-Asia Pacific Australia China
- SEPA-Single Euro Payments Area
- EMEA-Europe, Middle East, Africa
- Central operations
- Health

* *Including indirect equity interest or partners*

** *In the process of liquidation or winding-up*

*** *Dormant*

**** *A stichting is a Dutch foundation used for separate management of merchants funds. It has no shareholders and is controlled by Ingenico through its board of directors.*


Ingenico SA
CENTRAL OPERATIONS
LAR
NAR
100%
Ingenico Ventures SAS
France
100%
Ingenico 1 SA***
France
100%
Ingenico 2 SA***
France
100%
Ingenico Software Services Philippines Inc. **
Philippines
100%
ROAM Data, Inc.
USA
100%
Ingenico (Latin America) Inc.
USA
99.88%
0.12%
99.99%
0.01%
Ingenico do Brasil Ltda
Brazil
Ingenico Mexico SA de CV
Mexico
99%
Ingenico Chile (Agencia de Ingenico do Brasil Ltda) (branch)
Chili
Ingenico do Brasil Ltda - Sucursal Argentina (branch)
Argentina
100%
Ingenico Venezuela, SA
Venezuela
1%
Ingenico Colombia Ltda
Colombia
100%
Ingenico Corp.
USA
100%
Ingenico Inc.
USA
100%
Ingenico Canada Ltd
Canada
Ingenico SA (continued)
SEPA
EMEA
INGENICO PAYMENT SERVICES GERMANY
100%
Ingenico Healthcare GmbH
Germany
100%
Ingenico Prepaid Services France SAS
France
100%
Ingenico GmbH
Germany
100%
DI Deutsche Ingenico Holding GmbH
Germany
100%
Ingenico (Suisse) SA
Switzerland
100%
Credit & Collections Service GmbH
Germany
100%
Ingenico Payment Services GmbH
Germany
100%
Ingenico Marketing Solutions GmbH
Germany
Ingenico Payment Services GmbH, zweigniederlassung Österreich (branch)
Austria
Ingenico Payment Services GmbH, Belgian branch
Belgium
Ingenico Payment Services GmbH, Netherlands branch (branch)
Netherlands
IBERIA
UK
INGENICO PAYMENT SERVICES
100%
Ingenico Iberia, SL
Spain
Ingenico Iberia, SL- Sucursal em Portugal (branch)
Portugal
0.01%
99.99%
Ingenico Barcelona, SA***
Spain
100%
Ingenico (UK) Ltd
UK
100%
Ingenico Matsu Ltd ***
UK
100%
Ingenico Ireland Ltd ***
Ireland
5.19%
Natural Security SAS
France
AFRICA
ITALY & EASTERN EUROPE
TURKEY & MIDDLE-EAST
RUSSIA & CIS
100%
Ingenico Payment Systems Africa SARLAU
Morocco
100%
Ingenico Ödeme Sistem Çözümleri AS
Turkey
100%
Ingenico LLC
Russia
Ingenico GmbH
Germany
1%
99%
Ingenico Eastern Europe I SARL
Luxembourg
100%
Ingenico Latvia SIA
Latvia
100%
Ingenico Polska Sp. z.o.o
Poland
100%
Ingenico Italia SpA
Italy
100%
Ingenico CZ s.r.o.
Czech Republic
100%
Ingenico Hungary Kft
Hungary
Serbia
(Rep. Office)
100%
Ingenico e-Commerce Solutions SAS
France
100%
Ingenico e-Commerce Solutions BV
Netherlands
100%
Ingenico e-Commerce Solutions SPRL
Belgium
0.003%
99.997%
Ingenico Financial Solutions SA
Belgium
Stichting Beheer Derdengelden Ingenico Financial Solutions ****
Netherlands
100%
Ingenico e-Commerce Solutions GmbH
Austria
100%
Ingenico e-Commerce Solutions GmbH
Switzerland
100%
Ingenico e-Commerce Solutions GmbH
Germany
100%
Ingenico e-Commerce Solutions Ltd
UK
100%
Ingenico e-Commerce Solutions, Inc.
USA

1.5 Activity & strategy

1.5.1 Ingenico Group, global leader in seamless payment

The key to Ingenico Group's success and strong market position has traditionally been its core business of designing and supplying payment terminals.

After merging with Sagem Monetel in March 2008 and entering the Chinese market with Landi acquisition in June 2008, Ingenico Group became the leader in the payment terminal market, which generates an estimated €3 billion worldwide. Since then, the Group has continued to expand the geographical presence of its traditional business by expanding its commercial network, in particular through the acquisition of distributors in emerging markets such as Indonesia and Russia.

In 2008 the Group decided to leverage on its market-leading position and address merchants' changing needs by expanding its offering beyond payment terminals, across the value chain, for both card present and card-less transactions. Ingenico Group began laying the groundwork for this expansion by acquiring easycash, a leading German in-store payment services provider. Then, in 2012, the Group strengthened its position in mPOS solutions with the takeover of Roam Data. Finally, with the 2013 acquisition of Ogone, European leader in online payment services, followed in 2014 by that of GlobalCollect, global leader in fully integrated online payment services, the Group accelerated its business model transformation towards services on a global scale, simplifying payment for merchants across all channels: in-store, online and mobile.

Today, the Group, global leader in seamless payment services, boasts a network of over 1,000 banks and acquirers, a presence in 170 countries, acceptance of more than 300 payment types, with more than 250,000 merchants connected to its platforms.

Thanks to its agnostic approach, the Group continues to demonstrate its strong position in the secure merchant payment services industry, in particular through partnerships concluded with PayPal in the US (2012), as well as technology partnerships with Microsoft (2013), and Samsung (2014).

In 2014, to reflect the group's evolution, Ingenico became Ingenico Group and now communicates its offering via three commercial brands: Ingenico Smart Terminals, Ingenico Payment Services, and Ingenico Mobile Solutions.

1.5.2 A global presence

1.5.2.1 Multi-local solutions

To address payment systems issues that are geographically specific (the banked percentage of the population, telecom infrastructure, number and types of credit and debit cards in circulation, growth of chain-store retail, etc.) and those derived from national payment protocols, the Group needs to stay close to its customers and partners.

The Ingenico Group strategy therefore relies on a strong local presence throughout the world, across 5 continents, in 170 countries and 88 sites. This multi-local approach is a major differentiating factor: it allows the Group to work very closely with an extensive network of local partners, providing the most appropriate solutions and services for their markets.

Finally, this international expertise enables the Group to support its customers in implementing cross-border solutions, by leveraging its global management systems.

1.5.2.2 A global organization and a strong regional presence

At the end of 2014, Ingenico Group employed more than 5,500 people worldwide, a 20 percent increase over 2013. This rise was mainly due to the integration of the GlobalCollect teams following completion of the acquisition in September 2014.

In January 2015, the Group announced a new structure to reflect the evolution of its business scope:

- creation of a new global e-payment business unit;
- creation of a global technology and platform organization;
- creation of Ingenico Labs to drive group innovation forward;
- geographical focus divided into four regions, accounting for almost 70 percent of the workforce, to provide customers with tailored solutions:
  - North America, covering the United States and Canada,
  - Latin America, covering the Latin American markets,
  - Asia Pacific & Middle East, which includes China, Southeast Asia, Australia and the Middle East,
  - Europe & Africa, which includes the areas previously designated as SEPA – EMEA.

This structure allows for faster decision-making, greater efficiency and better interaction between the Group management and the regions.

Group management is organized around an Executive Committee.

Executive Committee

The Executive Committee brings together the heads of the regional and functional entities of Ingenico Group. It is responsible for executing the strategy defined by the Board of Directors and ensuring effective communication and interaction between all Group entities. As of the date of the filing of this Registration Document, it consists of the following fifteen members:

- Philippe Lazare, Chairman and Chief Executive Officer;
- Patrice Durand, Advisor to the Chief Executive Officer;
- Pierre-Antoine Vacheron, Executive Vice-President Strategy, Performance & Finance;
- Jacques Behr, Executive Vice-President Europe & Africa;
- Oscar Bello, Executive Vice-President Latin America;
- Martine Birot, Executive Vice-President Human Resources & Internal Communication;
- Stephen Buchner, Executive Vice-President e-payments;
- Rick Centeno, Executive Vice-President Technology & Platforms;
- Thierry Denis, Executive Vice-President North America;
- Jacques Guerin, Executive Vice-President Terminals & Mobile Solutions;
- Michel Léger, Executive Vice-President Innovation;
- Patrice Le Marre, Executive Vice-President, Asia Pacific & Middle East;
- Nathalie Lomon, Executive Vice-President Finance;
- Chloé Mayenobe, Executive Vice-President Governance & Risks;
- Kesh Talwar, Executive Vice-President Payment Strategy.

1.5.2.3 An outsourced production

Since 2006, Ingenico Group's business has been based on a "fabless" model, with the manufacturing of terminals fully outsourced (except for the Chinese market) to top-tier industry partners: the Group works with two of the world's largest electronics systems subcontractors, Flextronics and Jabil. The Group regularly and rigorously audits the plants and will include social data in its audit process.

Ingenico Group is constantly striving to streamline its manufacturing process: today most plants are located in Asia (global market) and Brazil (Brazilian market). This manufacturing flexibility enables the Group to increase or decrease production to meet demand and to ensure an effective procurement policy. The natural disasters that have occurred in Asia in recent years are a testament to the reliability of this policy.

1.5.3 A trusted partner for established businesses and newcomers

1.5.3.1 Customers: from small businesses to major brands

Today, the business landscape is changing radically, with the rapid growth of mobile devices and E-Commerce. Ingenico Group supports merchants, directly for large-scale retailers, or indirectly through acquirers, financial institutions or intermediaries for small or medium-sized merchants, by enabling their customers to pay using today or tomorrow's technologies. With over 250,000 merchants connected to its platforms (in-store, online and mobile), Ingenico Group optimizes payment services for all merchants, whatever their challenges.

The financial institution / acquirer market

Acquirers are companies that manage payment service contracts with merchants: banks, electronic transaction management companies for banks, telecom operators, processors, and solutions distributors.

Ingenico Group's offering allows them to offer merchants secure payment solutions and services. The Group also provides white-label solutions to help customers, such as Barclaycard and BNP Paribas, to deploy mobile and online payment services for small merchants.

The Group works with major financial institutions with an acceptance network of more than 1,000 acquirers.

Some of the world's biggest banks, including Barclays, Crédit Agricole, Crédit Mutuel, Bank of China, Garanti Bank and Bank of America, make Ingenico Group their trusted choice. Ingenico Group also works with major acquirers such as Cielo, Redecard, Elavon, First Data, etc.

The retail market

The retail market is undergoing a major transformation. The consumer relationship is evolving rapidly: consumers are now well-informed and seek the best product, at the best price, with the most comprehensive service package available. At the same time, the diversification of sales channels (in-store, E-Commerce, mobile platform, marketplace, connected commerce) creates new opportunities for retailers, who are reinventing the shopping experience and improving their brand promise.

Ingenico Group is leveraging its strong historical position in the payment terminal market, which it has expanded to incorporate in-store, online and mobile payment services, to provide merchants with innovative, secure and seamless solutions to meet the needs of a new generation of consumers.

The Group partners with 70 percent of the world's thirty largest retailers and major multisite brands worldwide, and counts Ikea, Walmart, Starbucks, Home Depot, Best Buy, Fnac, Coles and McDonalds among its customers.

Vertical markets

The Group also directly or indirectly serves many other vertical market segments, with dedicated solutions to meet their specific needs:

- transportation: travel agencies, ticketing kiosks, car parks, etc.;
- petroleum: self-service pumps and stores at service stations;
- digital: digital products and services (music, movies, social networks, etc.), a segment increasingly catered to by the Group since the acquisition of GlobalCollect;
- hotels and restaurants;
- automated distribution.

1.5.3.2 Neutral and agnostic, an asset with new entrants into the payment ecosystem

Ingenico Group positions itself in the center of the merchant-consumer relationship as a facilitator for the development of payment solutions, building new sources of revenue for merchants while also ensuring a personalized, seamless and unique consumer purchasing experience.

By establishing partnerships with newcomers to the payment services market, Ingenico Group demonstrates its ability to develop cutting-edge innovations and new payment methods. The most innovative companies, including Apple, Google, PayPal, and Samsung, work alongside Ingenico Group to design and develop new and ever more groundbreaking customer experiences by leveraging the Group's vast payment network.

1.5.4 A comprehensive payment services offering whatever the channel

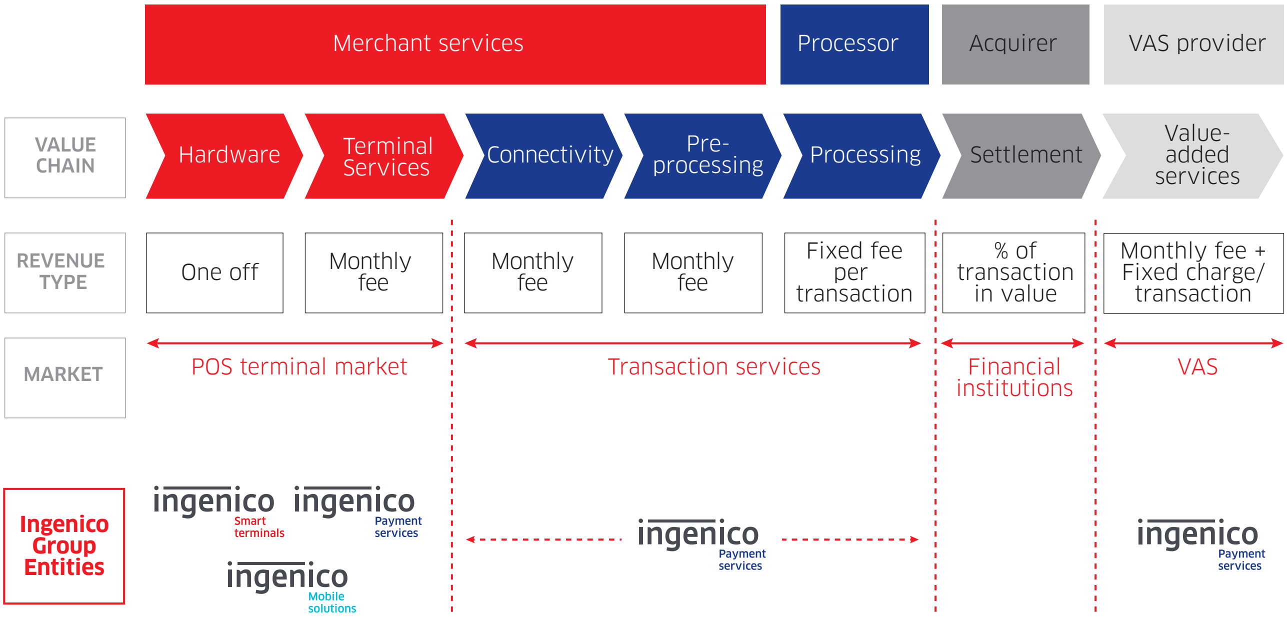
At a time when consumers are constantly switching between channels in order to find the right product at the right price, merchants need flexible payment services to offer the best purchase experience. Payment channels are becoming increasingly interconnected and complex and, as a result, require new expertise. The payment environment is therefore also becoming more complex, with more methods of payment and points of interaction between merchants and consumers (in-store, online, mobile).

In this complex ecosystem, the combination of the Group's expertise in-store gateway (Axis), processing (Ingenico Payment Services), and E-Commerce services (Ingenico E-Commerce Solutions) with cross-border E-Commerce solutions (GlobalCollect), allows the Group to provide a global and comprehensive offer - a key differentiating factor.

1.5.4.1 In-store

Ingenico Group offers banks, merchants and payment service providers comprehensive, centralized and secure management of their electronic payment terminals and transactions so they can optimize payment system operating costs, efficiently manage payment flows, address ever-tightening security requirements and generate new revenue streams. The Group is responsible for the security, control and surveillance of the entire payment process.

Ingenico Group therefore promotes centralized transaction flow management to ensure optimal service quality and integrity from payment terminal to acquirer.



Pioneer in the payment terminals industry for 35 years, Ingenico Group provides applications and secure solutions based on a unique proprietary operating system (Telium) for merchants of all sizes. The Group provides its customers with a broad portfolio of 2,000 applications and accepts more than 300 payment methods.

The solution is organized around the following:

- payment terminals and applications;
- the management of installed terminals, including security application updates;
- connectivity, ensuring the terminal-to-bank host connection;
- comprehensive, 24/7 after-sales service taking charge of every phase in the lifecycle of terminals and software, from installation to upgrades and maintenance;
- centralization of transactions (Axis);
- end-to-end security – from terminal to bank or processor; and
- value-added services.

What differentiates the Group is its ability to meet both its banking and retail customers' need for optimized, cross-border and international solutions through its presence in many countries, and its payment service offering supported by easycash's expertise in payment services and PCI-DSS certified global platform.

The Group's aim is to make the most of regulatory changes, especially in Europe, with the implementation of the Payment Services Directive (PSD) and the introduction of the new Single Euro Payments Area (SEPA).

In addition, the Group also has a full range of customer loyalty solutions to increase merchant revenue, including: loyalty card and loyalty program management, prepaid card and gift card management, customer data analysis, marketing campaign management. These marketing solutions are available in eight European countries and are being used to manage over 130 card programs.

1.5.4.2 Mobile

By accepting payments anywhere – in stores, in pop-up shops, on airplanes – merchants with mobile payment services will be able to reach mobile consumers wherever they are and thus ensure their loyalty.

Ingenico Mobile Solutions has combined the Group's know-how with Roam's expertise to develop a brand-agnostic white-label mobile platform, to enable customers of all sizes to quickly and easily deliver secure mPOS solutions at low costs. This wide range of mobile payment services meets the specific needs of all types of merchant, including the world's largest brands, such as the IMSP deployed in Apple Stores. At the same time, through our white-label solutions, acquirers, processors and telecom operators can offer mobile services to smaller merchants.

Ingenico Mobile Solutions is organized around the following:

- mobile POS for all types of market (Chip&Pin, Swipe&Sign etc.);
- merchant mobile application;
- security management;
- third-party/platform interface;
- mobile payment gateway (payment connectors and pre-processing);
- the management of installed terminals;
- loyalty programs.

1.5.4.3 Online

While the internet is by definition borderless, global E-Commerce is by no means uniform: many factors determine the success or failure of cross-border trade. The different regulatory environments, internet access, consumer preferences and local payment methods contribute to the complexity of international commerce. With the acquisitions of Ogone (January 2013), a leader in online payment services, and GlobalCollect (September 2014), world leader in integrated online payment services, Ingenico Group now offer online payment services for merchants of all sizes.

Online payment services for small- and medium-size merchants

With more than 150 international and local payment methods, the Group online payment services allow merchants to manage and secure their online payments and digital transactions, whether these are made in-app, by bank card or using alternative payment methods (digital wallets, QR code, etc.). Accessible online or with a mobile device, this solution enables acceptance of any form of payment quickly and securely: in this way, merchants can increase their sales, reach more consumers, and protect their businesses against online fraud.

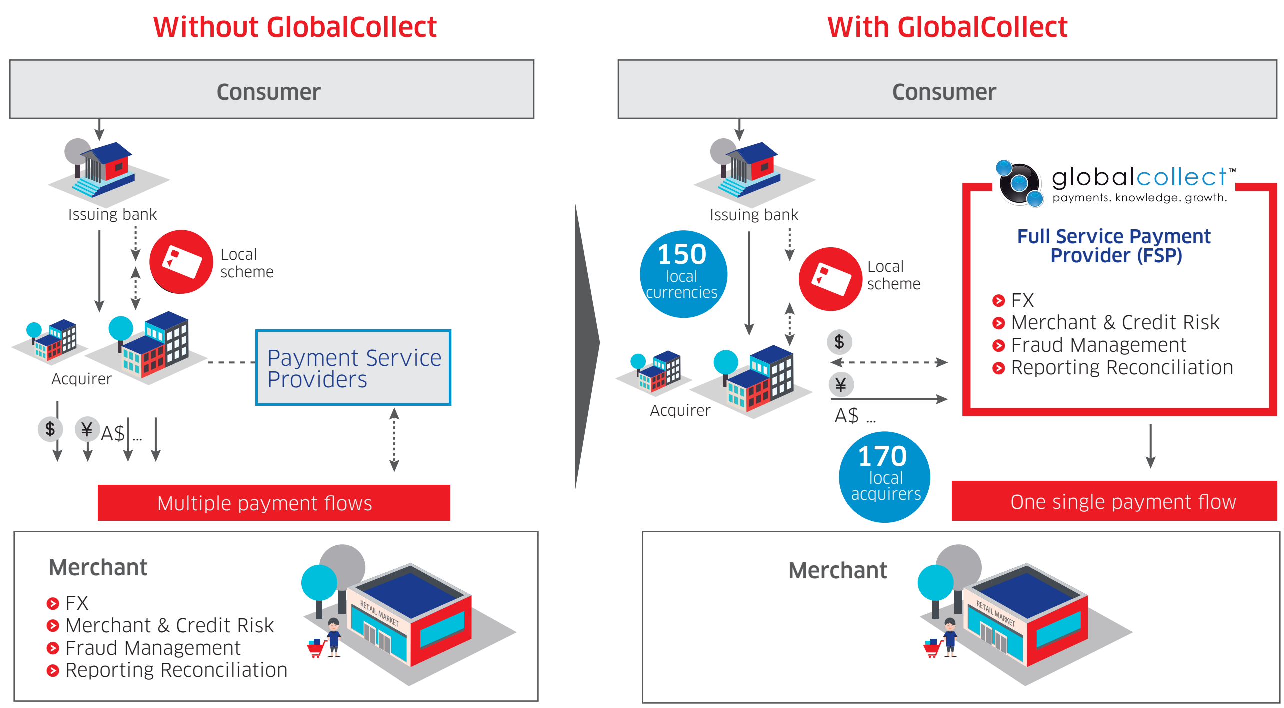
Ingenico Payment Services works directly with large merchants like Fnac, as well as with banks, acquirers, and payment institutions through white-label solutions, such as the service launched with Barclaycard in 2012. The solution is organized around the following:

- flexible payment gateway;
- advanced fraud management system;
- collecting services with an e-money license;
- online and mobile wallet;
- 24/7 system monitoring;
- support in several languages;
- project management.

Comprehensive payment services for large multinational companies

With GlobalCollect, Ingenico Group now offers comprehensive payment services for large multinational companies and companies with a strong online presence looking to expand into new regions. Outsourcing payment processes removes complexity with a single commercial and technical interface that takes care of risk management, FX management, settlement of funds against approved orders, reporting and remittance of collected funds.

With a presence in 170 countries and boasting acceptance of 150 local payment methods, GlobalCollect has developed recognized expertise in payment services, especially in cross-border E-Commerce, enabling brands to sell their products online and worldwide.



1.5.4.4 Cross-channel

Due to a growing number of interactions between consumers and merchants, Ingenico Group decided to introduce a multi-channel offering that gives customers a fluid shopping experience through various channels while making payment easy and fast.

The combination of Ingenico Group expertise in in-store transaction management (Axis), processing, Ingenico Payment Services (formerly easycash), and online payment services, Ingenico E-Commerce Solutions (formerly Ogone), together with the cross-border E-Commerce solutions (GlobalCollect), allowing the Group to offer comprehensive solutions across all sales channels.

	Merchant	Transaction "gateway"	Collecting	Acquiring	Reporting / fraud
IN-STORE		ingenico Payment services		Mainly financial institutions ingenico Payment services (local)	ingenico Payment services
ONLINE		ingenico Payment services	globalcollect™ payments. knowledge. growth. (global) ingenico Payment services (local)	Mainly financial institutions	ingenico Payment services globalcollect™ payments. knowledge. growth.
MOBILE		ingenico Payment services ingenico Mobile solutions	globalcollect™ payments. knowledge. growth. (global) ingenico Payment services (local)	Mainly financial institutions	ingenico Payment services globalcollect™ payments. knowledge. growth.

1.5.5 Technology, expertise and security

Ingenico Group's ambition is to reduce the ecosystem's growing complexity while allowing merchants to increase their sales, whatever the channel, through smart and secure payment services.

1.5.5.1 Security, Ingenico Group's DNA

Security is a key factor in terminal design and a priority in every service offered. Payments are being made in new ways, becoming digitized, and make the role of security ever more important. The R&D department has a team that is dedicated exclusively to security research, and is responsible for anticipating changes in standards. The Group continuously monitors compliance with the latest international and local standards, but it is also involved in creating them – whether for card services (*e.g.*, PCI-SSC, EMVco) or digital solutions (W3C).

Always at the cutting edge of secure payments, and obtaining regularly new certifications reinforcing requirements related to the security, Ingenico Group offers its customers an unparalleled level of security. The Group was the first payment services provider to obtain PCI-PIN Transaction Security version 4.0 approval, the highest security standard in the industry.

In addition, the Group was one of the first player in 2014 to obtain the PCI DSS end-to-end encryption certification. At the same time, the Group has been a member of the Board of Advisors of the PCI Security Standards Council, a forum for the development of payment card security standards and has recently joined the new Web Payments Interest Group/W 3C in order to profit from the unique ability of the Web to bridge ecosystem diversity and reach users anywhere, on any device.

1.5.5.2 EMV, historical expertise

Ingenico Group began 35 years ago in France, the country which invented the chip card. All the payment and secured transactions management culture related to the EMV standard are in the Group's DNA. This standard has been widely adopted throughout the world and the United States has begun moving towards it. According to EMVCo estimates in late 2013, 83 percent of terminals around the world (outside the US) use the EMV standard. Beyond its leading position in EMV Chip & Pin payment services, Ingenico Group is also involved in EMV migration as a Technical Associate representative to EMVco's Board of Advisors.

1.5.5.3 Telium Tetra, single platform

Building on the architecture brought in by Sagem Monetel, Ingenico Group has developed a new platform deployed across the entire new range of terminals. By focusing on a single operating system – Telium – across the globe, the Group has the flexibility to develop universal payment services and loyalty solutions for customers looking to cover several countries.

Today, consumers want a fast, simple and secure purchasing experience, regardless of the technology or device they use. This increases the complexity for merchants eager to build a unique consumer experience to secure sales as soon as consumers have made their purchasing decision, increase conversion rates and offer value added services that support their brand promise.

To meet with these new challenges, at the end of 2014, Ingenico Group launched Telium TETRA, the first fully integrated commerce ecosystem where secure payment and an open world of business app are combined. This combination enhances the consumer experience and creates further value for the Group's customers. Telium Tetra encompasses the following features:

- the new Telium Tetra operating system;
- a new range of terminals: desk/lane/move;
- access to more than 2,500 payment applications;
- the "Estate Manager" platform to manage installed terminals;
- a "Marketplace" that hosts third-party business applications developed for merchants and their customers (couponing, digital marketing, cash register, etc.).

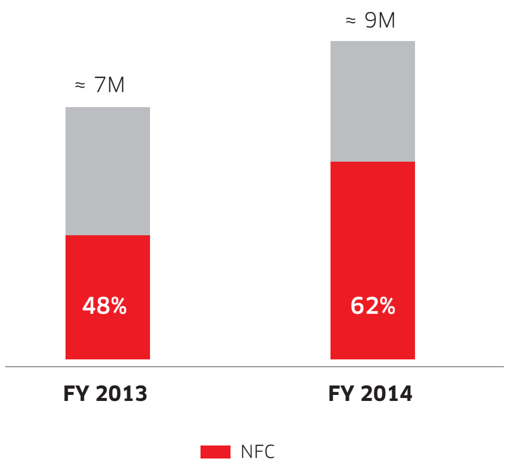
1.5.5.4 Terminals, increasingly sophisticated

In a more complex payment environment where merchants need to bring new and innovative purchasing experiences to their customers, the degree of sophistication of new payment devices increases regularly. This evolution is akin to that of the mobile phone world: screens are larger, terminals are more mobile and can support new applications.

This is why Ingenico Group continues to expand regularly its range of terminals with, for instance, the successful launch in 2012 of its mobile terminals range (iSMP and iWL series) and, more recently, the range of Telium Tetra terminals. Generally speaking, these terminals are even more compact and incorporate the latest functionalities (touch screens), and meet the multi-country and multi-channel needs of all customers.

In addition, in 2009, the Group was the first to integrate NFC (Near Field Communication) contactless payment technology, which is ideal for reducing transaction time when paying small amounts by card or mobile phone. Ingenico Group's NFC solutions also provide access to coupon offerings and loyalty programs. In 2014, Ingenico Group continued to roll out NFC-enabled devices, with more than 60 percent of terminals sold to merchants and banks using this technology, against just under 50 percent in 2013. The entire new range of terminals includes this contactless technology, which customers can choose to activate if desired.

Continued growth in the number of contactless terminal units sold each year by the Group



1.5.6 Innovation at the heart of the strategy

Innovation is required to stay ahead and to continue to help merchants in the constantly changing world of commerce. It allows the Group to better respond to changing consumer lifestyles and changing interactions between merchants and their customers, whatever the channel. For instance, it enhances the consumer's in-store experience *via* mPOS, developed in Apple Stores, or can speed up donations made online or *via* a terminal through the integration of payment solutions in connected objects.

Ingenico Group's innovation strategy is based on:

- internal R&D;
- selective partnerships;
- targeted acquisitions.

The dynamic internal R&D team is the backbone of the Group's technological advances, and is bolstered by innovative resources stemming from the Group's partnerships. Together, they generate the fast turnaround required to respond to the evolving market. In early 2015, Ingenico Labs was created to support innovation Group-wide.

1.5.6.1 Internal R&D

Internal Research and Development (R&D) is at the heart of the Group's work on innovation and improvement of its products and services.

The Group commits the significant means at its disposal to innovation and R&D to maintain its leading position in the payment services market, where technological and regulatory changes occur constantly, but also to develop seamless payment services for merchants looking to simplify payment methods while facilitating the payment experience for consumers. In 2014, the Group continued to invest significantly in R&D, spending close to 8 percent of its revenue and dedicating more than 25 percent of the Group's workforce to RRD.

The Group holds patents for all of the technologies essential to its business lines, in particular related to terminals, software and security. The patent development policy combines in-house R&D with intellectual property rights acquired from third parties.

More than 50 percent of R&D engineers are based regionally, allowing the Group to be closer to its customers' needs.

With multiple interaction points between the corporate and local R&D teams, the Group ensures that each region develops applications tailored to the specific requirements of its market. This has enabled the Group, for instance, to:

- deploy over eleven million contactless terminals since 2010;
- deploy the iSMP for Apple, a multiple payment device (EMV chip and PIN cards, magnetic stripe cards, and contactless cards) that works with the Apple iPhone® or iPod Touch®. The iSMP combines the sale and payment in one transaction, increasing cash-out capabilities, and significantly reducing payment transaction time;
- work towards financial inclusion in South East Asia and Africa, and more specifically in India with Fino, to enable the unbanked population to access financial services and start small business;
- launch a new range of devices in Turkey, in early 2014, that combine payment, cash register and fiscal memory functions, in response to the market reorganization required by the Turkish State.

1.5.6.2 Selective partnerships

Together with the Group internal R&D, the Group regularly enter into technological partnerships in order to quickly position the Group in high-potential market segments. That is why the Group has partnered with:

- Atmel for the silicon in secure processor cores;
- Morpho to integrate biometric features in our terminals;
- other partners for non-payment technologies such as color touch screens, secure keypads, communication modules, etc.

At the beginning of 2015, the Group began its partnership with Venture Capital to launch Partech Growth. The aim of this investment is to foster the sharing of ideas, experience and expertise. It is also likely to lead new partnerships."

1.5.6.3 Targeted acquisitions

In a fast-moving market, the best and most efficient way to respond to the Group's customers' needs is to acquire the technology or the expertise required. Through a series of targeted acquisitions, including Ogone (2013) and, more recently, GlobalCollect (2014), Ingenico Group have created a complete end-to-end suite of multi-channel solutions covering in-store, online and mobile payment.

The 2014 acquisition of GlobalCollect marked the acceleration of the implementation of this global strategy.

1.5.7 Payment industry, a competitive market

1.5.7.1 In-store

A concentrated payment terminal market

› Market consolidation

The payment terminal market has been consolidated in recent years, mainly through five major business deals:

- Verifone's acquisition of Lipman in April 2006;
- Ingenico and Sagem Monétel's merger in March 2008;
- Hypercom's purchase of the Thales e-Transactions unit in April 2008;
- Verifone's buyout of Gemalto's payment terminal business in December 2010;
- Verifone's purchase of Hypercom's business (excluding the US, Spain and UK) in August 2011.

Following these transactions, the market is consolidated around two key players representing about 80-85 percent [(1)] of the total market value in 2014. The Group also competes with local players (including Pax in China).

In 2014, Ingenico Group consolidated its leading position, with an estimated market share of around 45 percent [(1)] of the payment terminal market and nearly 27 million terminals installed worldwide.

› High barriers to entry

Ingenico Group operates in both local and multi-global environments. Its payment terminals and secure transaction systems must not only be certified to meet global standards – mainly those defined by the Payment Council Industry – but must also obtain the mandatory regional certifications for the various applications used in each country.

In addition to these regulatory constraints, other obstacles include regional differences regarding payment habits and bank/acquirer demand for specific applications.

Ingenico Group's large portfolio of applications is a significant asset: it manages over 2,500 applications for its customers.

› Mobile payment services market expanding the traditional market

The development of intelligent mobile platforms (smartphones and tablets) has brought new solutions to providers, such as Square, onto the North American market. These providers' solutions enable payment transactions *via* smartphones or tablets, targeting an, until now, underdeveloped market that consists of the sale traders, pop-up retailers, mobile business-owners and artisans.

The solutions currently available are not always in line with global and local regulatory requirements, especially in relation to security, and, in general, do not offer the universality of payment terminals.

These new methods of payment have revitalized the electronic payment market and benefited the micro-business sector for which the Group provides solutions through Ingenico Mobile Solutions.

A local and fragmented payment processing market

The in-store electronic payment processing market is a key market, but it is local and fragmented and possesses strict barriers of entry. Indeed, each country has its own payment protocols and applications, every type of merchant has different needs and consumers also have different payment habits (for instance: local credit cards or debit cards). In addition, payment processing is generally integrated into a global IT infrastructure and requires specific developments.

Many local players co-exist, such as Ingenico Payment Services (formerly easycash) in Germany, Nets and Point (Verifone) for small merchants in the Nordic countries, Ingenico Payment Services (formerly Axis) and Atos Worldline in France, and the Logic Group in the UK for most major brands.

With regulatory changes and the implementation of the new European payment market (SEPA), large retailers need to standardize and manage their card payments based on European standards. As a result, it is more and more important for a payment platform to be able to manage cross border transactions.

The size of this market is increasing across the world, as the electronic payment industry matures, and is driven by two main pillars: the development of electronic transactions in emerging countries and the expansion of payment infrastructure outsourcing in mature countries. This phenomenon is fostered by the growing complexity of the payment ecosystem and increasing security requirements, which are pushing merchants to work more and more with providers like Ingenico Group.

1.5.7.2 Mobile, a nascent market

The promising mobile payment market is at a startup phase.

Like in-store and online payment, mobile payment platforms need to be connected to as many acquirers and payment schemes (and more specifically local schemes) as possible. This is one of the main differentiating features among players.

While the market is now composed of a multitude of very local players, it is likely that mobile payment expansion will result in market consolidation and the emergence of a few main players.

(1) Market share in value terms and at constant exchange rates, based on revenues from the terminal business (hardware and maintenance) published by the Ingenico Group and Verifone.

1.5.7.3 Online payment, a growing market

The very strong organic growth registered by the online payment processing market is related to E-Commerce expansion. The two key differentiating factors between players are the number of methods of payment accepted and the additional services available to customers, for instance fraud management.

The online payment market is also local and fragmented, for the same reasons as the in-store payment market, as described above. As a result there are a number of players in the market and these vary from one country to another. Key players include WorldPay (UK), Wirecard (Germany), and Ingenico Payment Services (Europe).

The online collection market is conversely a niche market, with three main players: WorldPay, GlobalCollect and Adyen.

1.5.7.4 Cross-channel, the emergence of a new market

The interaction of all three payment channels (in-store, online and mobile) is now a key challenge for all merchants, whatever their size.

However, there are currently very few cross-channel payment solutions. Indeed, few players from the physical world are present in the online payments market, while few online payment players have a presence in the physical market. When this offering exists, it tends to be limited to a very small number of countries.

Thanks to its historical expertise in in-store electronic payments and its acquisitions in mobile and online payments, Ingenico Group is very well positioned to meet these new challenges and is already fully engaged with the cross-channel transactions market.

1.6 Risk factors

Ingenico Group believes that, on the date of this Registration Document, the risks described below are those that are likely to affect its business or results. The risk review performed by Ingenico Group has revealed no significant risks other than those described below that, were they to occur, could affect the Group's business, its sales and business operations or share price. Investors should, however, be aware that there may be other risks that were not identified on the date of this Registration Document or whose occurrence was not deemed likely to have a significant adverse effect on said date.

The Audit and Finance Committee periodically reviews and conducts assessments of potential risks that could adversely affect the work carried out within the Group, as well as the suitability of the procedures in place. The Committee conveys its main findings to the Board of Directors.

The process for risk management is detailed in the Report of the Chairman of the Board of Directors on corporate governance and internal audit and risk management procedures as provided under section 3.1 of this Registration Document.

1.6.1 Business and strategic risks

Risk of not meeting targets

The Group's financial performance depends on a variety of factors, and specifically on its ability to do the following:

- increase revenue from the Group's traditional payment terminals business;
- increase revenue from the Group's services business, in particular *via* the development of Ingenico Payment Services and the integration of GlobalCollect, the internationalization of online payment and mobile payment transaction management services and the sales of these value-added services;
- maintain profit margins on the payment terminals business;
- streamline and effectively leverage the technical infrastructure and platforms used for Transaction Services;
- control operating costs and development cost for services and softwares.

The Group's financial management carries out monthly performance analysis and regular earnings forecasts and regularly informs the Board of Directors of results and any changes.

However, the Group's business, results of operations and financial position could be affected:

1) if the Group fails to achieve all or some of its targets;
2) if prices in the payment terminals market decreased significantly and continuously;
3) if growth in demand for payment terminals slowed significantly;
4) if the volume of business in Transaction Services decreased significantly.

Risk that additional financing will be needed

The Group could require additional financing, for example:

- if the Group maintains its policies of expanding through acquisitions in order to develop synergies with its traditional business (payment terminals), to acquire installed terminal populations to accelerate the implementation of its service strategy, or to purchase payment technologies that complement payment terminals (*i.e.* online and mobile technologies);
- if technological changes compel the Group to invest substantially in new technology and new terminal and service offerings;
- if revenue and margins contract as a result of events over which the Group has no control;
- or, more generally, if the electronic payment market undergoes major change.

The Group cannot always be sure that is has adequate financing in place at the right time, and without it, its ability to grow could be adversely affected. However, the Group does have unused sources of financing as described in Note 4 to the Consolidated Financial Statements as of December 31, 2014 and has also introduced a decision-making process designed to anticipate future needs.

Risks related to the Group's dependence on specific suppliers

The Group has entirely outsourced the production of its payment terminals to specialized leading electronic assembly companies known as EMS (External Manufacturing Services). The Group currently works with two of the world's five leading electronic sub-assembly subcontractors, Flextronics and Jabil, which handle the bulk of its production work. If they were to fail to meet their commitments, Ingenico Group would turn to other previously identified suppliers and is in a position to shift production among suppliers in a relatively short time period. Although the geographical spread of the various EMS production facilities in Brazil, Malaysia, Russia and Vietnam takes geopolitical and natural risks into account, the Group cannot guarantee that in the event of major political problems, a shift in production site would not generate temporary hardware manufacturing difficulties.

Risks related to the Group's dependence on specific customers

Although the Group sells to a large number of customers, some generate a significant portion of its revenue. The Group's top customer, top five customers and top ten customers accounted for 5.7 percent, 13.7 percent and 19.4 percent of its revenue respectively in the year ended December 31, 2014. A loss of, or decrease in, business with one or more of these customers could result in a proportional reduction in total revenue.

	2014		2013		2012	
	€m	% of revenue	€m	% of revenue	€m	% of revenue
Revenue derived from the top customer	92.1	5.7%	51.3	3.7	71.5	5.9
Revenue derived from the top five customers	220.0	13.7%	155.0	11.3	200.1	16.6
Revenue derived from the top ten customers	311.8	19.4%	248.0	18.1	292.1	24.2
GROUP REVENUE	**1,607.3**		**1,370.9**		**1,206.4**	

Component sourcing risk

The Group is dependent on adequate component sourcing from its EMS payment terminal manufacturers. Because component shortages are a clearly-identified risk in the electronics industry, the Group takes all due care to monitor industry forecasts, and the Operations Department checks those forecasts against the Group's sales forecasts in order to anticipate the risk of component shortages. To better anticipate sourcing disruption risks caused by shortages, supplier failures or natural events, a multi-sourcing policy is consistently applied where possible and in certain cases security stocks are created for critical components. Moreover, some key suppliers are required to have two production sites for sensitive components. These preventive measures introduced by the Group cannot, however, entirely eliminate the risk of component shortages.

Risks related to hardware manufacturing

A single operating or manufacturing defect or the use of faulty components in any of the Group's products and systems could result in product liability lawsuits of variable importance.

The Group has established a quality check designed to reduce the related risk at EMS sites and believes there are no risks that would require for that provisions in the Consolidated Financial Statements as of December 31, 2014. However, any claims related to such defects could damage its reputation and adversely affect its business, results of operations, financial situation and ability to meet its objectives.

Risks related to transaction service provision and to service availability

In the context of developing its business in Transaction Services, Ingenico Group makes increasing use of several service providers for its platforms, particularly Ingenico Payment Services, GlobalCollect, Ingenico Marketing Solutions, Axis, and ROAM Data.

Providers are selected through competitive bidding on the basis of Ingenico's operational and financial specifications. The Group's relations with its service providers are contractually stipulated. However, any failure on their part to provide the services regularly required by the Group's operations, particularly with respect to online and point-of-sale payment capabilities, could affect Ingenico Group's service business and its customer relationships.

Counterparty risk

The growth of Transaction Services, particularly the acquisition business, exposes the Group to counterparty risk. If a merchant defaults and is unable to meet its service obligations to end customers, the Group might be required to reimburse those customers for certain payments to the merchant, with no guarantee of recovery from the latter.

In 2013, the Group developed a methodology for performing a detailed analysis of the risks associated with each type of service it offers in order to improve risk monitoring and be able, if necessary, to better calibrate the guarantees demanded of counterparties more effectively. The primary purpose of this approach is to limit the impact of counterparty risk on the Group.

Risks due to fraud and unethical practices

Payment terminals play a central role in ensuring the security of sensitive data transfers and electronic payment transactions. Ingenico Group manufactures terminals that incorporate cryptographic technology and comply with PCI-PTS (Payment Card Industry – PIN Transaction Security) security standards. The Group has established a procedure for tracking terminal quality and security throughout the production process at EMS sites. Notwithstanding all these security measures, it can make no assurances that Ingenico Group terminals are completely secure, even though they were certified at the time of manufacture. Any security breach or any claims with respect to the security of its terminals could therefore damage its reputation and adversely affect its business, results of operations, financial position and ability to meet its objectives.

In 2012, Ingenico Group implemented a fraud risk map, which identifies the contributors and tools intended to address the Group's risks of internal and external fraud. The method used to analyze and prevent fraud risks falls under the responsibility of the Governance and Risk Department. In addition, "anti-corruption" training sessions continue to be held for selected employees (including management).

However, in spite of the risk assessment procedures introduced by the Group, zero risk does not exist. If any of these risks did materialize, it could adversely affect Ingenico Group's business, results of operations, financial position and ability to meet its objectives.

Risks related to a global business

Ingenico Group markets its products and services in more than 120 countries around the world, and intends to grow its business in China, India, Africa, Turkey, Russia, the Middle East and Southeast Asia.

The primary risks associated with its international business operations are the following:

- local economic and political conditions;
- exchange rate fluctuations;
- restrictions on capital repatriation;
- unexpected changes in the regulatory environment;
- a variety of tax regimes that may adversely affect the Group's results of operations and cash flow, particularly regulations on transfer pricing, and withholding taxes on the repatriation of funds and on other funds transferred by the Group's joint ventures and subsidiaries;
- import restrictions;
- customs duties, controls on exports of goods and services and other trade barriers.

The Group carries out an in-depth review of each country, studying the market and assessing possibilities for starting up operations. Consistently strict terms of payment are applied, especially in countries in Africa, the Middle East, Southeast Asia and Eastern Europe.

Despite the procedures introduced by the Group, it cannot fully guard against or provide coverage for these risks, and may experience difficulties in any one of the countries where it does business. This could adversely affect its overseas employees and/or its results.

Risks related to the Group's expansion

The Group's development strategy involves both external growth transactions, such as acquisitions of businesses or companies, and the expansion of its existing businesses. All investments are carefully analyzed and reviewed according to a very strict internal policy, but the Group can make no assurances that the profitability assumptions underlying investment projects will all be fulfilled or that the process of integrating the acquired or merged companies will be successful. As a consequence, the expected benefits from any future or completed external or internal growth efforts might not be realized within the expected periods or at the predicted levels, thus impacting the financial position of the Group.

The Group must also maintain an ability to adapt its structures swiftly in order to adjust to changing technology, payment methods and customer demand. The Group might fail to invest in products and services that respond to demand at competitive prices or to adjust its products and services, costs and organization structure in a timely fashion and might have trouble completing specific critical projects. Such developments could adversely affect its business, results of operations and ability to meet its objectives.

Human Resource risks related to the Group's evolution

Initially a supplier of payment terminals, the Group is increasingly becoming a provider of solutions – a shift that must be actively engineered.

Aware of the human resources challenge posed by its strategic development, the Group initiated a program to update and upgrade the key skills of its employees, by strengthening the HR functions, training the sales force and R&D staff, and recruiting fresh talent and people from the service sector. In addition, the Group revised its bonus pay programs to boost growth in the payment service business, in line with the approach taken in the payment terminal business. Lastly, Ingenico Group makes extensive use of internal communication to ensure that all employees take the new business model on board.

Despite these initiatives, key people loss could delay the successful implementation of the Group's strategy.

Risks related to information technology systems

The Group's information technology systems are at risk from attacks (viruses, denials of service, etc.), technical faults causing interruptions to IT tools, and theft of data. The Information Technology Systems Department is in charge of security for the networks and systems as well as the applications essential to the Group's activity, and performs periodic penetration tests or back-ups. Despite such vigilance, any one of these incidents could have a negative impact on the Group's business and performance.

The introduction of new technologies (cloud computing, Bring Your Own Device), the evolution of industrial control systems, and the development of new tools such as social networks, expose the Group to new threats. Computer hacking and attempted breaches are increasingly targeted and carried out by real experts who can attack the company as well as its private or public partners. More generally, a systems failure could lead to the loss or leaking of information, delays, and additional costs that could affect the Group's strategy or its image.

In response, the Group has implemented IT security measures that are tailored to the risks identified. Together with its internal control and security policies, these organizational, functional, technical and legal security measures are subject to annual audits.

Risks related to personal data protection

Within the context of some of its activities, the Group must collect and process personal data. The French Data Protection Act of January 6, 1978 imposes obligations on those responsible for data processing (*i.e.*, on the entity that determines the purposes of data processing and data processing procedures). Any breach of these obligations could result in criminal or financial sanctions against the Group and damage its reputation.

The Group has taken steps to ensure the reliability of its data protection and security systems, and to reduce any risks caused by a breach of security or of the personal data it processes.

Despite the measures taken by the Group to protect data privacy and security, there remains the risk that data processing systems may be hacked or breached, which could lead to sanctions and damage its reputation.

1.6.2 Environmental risks

Environmental risks associated with the Ingenico Group's business derive mostly from increasingly stringent environmental laws and regulations. Should Ingenico Group fail to comply with current regulations, it could be required to pay fines and the authorities could even prohibit the marketing of the products it sells.

To address these potential environmental risks, which could harm Ingenico Group's reputation or its results, the Group has developed an ISO 14001-certified environmental management system. As part of this system, Ingenico Group has established an environmental risk prevention policy. This policy includes an environmental regulation monitoring mechanism to help it anticipate changes in regulations that affect the way it does business.

Risk related to restrictions on the use of hazardous substances and preparations

With regard to supplier and subcontractor relationships, Ingenico Group has instituted measures to ensure compliance with EU Directive RoHS 2, which restricts the use of six substances deemed hazardous to health and the environment. All Ingenico Group products delivered in 2014 complied with this directive.

Under REACH rules, Ingenico Group closely monitors all updates to the list of "Substances of Very High Concern" established by the European Chemicals Agency (ECHA). The Group requires that none of the components delivered by its suppliers contain such substances. Certificates from its suppliers are required by Ingenico Group for any component considered at risk, and laboratory tests are conducted on certain components or whole products.

Risk related to the disposal of waste electrical and electronic equipment (WEEE)

To reduce the risk of uncontrolled pollution, the Group makes sure that collection and recycling programs for end-of-life Ingenico Group products are in place and available to its customers in Europe, in accordance with the WEEE Directive, and in other countries outside the euro zone.

The quantity of Ingenico Group products distributed, collected and recycled are periodically declared to the national manufacturer registers in those countries where regulations so require. Ingenico Group also informs users of these requirements through the display of appropriate symbols on Ingenico Group products. The Group provides disassembly guides to recyclers.

Risk related to the environmental practices of suppliers and subcontractors

All Ingenico Group's Tier 1 subcontractors have signed the Electronic Industry Citizenship Coalition (EICC) charter, which ensures that the environment is taken into account in manufacturing processes. The Group also has dedicated teams at key production sites who monitor the production lines every day, and ensure that subcontractors conduct their activities in accordance with the practices prescribed by the Group.

Ingenico Group also incorporates environmental criteria into the procurement requirements for its partners. These environmental requirements are incorporated into contracts with production facilities (Tier 1) and in quality contracts with strategic suppliers (Tier 2).

Despite the policies instituted by the Group and because the environmental risks are not limited to the Group's activity, it is not always possible to guard against such environmental risk. If one of these risks should arise, the Group's business, results of operations, financial position and ability to meet its objectives could be adversely affected.

1.6.3 Industry risk

Risks related to development of new systems and business models

The payment industry is subject to rapid and important changes in services and technologies, with the emergence of new payment terminal technologies (*e.g.*, contactless, biometric) and of alternatives to payment terminals (*e.g.* online and mobile payment).

The Group considers chip card technology the best platform for providing network services, personal identification, security, E-Commerce and mobile trade. Its growth strategy reflects the firm belief that chip card technology will remain the leading standard in secure access solutions.

If, however, alternative solutions were adopted, this change could adversely affect its business, results of operations, financial position and ability to meet its objectives.

Continuing the EMV deployment program and working closely with the leading providers of technology used in payment terminals (*e.g.*, contactless cards, mobile payment with Near Field Communication technology) mitigates its risk exposure should other systems and standards incompatible with secure payment systems be developed. Moreover, Ingenico Group has undertaken to develop specific expertise in controlling such risks.

The Group continually monitors trends in payment technology and usage among banks and merchants around the world. Ingenico Group has already invested in companies offering innovative solutions that address the growing diversity of payment methods, including GlobalCollect for online payment, Ingenico E-Commerce solutions, and Roam Data for mobile payment.

The Group also monitors the development of methods of payment offered by new significant players in the ecosystem such as Google, Apple and PayPal. To date, the Group has signed agreements with Google, PayPal and Microsoft in the United States to facilitate the development of these solutions. However, the Group cannot rule out the emergence of alternative payment methods that might challenge the economic assumptions used in the Group business plan.

Despite these initiatives, the Group might not succeed in, or might be late in, anticipating demand for new payment methods, since technological change and the emergence of new methods of payment can have unforeseeable consequences. Such a development could adversely affect its business, results of operations and ability to meet its objectives.

Risks related to competition in the payment terminal business

The worldwide payment terminal business is largely in the hands of two major players who together represented 81 percent of the market in 2014 (estimates based on publicly available data). The Group also has local competitors.

Despite this high level of concentration, the Group cannot rule out the possibility that new manufacturers will make successful inroads into the payment terminal market. In particular:

- players in emerging countries may expand internationally;
- large companies that previously focused on secure electronic transaction processing may wish to move down the electronic payment value chain and include hardware in their offering;
- providers using supposedly less secure solutions based on open platforms (Windows CE or Linux) may seek to break into the payment terminal industry.

Such additional competition could negatively affect Ingenico Group's business, results of operations, financial position and ability to meet its objectives.

Risks related to competition in the payment service business

Due to its growing focus on this new business line, the range of competition risk factors facing the Group has expanded beyond the market for conventional payment terminals. The services provided by the Group (management of connectivity, transactions and installed terminals, transaction processing, and value-added services) are rarely available from its traditional competitors, but are usually offered by companies that may be Ingenico Group partners or customers, or by companies with an established position as providers of one of these services. Payment service provision tends to be a competitive business involving fairly large companies (*e.g.*, First Data International, Worldpay).

However, the Group believes that size is a factor of limited impact, since the payment market is local and segmented. Against this background, the Group is defining the building blocks for customer-based and country-specific services and solutions that reflect local market structure and customer positioning.

Despite its credibility and the expertise it has gained in payment and value-added services through recent acquisitions, the Group may still be unable to achieve sufficient credibility as a payment service provider. Such a development could adversely affect its business, results of operations and ability to meet its objectives.

1.6.4 Legal risks

Regulatory risk

The regulatory environment is constantly changing. Because the Group's business, in particular the products it designs and delivers, may be impacted by changes such as the implementation of the SEPA (Single Euro Payments Area) project, it is important to anticipate these. Ingenico Group has accordingly implemented dedicated regulatory monitoring and uses a third-party provider to identify and analyze any laws and regulations that might affect its business in Europe and its major markets worldwide.

Growing enthusiasm for internet, mobile and IP-based communication networks may lead to new laws and regulations to deal with confidentiality, pricing, content, and product and service quality issues.

Growing concern about these issues, as reflected in new laws and regulations, could conceivably slow down growth in these areas, possibly resulting in lower demand for Ingenico Group's products and therefore adversely affecting its business, results of operations, financial position and ability to meet its objectives.

Risks related to PCI standards

The security standards established by the PCI-SSC (Payment Card Industry – Security Standards Council) are designed to enhance card payment data security by promoting the broadest possible implementation of the specific standards relating to the various components of card payment transactions. The main standards are the PCI-PTS (Payment Card Industry – PIN Transaction Security) and the PCI-DSS (Payment Card Industry - Data Security Standard). PCI-PTS for PIN entry aims to guarantee that the cardholder's PIN is always processed in a fully secure fashion by the PIN-entry device and ensures the highest level of payment transaction security. The aim of PCI-DSS, which relates to the digital and electronic banking environments of merchants and payment service providers, is to ensure that private cardholder data and sensitive transaction data are always processed in a fully secure manner in systems and databases. This standard is mandatory for all systems that process, store or route such data, regardless of whether payment is made with a payment card.

Updates to these standards involving changes to existing requirements are managed by the founding members of the PCI-SSC (Visa, MasterCard, American Express, JCB, and Discover) in consultation with stakeholders from across the electronic payment industry (*e.g.*, local banking entities, payment terminals and services providers, regulators, merchants, banking associations, and banks). This organization offers manufacturers the opportunity to take part in shaping the standards and the rules for applying them. Ingenico Group is a "participating organization" in the PCI Security Standards Council, with a seat on the Board of Advisors, and as such has a say in defining specifications to ensure that any such standards remain valid for a minimum of three years. Ingenico Group's product and solution development teams take these new standards into account right from the initial design stage.

Whenever these standards are modified, changes have to be made, not only in the kernel software that manages security components, but also in the terminal hardware. From one version to another, the implications for Ingenico Group in terms of investment may therefore be quite significant.

Ingenico Group takes all the necessary financial and engineering steps to bring its new payment terminals into line with PCI-PTS, which has resulted in increased magnetic stripe security and PIN protection. Although the certification process is extremely robust, there is a risk that once in use, specific products might reveal defects that could subsequently lead the PCI to challenge their certification. In the event of a withdrawal of certification, such a challenge could lead to prohibition of sales of the banned product, resulting in decreased revenue and financial loss.

As a provider of payment services, particularly centralized payments solutions deployed in large-scale retail businesses, Ingenico Group must also comply with PCI-DSS (Payment Card Industry – Data Security Standard). Ingenico Group's payment services are all subject to an annual third-party audit by a Qualified Security Assessor (QSA) certified by PCI-SSC. Again, this audit process provides a reasonable level of confidence in system security, but is not an absolute guarantee of the impossibility of a breach of networks and servers, which may lead to theft of sensitive data.

As with PCI-PTS, changes in this standard would entail changes in the architecture of data processing systems, networks and servers that would require substantial investment by Ingenico Group.

The Group maintains an ongoing relationship with the PCI-SSC to ensure that the Group can address all aspects of current and forthcoming standards in the best possible conditions, and to ensure that it is in a position to anticipate trends and prepare for future investments and corrective expenditures. Despite this close relationship, Ingenico Group might not have all the information required to be able to avoid fraud or security breaches with regard to its certified payment terminals and solutions. Such occurrences could damage its reputation in a way that could affect the Group's corporate image and results.

Risks related to intellectual property

Were a third party to deem that the Group's technology or products infringed upon its rights, and that Ingenico Group had not obtained the licenses required to use this technology, Ingenico Group might be prohibited from using the technology or selling the relevant products. In the case of such a legal claim, the Group could be confronted with significant costs, production delays or even be forced to redesign its products. Any one of these developments could adversely affect its business, results of operations, financial position and ability to meet its objectives.

To ensure that the rights of third parties are guaranteed, the Group conducts research on existing intellectual property and keeps a close watch over its portfolio. Ingenico Group also works with patent lawyers to keep abreast of any possible infringement complaints and legal disputes that might arise from them. Recently, companies known as "patent trolls" have sprung up in the United States and France. Ingenico Group has set up a special unit to monitor this trend, and with the assistance of law firms specializing in intellectual property rights, defends itself against such improper practices in both the United States and France.

Based on the risk analysis performed by Ingenico Group to date and in accordance with the applicable accounting standards, no provision was recognized for such claims in the Consolidated Financial Statements for the year ended December 31, 2014.

1.6.5 Market and liquidity risks

A detailed analysis of market risk (interest and exchange rate risk) and liquidity risk is available in Note 4, "Financial Risk Management", to the Consolidated Financial Statements for the year ended December 31, 2014. Ingenico Group has performed a separate review of its liquidity risk and deems that it has the means to meet its future obligations.

1.6.6 Non-recurring events and legal disputes

1.6.6.1 Tax disputes

During fiscal year 2014 and prior years, Group companies were subject to tax audits and occasionally proposals for adjustments. The financial consequences of these income tax adjustments and other taxes are recorded as provisions for any reported amounts that are accepted or deemed to present a probable outflow of resources and may be reliably estimated.

The Group periodically reviews the assessment of this risk as audits or litigations progress, and is of the opinion that there are no ongoing audits that will have a material impact on its financial position or liquidity.

The tax assessment procedures in respect of a Brazilian subsidiary are still in progress. They relate to the ICMS tax, where the amount in question was approximately €67 million as of December 31, 2014 (covering principal, interest and penalties from 2004 to 2009). The "Tax War" currently pitting Brazilian States against each other may affect Ingenico as well as a large number of foreign and domestic companies.

Against this background, the tax authorities of the State of Sao Paulo have contested the deduction by Ingenico do Brasil of a portion of the ICMS tax on the sales invoices of a supplier, on the grounds that the State of Minas Gerais, in which the supplier operates, had granted the supplier a tax concession that violates federal law. All notified ICMS-related assessments are still being contested in the administrative courts in Brazil.

As of December 31, 2014, Ingenico had not been notified of any final decision by the Brazilian administrative courts and consequently had not received any demand for payment. In addition, the subsidiary, on the advice of tax experts, believes it has serious grounds for contesting the claims of the authorities."

Based on an analysis of the risks involved and on the criteria set out in IAS 37, no provision has been recognized in the consolidated financial statements as of December 31, 2014.

1.6.6.2 Commercial disputes

Disputes are regularly reviewed by the Group's Legal Department and are covered by provisions when the Group considers it probable that an outflow of resources will be necessary to cover the risk incurred, and that a reliable estimate of this amount can be made. Reversals of unused amounts chiefly reflect the resolution of disputes that were settled in the Group's favor, or in which the amount of the damages awarded proved to be lower than originally estimated.

1.6.6.3 Other disputes

Mr. Will Graylin

A settlement agreement signed in November 2014 closed the dispute with Mr. Will Graylin, minority shareholder of Roam Data Inc.

1.6.6.4 Conclusion

As of December 31, 2014, Ingenico Group recognized provisions for litigation and claims totaling €10.3 million, for various commercial disputes, and various industrial tribunal disputes. These disputes are described in Note 27 to the Consolidated Financial Statements at December 31, 2014.

1.6.7 Insurance

The Group's policy is to purchase insurance from outside carriers to cover insurable risks to the Group and its personnel at reasonable rates. The Group believes that the kinds of risks covered and the guarantees provided by its insurance policies are consistent with standard industry practice.

Ingenico Group's insurance program in 2014 includes the following coverage:

- civil liability;
- damages and business interruption;
- MAT insurance for shipped goods;
- Directors and Executive Officers liability;
- fraud;
- personal injury.

Ingenico Group does not have separate insurance coverage for the risk of illness, resignation or death of its key executives.

Any newly-created subsidiary or company joining the Group during the year is immediately covered by this Group-wide insurance plan under the same terms and conditions, up to specific revenue limitations.

The program operates on two levels:

- at the corporate level, there are worldwide insurance programs to cover the Group's main exposures;
- at the local level, subsidiaries have taken out insurance to comply with their local regulatory obligations, as well as coverage supplementing Group-wide insurance programs to cover their specific exposures.

The credit rating of the insurer is a key factor in the Group's choice of carrier.

The Group's cost of insurance coverage in 2014 was €1,526,316, on an invoiced and paid basis (including for local insurance programs and premiums linked to the integration of GlobalCollect as of October 1, 2014). Premiums accounted for €1,431,303 of the total.

2

CORPORATE SOCIAL RESPONSIBILITY

2.1 Scope and Methodology

2.1.1 General organization of Ingenico Group's corporate social responsibility (CSR) reporting

This report, relating to the fiscal year ended December 31, 2014, is the third year in a row Ingenico Group has reported on the environmental, social and societal activities of its entities. Reflecting the Company's desire to improve the transparency of its operations and its commitment to corporate social responsibility, the report encompasses all 36 entities in which Ingenico Group holds a majority interest, with certain exclusions described below, and covers all the information specified in the decree on the application of Article 225 of the Grenelle II Act.

The entities covered in the report generated more than 99 percent of Ingenico Group's revenue in 2014 and are divided up among the Group's six Regions: APAC, EMEA, LAR, NAR, SEPA, Central Operations and GlobalCollect [(1)] (GlobalCollect APAC, GlobalCollect EMEA, GlobalCollect LATAM and GlobalCollect USA). The terms "Company" and "Ingenico Group" refer to all reporting entities covered in the scope of this report; certain exclusions from the scope are specified below (see section 2.1.2.2 for social reporting and section 2.1.3.2 for environment reporting). The term "Ingenico SA" refers to one of the Ingenico Group entities located in France.

The social, societal and environmental reporting process is described in the Company's 2014 CSR Package protocol. This protocol explains the context and objectives of the report and presents Ingenico Group's general approach to handling environmental management and social and societal commitment. The description of the CSR reporting process includes a definition of the time frame, the scope, the levels of responsibility and validation, as well as a definition and the method used for calculating each indicator.

Ingenico Group's CSR reporting is managed by a project team that draws on a network of correspondents throughout the Group's various entities. Quantitative data is gathered through a dedicated online interface; qualitative data is gathered using interviews and/or questionnaires specific to each of the topics: environmental, social and societal. Data provided by the different contributors is then consolidated at the Company level.

2.1.2 Social reporting

2.1.2.1 Definitions

Workforce: Four kinds of employment contracts:

- permanent employee: employees holding an Ingenico Group employment contract with an indefinite term;
- fixed-term contract: employees holding an Ingenico Group employment contract with a fixed- term;
- temporary worker: a person who is physically present at Ingenico Group's offices, provided by an outside company for a short and predetermined time period to replace an Ingenico Group employee;
- outsourced worker: a person who is physically present at Ingenico Group's offices, provided by an outside company for a predefined service and time period established by a contract with Ingenico Group.

Total number of training hours including for the following programs:

- technical programs (R&D, hardware & software);
- customer service;
- language classes, primarily English;
- IT (Excel, SAP, Sciforma, Webstore);
- finance (accounting, taxes, and payroll);
- security (health and safety and fire warden training);
- communication (knowledge-sharing tool).

The total number of training hours applies to permanent employees. It does not include GlobalCollect employees (who account for 8.4 percent of the workforce).

Absenteeism:

Not coming to work when expected to do so, whether the absence is intended or not. Certain absences do not fall under the scope of absenteeism and it is less important to concentrate on these (time off for training, or maternity leave, for example) than on others that have a more significant impact on the Company (workplace accidents and occupational illness, regular and repeated absences, etc.).

The following circumstances contribute to the rate of absenteeism:

- time off for ordinary illness;
- workplace accidents;
- occupational illnesses;
- unjustified absences;
- accidents while commuting to or from work.

(1) *EMEA (Europe-Middle East-Africa), SEPA (Single Euro Payment Area/Europe), NAR (North America), LAR (Latin America), APAC (Asia-Pacific), Central Operations (Ingenico Group holding company). GlobalCollect was acquired in September 2014 and constitutes a separate region for the purpose of this report.*

The rate of absenteeism is calculated as follows:

Rate of absenteeism = Number of days (or hours) absent during a given time frame X number of scheduled workdays during that same time frame.

Frequency and severity of workplace accidents and occupational illnesses:

Ingenico Group, with the exception of its manufacturing site in China, does not operate its own manufacturing processes; Ingenico Group established a monthly reporting in which it is asked to each entity to report on occupational accidents per type.

Telecommuting:

Telecommuting, remote work or telework is an arrangement in which employees do not commute to a central place of work.

Part-time work:

Part-time is calculated as using time worked divided by the legal total time worked in the Legal Entity, following the laws defined by the government in a country. This information is included in the contract of the employees.

2.1.2.2 Scope of reporting

The scope of social reporting is identical to that used for financial reporting – it includes all entities of Ingenico Group where the Company holds a majority interest and has at least 15 employees. The countries included are: Australia, Belgium, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Lithuania, Mexico, the Netherlands, the Philippines, Russia, Singapore, Spain, Turkey, United Kingdom and United States. The excluded countries are listed below.

Indicators	Exclusions
Average training hours per employee	India, Indonesia, Czech Republic, Poland, Serbia, Argentina, Colombia, Miami, Venezuela, Chile, GlobalCollect
Absenteeism	India, Indonesia, Czech Republic, Poland, Serbia, Argentina, Colombia, Miami, Venezuela, Chile, Canada, Mexico
Number of workplace accidents and occupational illnesses	India, Indonesia, Czech Republic, Poland, Serbia, Argentina, Colombia, Miami, Venezuela, Chile
Teleworking	India, Indonesia, Czech Republic, Poland, Serbia
Labor Unions/collective bargaining agreement	India, Indonesia, Czech Republic, Poland, Serbia, Argentina, Colombia, Miami, Venezuela, Chile
Number of disabled employees	India, Indonesia, Czech Republic, Poland, Serbia

2.1.3 Environmental reporting

2.1.3.1 Definitions

The GHG emissions generated directly and indirectly by an entity can be classified into “scopes,” based on the source of the emissions:

Scope 1: direct GHG emissions from sources that are owned or controlled by the entity. Scope 1 can include emissions from fossil fuels burned on site, emissions from entity-owned or entity-leased vehicles, and other direct sources.

Scope 2: indirect GHG emissions resulting from the generation of electricity, heating and cooling, or steam generated off site but purchased by the entity.

Scope 3: indirect GHG emissions from sources not owned or directly controlled by the entity but related to the entity’s activities. Scope 3 can include emissions from extraction and production of purchased materials, transport-related activities not owned or controlled by the reporting entity, outsourced activities, waste disposal, etc.

2.1.3.2 Scope of reporting

The scope of the environmental reporting covers 18 countries with sites over 20 employees and aims to be identical to that used for financial reporting. However, given the difficulty of obtaining certain information and given the size of particular sites, the present report covers the following: Australia, Belgium, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Mexico, Philippines, Russia, Singapore, Spain, Turkey, United Kingdom and United States.

The consolidated scope of environmental reporting represents 82% of the Group’s workforce as of December 31, 2014.

The following sites are not included in the present environmental report: Argentina, Austria, Chile, Columbia, Czech Republic, Hungary, Ireland, Japan, Latvia, Malaysia, Morocco, Netherlands, Poland, Portugal, Serbia, Switzerland, Thailand, Venezuela and Vietnam.

Within this defined scope, certain environmental indicators have been excluded due to a lack of information gathered by some of Ingenico Group's sites. These exclusions, identified in the present report in footnotes, are as follows:

Indicator:	Exclusions:
Water consumption	Italy, United States, United Kingdom and France *(Healthcare)* (*i.e.* 12.7 percent of the Group's workforce as of December 31, 2014)
Non-hazardous waste	Belgium and Singapore (*i.e.* 5.9 percent of the Group's workforce as of December 31, 2014)
Electricity consumption	Russia (*i.e.* 2.5 percent of the Group's workforce as of December 31, 2014)
Gas consumption	United States (Alpharetta) (*i.e.* 2.9 percent of the Group's workforce as of December 31, 2014)

All indicators are published on a constant scope in order to compare accounts from one year to the next. This allows assessing changes in performance on a constant scope in the time.

2.1.3.3 Reprocessing of 2013 data

Some of the 2013 data from different Company sites has been retroactively corrected due to a discrepancy of more than 5 percent between the correct value and the value previously reported. In these cases, the 2013 data that was revised for the present report, as well as the entities behind the corrections, are noted as such.

2.1.3.4 Accounting for greenhouse gas emissions (GHG)

2.1.3.4.1 Methodology

The methodology used for calculating greenhouse gas emissions (GHG) across Ingenico Group's entire value chain is based on the GHG Protocol international reference document. The emitting locations included in the calculation of GHG emissions are listed in section 2.5.4.2. entitled "Summary of greenhouse gas emissions".

The three main sources of GHG emissions have been estimated as follows:

- Production of the components: the GHG emissions have been estimated on the basis of the average weight of the main components representing more than 90% of the total weight of terminals (plastics, printed circuit board, printer, display, cables, battery, keyboard, packaging, thermal paper and user guide). Measures have been realized for the three most representative terminals produced in 2014.
- Energy consumption of the terminals: the GHG emissions have been estimated on the basis of the total consumption of electricity over the year 2014 for all terminals installed on the market. Measures according to given use cases have been realized for the three most representative terminals used in the market in 2014.
- Ticket printing (transportation and consumption of the thermal paper): the GHG emissions have been estimated on the basis of the total consumption of thermal paper over the year 2014 for all terminals (with printer) installed on the market.

In 2014, the GHG emissions assessment was carried up on the basis of data collected for the year 2014 but for some data, extrapolations were made on the basis of previous data. Emissions of GHG calculated based on the fiscal 2014 data represent 97% of the total GHG assessment.

2.1.3.4.2 Emission factors used

The emission factors used to quantify the GHG emissions come primarily from two sources: the GHG Protocol, particularly for business and international travel; and the Base Carbone (updated in October 2014) from the ADEME (the French Environment and Energy Management Agency) for the energy consumption of terminals, the impact of thermal paper and a portion of component production. The emission factors from the Ecoinvent database (EI 3.1) were also used for the section on component production.

2.2 Introducing Ingenico Group's values

Ingenico Group is proud of its international business network and the cultural diversity of its employees. These are major strengths that are vital to the Company's success. Ingenico Group is dedicated to continue its development and growth while respecting the global environment, the people who make up the Ingenico Group, its stakeholders and the Company at large.

At the heart of this ambition lie Ingenico Group's core 4S values – Strategy & Execution, Speed, Size and Solidarity – launched in 2014. Supported by the Company's regional initiatives, its social and environmental policies, and its Code of Ethics and Business Conduct, these 4S values form the foundation of Ingenico Group's activities and connect its community across continents.

STRATEGY & EXECUTION

Whatever your role, be curious about evolutions in the business and broader industry. Propose and implement new ideas that will help Ingenico Group to develop and increase its competitiveness.

SPEED

In our fast-changing and competitive world, accomplishing tasks quickly and to a high standard is of the utmost importance. Keeping things simple and avoiding complications is essential.

SIZE

Securing successful longevity requires growth. Increasing our size and skill-set will help us reach our ambitious targets and navigate the complex environment of serving bigger companies and withstanding larger competitors.

SOLIDARITY

Supporting each other through successes and failures and ensuring a spirit of cooperation with teams and across functions will help us take the necessary risks to achieve our ambitions.

2.3 The Ingenico Group community

2.3.1 Introduction

Succeeding in a highly competitive industry requires an innovative, well-connected and fast-moving business. Ingenico Group's people are at the center of achieving this, supported by the Company's core 4S values – Strategy & Execution, Speed, Solidarity and Size. By ensuring the entire Ingenico Group community is engaged with and committed to these values, the Company is able to maintain a strong culture and a successful working environment.

Ingenico Group has grown significantly in the last five years from 2,830 of employees in 2009 to over 5,500 employees, representing 72 nationalities in 2014 (excluding GlobalCollect). The Company focuses particular attention on providing its employees with stimulating and meaningful work, including regular opportunities for skills development. A major part of this is making sure staff are recognized for their talents and achievements by being clearly associated to the Group's business successes. Ingenico Group also promotes diversity and inclusion in the workplace, ensuring all its employees are treated respectfully and fairly. This is achieved alongside maintaining open and regular dialogue with employees and employee representatives.

This multi-faceted but focused approach complements Ingenico Group's commitment to attract and retain a highly talented and diverse workforce, creating value for the Company's stakeholders and ensuring it meets the complex challenges of a fast-growing industry.

2.3.2 Ensuring optimal working conditions

Ingenico Group commits to ensure optimal working conditions for its people by creating a respectful, fair and positive environment. In this context, the Company has adopted a range of practices to ensure optimal working conditions, including in the areas of health and safety, anti-discrimination, gender equality and telecommuting. To continue its strong performance in this area, 2014 saw Ingenico Group enhance its human resources structure, developing a more consistent approach across the Company's markets and entities.

2.3.2.1 A dynamic workforce, reflection of the Group health

Workforce by country

Country	2013 Total	2013 %	2014 Total	2014 %
China	1,232	26.4%	1,382	25.1%
France	853	18.3%	927	16.9%
Germany	473	10.1%	515	9.4%
Netherlands			367	6.7%
United Kingdom	303	6.5%	322	5.9%
USA	257	5.5%	306	5.6%
Belgium	200	4.3%	263	4.8%
Indonesia	194	4.2%	183	3.3%
Brazil	167	3.6%	179	3.3%
India	192	4.1%	140	2.5%
Russian Fed.	120	2.6%	139	2.5%
Turkey	113	2.4%	124	2.3%
Spain	119	2.6%	120	2.2%
Italy	89	1.9%	100	1.8%
Canada	87	1.9%	90	1.6%
Australia	74	1.6%	79	1.4%
Singapore	30	0.6%	64	1.2%
Other	159	3.4%	201	3.7%
TOTAL	**4,662**	**100.0%**	**5,501**	**100.0%**

Ingenico Group boasts an extremely diverse workforce, a reflection of the increasingly international nature of its activities. 72 nationalities (excluding GlobalCollect) are represented among Ingenico Group employees – an unusually high number for a company of its size and a source of pride and strength for Ingenico Group.

The total workforce of Ingenico Group increased by 18 percent between 2013 and 2014, with a total of 5,501 persons employed as of December 31, 2014. This substantial increase is due in part to the organic growth of the Company and in part to the acquisition of GlobaCollect in September 2014, which brought in 460 new employees as of December 31, 2014.

With the acquisition of GlobaCollect in September 2014, the Netherlands became a new market.

Total workforce as of December 31, 2014

Region	2013 Permanent	2013 Fixed-term	2013 Total	2014 Permanent	2014 Fixed-term	2014 Total
APAC (1)	1,118	472	1,590	1,356	478	1,834
EMEA (2)	266	4	270	413	8	421
LAR	232		232	246		246
NAR	227		227	272		272
SEPA	1,610	21	1,631	1,599	20	1,619
Central Operations	696	16	712	632	17	649
GlobalCollect				331	129	460
TOTAL	**4,149**	**513**	**4,662**	**4,849**	**652**	**5,501**

(1) In 2013, EBS India was grouped under SEPA. In 2014, it is part of the APAC region.
(2) In 2013, Italy and Eastern Europe were grouped under SEPA. In 2014, they are part of the EMEA region.

Workforce by gender

	2013			2014		
Region	Women	Men	Total	Women	Men	Total
APAC	255	1,335	1,590	316	1,518	1,834
EMEA	70	200	270	114	307	421
LAR	81	151	232	88	158	246
NAR	85	142	227	105	167	272
SEPA	526	1,105	1,631	509	1,110	1,619
Central Operations	169	543	712	161	488	649
GlobalCollect				167	293	460
TOTAL	**1,186**	**3,476**	**4,662**	**1,460**	**4,041**	**5,501**
PERCENTAGE	**25%**	**75%**	**100%**	**27%**	**73%**	**100%**

The number of women employees at Ingenico Group increased by just under 2 percent in 2014 to 27 percent of the total workforce: 1,460 women employees out of the total workforce of 5,501. This increase is largely due to the integration of Global Collect where women represent 36 percent of the workforce.

Workforce by age range

	2013				2014			
Region	<30	30 & 50	>50	Total	<30	30 & 50	>50	Total
APAC	735	826	29	1,590	841	949	44	1,834
EMEA	104	146	20	270	127	251	43	421
LAR	61	154	17	232	52	176	18	246
NAR	18	137	72	227	31	160	81	272
SEPA	292	1,087	252	1,631	182	1,162	275	1,619
Central Operations	93	485	134	712	80	432	137	649
GlobalCollect					91	311	58	460
TOTAL	**1,303**	**2,835**	**524**	**4,662**	**1,404**	**3,441**	**656**	**5,501**
	28%	**61%**	**11%**	**100%**	**26%**	**63%**	**12%**	**100%**

The average age of Ingenico Group employees is 37. This young workforce is explained by the technological nature of the Company's activities and its strong focus on innovation.

Temporary workers and outsourcing

	2013			2014		
Region	Outsourced workers	Temporary workers	Total	Outsourced workers	Temporary workers	Total
APAC	19	21	40	110	23	133
EMEA		1	1	90	87	177
LAR	125		125	195		195
NAR	144	56	200	197	91	288
SEPA	177	263	440	80	219	299
Central Operations	103	1	104	136	2	138
GlobalCollect				46		46
TOTAL	**568**	**342**	**910**	**854**	**422**	**1,276**

Outsourced workers are brought in essentially for application development, call center, maintenance and repair work. The increases in the number of outsourced workers are essentially due to the organic growth of the Company.

2.3.2.2 Optimal working conditions

2.3.2.2.1 Organization of working hours and absenteeism

Organization of work hours

	2013			2014		
Region	Full-time	Part-time	Total	Full-time	Part-time	Total
APAC	1,533	57	1,590	1,793	41	1,834
EMEA	270		270	414	7	421
LAR	232		232	246		246
NAR	226	1	227	271	1	272
SEPA	1,555	76	1,631	1,541	78	1,619
Central Operations	675	37	712	616	33	649
GlobalCollect				417	43	460
TOTAL	**4,491**	**171**	**4,662**	**5,298**	**203**	**5,501**
	96%	**4%**	**100%**	**96%**	**4%**	**100%**

The Company workforce primarily consists of managers, engineers and professionals. Part-time employees represent less than 4 percent of the total Ingenico Group workforce.

In 2014, the rate of absenteeism within the Company was 1.66 percent, with a variation between approximately 0.08 percent (Russia) and 3 percent (GlobalCollect) across its various entities. In France, the rate for Ingenico SA was 1.19 percent compared to 2 percent in 2013.

2.3.2.2.2 Health and Safety

A number of Group entities have set up health and safety committees, representing between 25 and 75 percent of their respective workforces. In France, all employees are represented through a health and safety committee with the exception of a smaller entity employing only 14 people; within IPS France and Canada, 75 percent of their workforces are represented; in Turkey and Iberia, between 50 and 75 percent of employees are represented; in Australia, China, Italy and Ogone Belgium, 25 percent of their workforces are represented. No new agreements relating to health and safety in the workplace were signed during the year.

In 2014, there were 37 occupational accidents of which 49 percent were linked to road traffic accidents. No workplace illnesses across the Ingenico Group occurred. The Company is also planning to launch a security policy in 2015, the objective of which will be to strengthen the security of Ingenico Group employees on business travel, particularly to high risk countries.

In France, the Company undertook a comprehensive risk assessment in 2014 for the following sites – Suresnes, Valence, Colombelle, Mérignac and Paris – with the aim of identifying workplace risks and mitigation measures.

2.3.2.2.3 Anti-Discrimination

Equal opportunities on the basis of merit and competency is one of six founding principles of Ingenico Group Code of Ethics and Business Conduct. This affirms the Group determination to provide and maintain a working environment that protects the dignity of all and ensure the prohibition of discrimination and sexual harassment or bullying. It explicitly states that no discriminatory practices based on race, nationality or ethnic origin, color, religion, age, gender, sexual orientation, marital status, disability or conviction having been the subject of an amnesty will be tolerated.

Besides its overall and global commitment to diversity, Ingenico Group has implemented several specific policies and actions at country level. In Germany, Ingenico is committed to the Equal Treatment Act (AGG), which every employee must sign; Ingenico Group's Canadian affiliate has produced a Human Right Code and Employee Handbook.

Regarding the integration of people with disabilities into the workforce, in the United States the Company observes the Americans with Disabilities Act (ADA) and has launched initiatives and affirmative action plans to recruit and integrate people with disabilities into the workforce. In the United Kingdom, Ingenico Group has amended its evacuation process to further improve its support to mobility-challenged employees in the case of an emergency.

Next year, Ingenico Group will launch additional efforts including advertising open positions on dedicated job portals for disabled persons.

2.3.2.2.4 Gender Equality

Ingenico Group is committed to gender equality. Three out of nine of the Company's directors are women; two out of five members of the Remuneration, Appointment and Governance Committee are women; and Ingenico Group has three women represented on the Executive Committee out of 14 individuals. In 2014, the average gross annual salary of women increased by 5.39 percent compared to 4.58 percent for men.

To further improve Ingenico Group's performance in 2014, the Company continued implementing its voluntary action plan for gender equality in France, launched the previous year. The plan covers recruitment, training, professional development, remuneration and work-life balance. As far as recruitment is concerned, the overall aim is to increase the rate of female employment in technical roles by 2 percent. A recruitment guide has also been established and managers have received training in best-in-class recruitment practices since July 2014.

In terms of professional development and remuneration, Ingenico Group's focus has been on providing tailored trainings for employees returning from maternity and parental leave.

The Company is also undergoing a revision of its salary process, which will ensure gender equality for individual raises and bonuses.

Policies for equal gender treatment are also in place in several Ingenico Group affiliates including Australia, France, UK, Germany, Canada and the United States.

2.3.2.2.5 Telecommuting

Several Ingenico Group affiliates have rolled out telecommuting policies for employees. The Group continues to develop and support telecommuting with proper policies and systems. 166 employees (excluding GlobalCollect) made use of the possibility to telecommute globally in 2014, of which 56 were based in Germany, 61 in France, and 40 in the United States, made up of 28 in Ingenico Group Inc. and 12 in Mobility Payment. Employees who choose to telecommute primarily work in sales and marketing functions (48 percent), followed by 21.1 percent of employees in research and development functions.

2.3.3 Investing in a highly talented and diverse workforce

Ingenico Group's ambition is to be a global leader in its industry and the Company can only achieve this with the support of a talented, inspired, committed and diverse workforce. Ingenico Group focuses significant effort on attracting the right talent by building lasting relationships with universities, business and engineering schools, as well as by continually tracking social networks, job post boards and online blogs in search of suitable candidates.

As Ingenico Group continues to grow and expand, its employees are offered increased opportunities for dynamic career evolution with roles available overseas. In 2015, to promote internal and international mobility, the Company will create an internal blog where all open positions will be posted.

Ingenico Group also invests in developing its employees' skills and ensuring every member of its workforce has the opportunity to achieve its professional potential. In addition, Ingenico Group ensures its employees' input to the Company's performance is recognized and clearly associated with Ingenico Group's results. Compensation is competitive compared to the market and prospects are linked to both individual performance and the Group's development and results.

2.3.3.1 Hiring and Departures

Hiring

Region	2013			2014		
	Permanent	Fixed-term	Total	Permanent	Fixed-term	Total
APAC	356	171	527	307	177	484
EMEA	45	8	53	62	19	81
LAR	51		51	58		58
NAR	36	2	38	65		65
SEPA	624	26	650	297	29	326
Central Operations	138	50	188	96	42	138
GlobalCollect				340	140	480
TOTAL	**1,250**	**257**	**1,507**	**1,225**	**407**	**1,632**

Hiring increased by 8.3 percent in 2014 due to strong organic growth and the acquisition of new companies – primarily that of GlobalCollect in September 2014, which brought 460 employees as of December 31, 2014. 75 percent of all new hires have permanent contracts. This represents a decrease of around 8 points from 2013 due to a greater number of fixed-term contract (FTC) hires especially in EMEA (Italy), with 23 percent of hires, and in GlobalCollect with 29 percent of hires.

Given its rapid international expansion, Ingenico Group must orient new employees into the Company as efficiently and effectively as possible. Dedicated induction processes have been implemented in a number of markets including Spain and Belgium; a new induction program will be developed in France in 2015. In 2014, Ingenico Group also continued to implement its mentor program. Launched in 2013, the program ensures that every new employee is welcomed and guided for a period of three to six months by a senior employee so that they have a full understanding of their role and responsibilities, as well as the Company's culture, values and practices.

Departures

Region	2013			2014		
	Permanent	Fixed-term	Total	Permanent	Fixed-term	Total
APAC	118	141	259	229	160	389
EMEA	14	4	18	20	15	35
LAR	50		50	45		45
NAR	30	2	32	20		20
SEPA	202	24	226	154	22	176
Central Operations	110	46	156	72	36	108
GlobalCollect				9	11	20
TOTAL	**524**	**217**	**741**	**549**	**244**	**793**

The overall number of departures increased from 741 to 793 (7 percent) in 2014; the percentage of departures coming from permanent staff has decreased by 2 percent from 2013 level.

Reasons for leaving

	2013	2014
Resignation	426	434
Dismissal	115	99
End of fixed term contract	95	175
Divestiture	32	-
By mutual agreement	26	39
Redundancies	12	16
End of probationary period (by employer)	12	6
All others	23	24
TOTAL	**741**	**793**

Dismissals accounted for 12.5 percent of the reasons for leaving Ingenico Group in 2014 – a decrease from 15.5 percent the previous year. The APAC region – China, Indonesia and India – accounted for 59.7 percent of resignations. This is due to young companies new to Ingenico Group – PTI in Indonesia an EBS India – having not fully stabilized in their countries' high-growth, competitive environments.

2.3.3.2 Skill diversification and career path management

Driven by its international expansion, Ingenico Group places substantial effort on developing its employees' skills and ensuring every member of its workforce has the potential to grow professionally. A total of 55,212 hours of training was provided to employees globally in 2014 with an average number of hours of training per employee of 12.6 hours and the topics included: leadership and project management; technical programs (R&D, hardware & software); customer service, including providing technical data to customers; language skills (mainly English); IT (Excel, SAP, Sciforma and Webstore); finance (accounting, taxes and payroll); security (health and safety and fire warden training); and communication (knowledge-sharing tool).

Ingenico University, launched in 2012, continued to grow in 2014. Priority topic areas for training include: performance management, specifically focused on maintaining a strong internal culture, developing the Company's community and improving its performance management system; and project management.

In 2014, the Company piloted a new management program for French managers. The program will be extensively rolled out in 2015. As part of the program, Ingenico Group will also launch a series of short modules in 2015 going deeper into fundamental management skills with half-day trainings.

Further, a new portal for the Ingenico University will be launched in 2015; accessible online it will allow Ingenico Group to provide training courses around the world. The portal will host a variety of programs including finance, human resources, management, security and sales. The Company will also create a new range of courses that offer "blended training": a mix of face-to-face training and e-learning modules.

2.3.3.3 Compensation and recognition

Ingenico Group's employees lie at the core its success. The Company's compensation programs are externally competitive and internally equitable, attractive and aligned with its performance.

In most countries, compensation and benefits are matched locally with an external reference market. Compensation positioning is then analyzed for consistency with each local setting such as social legislation, economic conditions, labor market and competition.

In 2014, Ingenico Group's annual performance review process was simplified. Besides reviewing performance, achievements and discussing career interests and development plans, it now provides an opportunity to exchange insights on how employees can display the 4S approach in their work thus embedding the Company's values in the day-to-day job experience.

It is also extremely important to Ingenico Group's successful development that its employees' talents and achievements are recognized and associated with the Company's long term objectives and stock market performance. To achieve this, in 2014, an Ingenico Group program continued and expanded its long term compensation scheme, which consists of two elements:

- a co-investment program for the top management. This program consists in investing in Ingenico shares. This investment gives the right to be granted an amount of free shares depending on the Ingenico long term business performance and the relative performance;
- a performance shares program indexed on long term business performance.

2.3.4 Fostering open dialogue with Ingenico Group's people and partners

Ingenico Group is committed to ensure a communicative and open environment within the Group, and between the Company and its partners. This helps engage everyone with Ingenico Group's unique culture and supports the transparency of its operations.

2.3.4.1 Employee engagement

Ingenico Group regularly engages with its employees through dedicated communication platforms. One such platform is Connections, Ingenico Group's social networking and knowledge-sharing tool. It was launched in 2014 and in its first year of existence, over 4,900 employees set up a Connections profile globally. 425 online communities were created bringing together employees from different locations and parts of the business. The tool allows employees to create communities of interest, share documents, plan joint activities as well as project work and access a global employee directory.

During 2014, Ingenico Group also placed significant emphasis on designing an employee engagement survey, which will be released in 2015. The objective is to measure the level, nature and motivation of employee engagement, gauging opinion on five primary indicators: engagement with the Company; engagement with the job; managerial efficiency; team efficiency and working conditions. With this information, Ingenico Group will be able to enhance employee engagement in a targeted way, focusing on particular areas of the business and specific topics of interest.

Finally, in 2014, Ingenico Group held its Annual Global Meeting at the Mogador theatre in Paris, gathering all French employees (around 900) together and broadcasting the event to members of the rest of Ingenico Group teams globally.

The aim was to update the Ingenico Group community on the business performance and other developments such as the launch of the Group's 4S core values and its latest brand positioning. Ingenico Group's Annual Global Meetings provide a fantastic opportunity to bond the international Ingenico Group.

2.3.4.2 Social dialogue

Labor relations are an important aspect of Ingenico Group's Human Resources Policy. The Group respects the freedom to join an association and the right to collective bargaining. Any employee may establish or join a trade union of their choice. The Group also recognizes and respects the right of employees to be represented by their trade union and believes in maintaining a constructive dialogue with employee representatives and trade unions based on mutual respect, responsibility and honoring of commitments.

A number of Ingenico Group's affiliates have active employee representative bodies in place: 36 percent of the total Ingenico Group workforce is covered by collective bargaining agreements; 33 percent has access to work councils. Russia, Italy, France, Germany, Spain, Brazil and the Netherlands are covered by collective bargaining agreements; France, Germany, Spain and the Netherlands also have both work councils. Agreements related to profit sharing schemes, employee stock ownership, time saving accounts and other measures have been signed in France.

2.4 Ingenico Group's contribution to society

2.4.1 Introduction

As a global company growing in influence and impact, Ingenico Group is increasingly committed to manage the social and environmental impacts that stem from its operations, products and business relationships. Ingenico Group has a number of key areas of focus spanning a broad range of issues: aiming to strengthen Ingenico Group's business ethics and preventing all forms of corruption and respecting human rights, while ensuring the security of the Company's products and respecting users' right to privacy.

The Company is also keen to continue creating practical solutions for financial inclusion, as well as develop greater transparency and traceability of financial transactions. All this must be done while keenly monitoring and managing the social environmental risks in Ingenico Group's supply chain and extending its CSR activities by fostering stakeholder collaboration.

2.4.2 Promoting ethical business practices and respecting human rights

2.4.2.1 The Code of Ethics and Business Conduct

All Ingenico Group's business operations are conducted with honesty, integrity and the utmost respect for human rights across the globe. The Company's scrupulous commitment to this approach is laid out in its Code of Ethics and Business Conduct, which is designed to create common principles that comply with all the laws and regulations applicable to the Company for every Ingenico Group employee in each of the countries it operates.

The Code of Ethics and Business Conduct covers a broad range of topics that Ingenico Group believes are vitally important to the ethical running of the Company: protection of its employees' basic human rights including equal opportunities, prohibition of sexual or moral harassment, prohibition of child and forced labor, and health and safety; strict regulations on good governance; and protection of the environment.

As such, Ingenico Group fights against all forms of discrimination in the workplace and ensures that freedom of association is respected.

Ingenico Group understands how important it is that its culture for rigorous ethical business practices is understood and fulfilled throughout the Company, therefore, last year it ensured the Code of Ethics and Business Conduct was available in French, English, Chinese, Spanish, Turkish, German, Dutch, Russian, Portuguese and Italian. Further, in 2014, after an update to the Code of Ethics and Business Conduct and the development of a new policy regarding gifts and hospitality, the Company CEO sent a communication to the entire Ingenico Group community, alerting teams to the new documents and reminding them of the significance of their contents. The Code of Ethics and Business Conduct is available on the Group intranet and Group website at http://www.ingenico.com/fr/presse-et-publications/librairie/Types/type18.

Further, Ingenico Group will launch an online Compliance Library in 2015, which will provide access to various resources and guidance on compliance issues to employees including information on relevant local market regulation.

If any Ingenico Group staff member or stakeholder wants to report a grievance, the procedure to follow is clearly laid out in the Code of Ethics and Business Conduct, with details of relevant members of staff listed. In the 2014 update to the Code of Ethics and Business Conduct, Ingenico Group also created a dedicated email address to make the process as easy and efficient as possible.

Another update to Ingenico Group's activities in this area is the inclusion of the Code of Ethics and Business Conduct in all supplier contracts. This reflects the Group's commitment to managing social and environmental risks in the broader footprint of the Company, as well as in-house at Ingenico Group. To ensure Ingenico Group's teams across the world are up-to-date on the latest regulations, the Company carries out regular training sessions on particular issues. These are focused at staff in high-risk teams such as sales and procurement as well as members of the senior management. In 2014, anti-corruption workshops were held in several entities. Teams were supported in developing anti-fraud programs. An Anti-Fraud Committee was also initiated at the Landi office in China with local reporting channels set up.

2.4.2.2 Identification and Risks management

The Ingenico Group business environment is complex, international and volatile, making risk management an essential part of the Group's day-to-day operations. Ingenico Group has a strict risk management procedure (the Ingenico Group Risk Management – IRM – system) with an official governance structure, a fraud risk mapping system and a dedicated Ingenico Group Risk Committee that carries out ongoing monitoring of the Company's activities.

The IRM has been designed specifically to identify potential events and risks that may affect Ingenico Group's business operations as well as manage risks so they remain within the defined tolerance level. Achieving this requires an integrated, consistent, comprehensive, efficient and transparent risk management system, and with the IRM the Company seeks to embed its dedicated risk management philosophy deep into the business culture throughout Ingenico Group's operations.

Risks that are likely to affect Ingenico Group business and results, or that are inherent to the industry, include: operational risks such as those related to defective products or geopolitical factors; strategic risks such as those related to acquisitions and company integration; technological risks linked to the design and use of complex technologies; environmental, health and safety risks; legal risks; financial risks; insurance; and fraud and non-ethical behavior.

Ingenico Group's IRM report process, monitored by the Executive Vice-President of Governance & Risks, further improves identification, management and transparency of risks at Ingenico Group. Teams must submit reports at least once a year and must carry out any corrective actions in a timeframe dependent on the risk level identified.

2.4.3 Data protection and privacy

The protection of personal information and respect for an individual's right to privacy is of utmost importance to Ingenico Group. To ensure personal information is protected and used only for purposes permitted by law, data protection and privacy policies are in place throughout the Company. Each of these policies is drafted to reflect a sensitivity to local laws and culture, and reinforce Ingenico Group's strong commitment to privacy compliance.

The Company's data protection and privacy principles clearly describe how personal information is collected and used. Policies describe the roles, access rights and responsibilities of Ingenico Group employees or suppliers and their duty to protect personal data. These policies are the foundation of Ingenico Group's comprehensive data protection and privacy program, which has been designed to facilitate full compliance with industry norms and applicable laws.

In 2014, Ingenico Group paid particular attention to harmonize its procedures, while ensuring they remain sensitive to legal and cultural differences in the locations it operates throughout the world. This process, particularly important in the context of the companies Ingenico Group recently acquired that had existing policies in place, was launched with an Information Summit in November. The Summit brought together senior representatives of both Ingenico Group and newly acquired entities like GlobalCollect. The resulting group policy on data protection and privacy will be rolled out in 2015 and will include a framework for a coordinated data protection governance structure.

In France, Ingenico SA has implemented the PCI Data Security Standard (PCI DSS) since 2009 to enhance payment card data security, particularly the safe handling of cardholder information relating to its Axis payment solution. Due to the Company's robust safeguards and practices, no Ingenico Group entity experienced a data security incident in 2014. As a global leader in data protection best practices, certain affiliates that provide payment services to merchants were increasingly called upon to advise commercial customers who had experienced some sort of data breach. The Company's guidance helped mitigate harm to consumers and provided support to merchants who had little to no experience identifying and complying with the various regulatory and legal rules for responding to a data breach.

Ingenico Group understands that protecting personal information extends beyond having adequate policies, procedures and safeguards in place for existing products and services. It also enhances the design of each and every innovation. Privacy-by-design, whereby data protection is a key consideration throughout the Company's formal product development process, is now strongly encouraged among all product development teams. Further, requiring privacy impact assessments for tentative new products or programs is expected to expand from limited and sporadic use in 2014 to company-wide standard practice in the future.

Finally, the Company provides e-learning training on data security to its employees. Delivered through the Ingenico University, the e-learning course seeks to help employees understand why data security is important for Ingenico Group, what the main security threats and vulnerabilities faced by the Company are, and what security standards, processes and rules have been put in place. The training is available to all Company employees and is mandatory for certain functions. To ensure all Ingenico Group employees are aware of relevant data protection rules and potential harm resulting from non-compliance, the Company plans to enhance its data privacy training programs in 2015. These developments will include practical exercises and incident response simulations, both of which are intended to determine whether existing training materials adequately prepare employees to respond to data incidents and embrace a company culture of compliance.

2.4.4 Solutions for financial transparency and inclusion

Ingenico Group develops product solutions for financial transparency and inclusion that are customized to local market needs. Through the provision of its highly accessible electronic payment solutions, the Company helps make financial services more widely available in emerging economies and strengthens fraud risk management in both developed and developing economies.

2.4.4.1 Solutions for transparency and traceability

Ingenico Group has launched solutions to improve the traceability of monetary transactions and the transparency of the financial system. For example, the Company developed a product solution in Turkey integrating payments and fiscal memory that allows the government to better monitor and control financial transactions in order to combat tax fraud. This was after a law was passed in 2013 requiring all merchants to own a payment terminal with a fiscal law module connected online to the Ministry of Finance – Online Electronic Fiscal Payment Solutions (ECRPOS) – thereby better controlling Turkey's tax revenues. Radisson Blu Şişli Hotel, one of the nine Radisson Blu Hotels in Turkey, wanted to set up a payment solution that met the new legal requirements. Ingenico Group worked with Radisson Blu to implement its iWE280 POS solution and payments made using the new payment devices now account at least 50 percent of the hotel's revenue. Ingenico Group will have a potential replacement market of three million updated and secure ECRPOS devices in the country going forward. Similar solutions are expected to be deployed in other countries.

Another particular highlight for the Company in this area was the launch of an innovative fiscal solution for Croatian client, Hrvatski Telekom, to equip its customers following the launch of new law in the country. Ingenico Group developed an innovative all-in-one cash register solution that combines the Company's latest generation of payment terminals with a fiscal application developed by Croatian electronic payment transaction system specialist Etranet Group. The solution was embraced by Hrvatski Telecom's customers, making the new solution one of its most popular ICT services.

2.4.4.2 Solutions for financial inclusion

Today, three quarters of the world's population is excluded from the traditional banking system for various reasons. Because of the limited number of bricks-and-mortar branches in developing countries and the high cost and complexity of the banking services, billions cannot afford to be banked. However, 2.7 billion of the unbanked have access to a mobile phone. In this context, Ingenico Group's mobile payment solutions help make financial services more widely available and affordable to the unbanked, supporting the shift from a cash-based environment to a cashless ecosystem. Further, to improve the Company's impact in this area, a new position focusing specifically on financial inclusion activities was created in 2014.

In West Africa Ingenico Group has partnered with eMoney since 2013 to deploy the eMoney+ payment solution. The product, which enables money transfers, bill payments and mobile banking services, as well as the sale of mobile phone top-up credit, has been launched in several countries including Benin, Ivory Coast, Burkina Faso, Niger, Republic of Congo (Brazzaville), Cameroon, Togo and Guinea. The solution is easy to implement and facilitates secure transfers of funds while giving families access to financial services at a lower cost than conventional money transfer institutions. The average number of transactions using the solution in 2014 in Benin, Ivory Coast, Nigeria and Cameroon was 2,570 transfers per day for amounts varying between 33,000 F CFA in Benin and 119,000 F CFA in Cameroon.

In 2014, Ingenico Group also continued its strategic partnership with Tagattitude, the market leader in mobile money solutions, to advance financial inclusion and democratize access to financial services in the African region. Tagattitude's "Mobile Money" platform – TagPay – provides access to a number of payment services *via* a mobile phone that are secure and more accessible for the unbanked.

In Kenya, Ingenico Group is working with its historic client Equity Bank, as well as the World Food Program and Mastercard, on a project to develop assistance e-vouchers to refugee populations in East Africa. The Company has introduced biometric terminals to compensate for the absence of traditional means of identification, such as identification papers. Another Ingenico Group partnership with Tracom Limited and the Co-operative Bank of Kenya has led to the implementation of a branchless agent banking solution to offer access to banking services to financially excluded people overcoming the barriers of geographic access and basic financial knowledge and language skills.

In South Africa, millions lack access to even the most basic financial tools. Ingenico Group partnered with Net1 to deliver biometric terminals with payment solution software, which help deliver secure social security payments to around 10 million beneficiaries. The partnership has been key in supporting the implementation of a new electronic payments program by the South African government with the objectives to tackle fraud and identity theft as well as provide a cost-effective means to distribute welfare payments.

2.4.5 Supply chain management

2.4.5.1 Social and environmental impacts

With the exception of one of Ingenico Group's Chinese sites, the production of all the Company's terminals is outsourced. This combined with the Company's impressive global footprint means ensuring the successful management of its supply chain – in terms of both social and environmental impacts – is of the utmost importance.

Ingenico Group's two Tier 1 suppliers responsible for the manufacturing of payment terminals are Jabil, an American company, and Flextronics, a Singapore-based company. For the production of its components, Ingenico Group works with a community of Tier 2 suppliers in the United States, Canada, Japan, Hong Kong, China, Taiwan, Vietnam and the Netherlands.

To ensure the Company purchases its products from companies with the highest environmental, labor rights and social justice standards, every member of Ingenio's supply chain is required to have signed the charter of the Electronic Industry Citizenship Coalition (EICC).

Moreover, Ingenico Group expects its suppliers to comply with the same standards that the Company imposes on itself. The Code of Ethics and Business Conduct has been designed to establish Ingenico Group's expectations on suppliers regarding labor and human rights, health and safety, environmental protection, ethics, and management practices. It lays out the minimum requirements all suppliers must meet when doing business with Ingenico Group and is enforced through contractual obligations. In 2014, an e-mail was sent to all Ingenico Group's suppliers underlying that Ingenico Group requires its suppliers to commit to implementing and adhering to the requirements of the Code of Ethics and Business Conduct.

In addition to the criteria relating to quality management, Ingenico Group stipulates in its Supplier Quality Handbook that suppliers complying with ISO 14001 certification are preferred; it is one of the elements taken into account during the supplier selection and qualification process.

Thereby, in 2014, all payment terminals have been assembled in EMS (Electronics Manufacturing Services) certified ISO 14001 and signatories of the EICC.

In 2014, Ingenico Group also worked on further strengthening its internal supply chain processes by drafting a supplier code of conduct and improving the Supplier Quality Handbook, both of which are due to be released in 2015. The supplier code of conduct will impose a requirement on Ingenico Group's suppliers to cascade CSR requirements down their own supply chain. The Company is also working on improving its supplier self-assessment questionnaires, which in 2015 will also include social criteria (labor, health and safety and ethics).

Further, Ingenico Group ensures rigorous control over its suppliers' production facilities and has dedicated teams of employees in the main production sites in Brazil, China, Malaysia and Vietnam. Their role is to oversee the production lines on a daily basis and ensure that the Company's suppliers are conducting their operations in compliance with the practices set forth by Ingenico Group. Ingenico Group's Industrial Operations Direction and Quality Direction visit the different factories at least once every quarter. When practices that go against those established by the Company are observed, the supplier is immediately informed and a corrective action plan is put in place. Altogether 68 audits were conducted in 2014 at various Ingenico Group suppliers. These audits focused on quality issues management, new potential supplier assessments, follow-up audits and a new part launch collaboration audit with the Industrial department and R&D.

Some of the main environment and social issues found during these audits include: a requirement to establish expiry dates for chemicals and adhesives; the need for lighting improvement at visual inspection stations; and improving the traceability of raw materials. Ingenico Group responded to each of the issues in a timely and effective manner: setting up and recording expiration dates for products; purchasing illuminators and establishing lighting standards; and completing and controlling lot numbers for raw materials.

Ingenico Group is also considering the opportunity to collaborate with its suppliers on aspects that are of key importance to the Company's operations, such as the energy efficiency of its terminals.

2.4.5.2 Conflict minerals

In 2014, Ingenico Group released its first conflict mineral report in compliance with the Dodd Frank Act regulation in the United States. The aim is to improve the transparency of Ingenico Group's supply chain and monitor the minerals that go into the Company's terminal components to ensure they do not benefit armed groups that violate human rights in the Democratic Republic of Congo and adjoining countries. With Ingenico Group's new conflict minerals reporting tool, the

Company is also working within its supply chain to ensure that it is able to obtain and monitor the relevant information to guarantee high standards are achieved throughout its business footprint. This involves a dedicated conflict minerals process consisting of categorizing suppliers according to their risk profile, sending conflict minerals questionnaires to high risk suppliers and working with them to facilitate positive outcomes.

2.4.6 Contributing to local development

Ingenico Group is committed to contributing to local development in its global locations through a variety of philanthropic activities and projects.

2.4.6.1 Supporting innovative projects

In Africa, following the opening of a new office in Casablanca in May 2014, Ingenico Group announced its sponsorship of Seedstars World, a global competition designed to recognize and support innovative startups in emerging markets. Winners of the events Ingenico Group sponsored – in Casablanca, Accra, Lagos and Nairobi – produced an exhilarating variety of creations including: an e-learning platform, a bitcoin-based payment system; a process for converting waste into energy; and a way for people without a physical address to create and share a secure address *via* mobile phones. In addition to the competition's contribution to local development in Africa, Ingenico Group's partnership with Seedstars World offers a great opportunity for the Company to get closer to local companies and markets, allowing it to combine its global expertise with a thorough understanding of the forces driving innovation at the local level. This is a process the Group looks forward to developing throughout 2015 and in the following years.

In France, Ingenico Group signed a partnership agreement with the French Bank Credit Agricole to participate alongside HP, Orange and BETC in a business incubator called Village of Innovation. The incubator, which opened in June 2014, is designed to be a "physical think-tank" for startup companies, providing work and training spaces as well as a showroom for product solutions. It will support innovative projects in the following fields: client relationship, house control systems, healthcare, environment, agriculture and housing. The aim is to give the startups access to financial and legal advice, as well as enable collaboration with other companies.

2.4.6.2 Philanthropic activities

Ingenico Group ran a skills sponsorship program in France that, in December 2014, supported Fondation du Patrimoine in launching *don en 1 clic* (donation in one click) by implementing its online payment solution. The online platform offers web users the opportunity to support projects by making a quick online donation. Online donations account for about 10 percent of the total money collected by the Fondation du Patrimoine and €337,000 was collected by the organization in its first month of operations.

Further, Ingenico Group collaborated with Heoh and Welcome RT to launch an initiative called "The Good Transaction" in June 2014. The project allows customers to make a donation towards various charity organizations from an Ingenico Group payment device when paying in Heoh partners' stores.

Finally, the Ingenico Group team in Singapore participated in the Bloomberg Square Mile Relay 2014, a charity run, for the second time in 2014. The winning team is awarded a prize of $10,000 for donation to a charity organization of their choosing. Although Ingenico Group did not win the race, the Company will continue to participate in this initiative.

2.4.6.3 Stimulate local employment

The presence and activity of Ingenico Group boost local employment by promoting the hiring of local residents, as evidenced by the 72 nationalities represented in the Group (excluding GlobalCollect).

Initiatives related to education have also been conducted locally. In Turkey, Ingenico Group provided scholarships to five university students of the Istanbul Technical University. In France, Ingenico Group set up internship program with EDHEC Business School. In Italy, Ingenico Group cooperates with universities and institutions on electronic payments sector evolution and hosted a career day with the University Politecnico of Milan in May 2014. In the United States, Ingenico Group offered internships to students of local technologic universities and schools.

2.4.7 Stakeholder engagement

Partners, distributors, shareholders, the financial community, participants in the payment industry, NGOs and public authorities are among the many external stakeholders with which Ingenico Group maintains regular, open dialogue.

The Company did not have any investor days in 2014 but remains in close contact with this group through one-on-one interactions and looks forward to further developing relationships in 2015. Ingenico Group did, however, organize a one-day Partner Forum in May 2014, inviting 120 attendees from 44 countries to Dubai to discuss the Company's latest product solutions. As a responsible company, Ingenico Group offset the carbon footprint associated with the participants' travel by investing in a Climat Mundi project to reduce deforestation in Ghana.

2.4.7.1 Industry collaboration

Since its creation, Ingenico Group has been an active member of the Card Stakeholders Group (CSG), an organization linked to the European Payment Council (EPC) and responsible for the drafting and the maintenance of large operating and security principles card payments in the Single Euro Payments Area (SEPA). These principles are the foundation upon which standards can be established and implemented.

In 2014, three standardization initiatives (EPASOrg, CIR SEPA-FAST and Oscar) involved in the complementary field of SEPA payments by card, merged into a new entity, Nexo. Pierre-Antoine Vacheron, Ingenico Group Executive Vice-President Strategy, Finance and Performance, who was chairman of the General Assembly of EPASOrg, was reappointed for this role in the new organization.

Ingenico Group also developed a number of new partnerships in 2014. The Group is now a member of the World Wide Web Consortium (W3C), which sets web standards, especially for HTML5. In March 2014, Ingenico Group hosted a W3C workshop in to discuss the potential for standards covering Web payment, which resulted in the creation of a working group dedicated to this topic in which Ingenico Group is participating.

Ingenico Group joined Global Platform too – a group that identifies develops and publishes technical specifications and market configurations which facilitate the secure and interoperable deployment and management of multiple embedded applications on secure chip technology. Ingenico Group's participation involves the standardization of secure environments for TEE type smart phones, which offer a secure area that resides in the main processor of a connected device, ensuring that sensitive data is stored, processed and protected in a trusted environment. The objective is to support the needs of smart device stakeholders, such as smartphone and tablet application developers, and device manufacturers. The technology's development is crucial for mobile wallets, near-field communication (NFC) payment implementations, premium content protection and "bring your own device" initiatives (BYOD).

Finally, Ingenico Group has developed a powerful research and development partnership with Samsung, to create an integrated mobile payment solution. This alliance has a global scale and, by bringing together Samsung's mobile devices and tablets and Ingenico Group's customer mobile platform and card readers, will enable customers and retailers to benefit from a seamless mobile payment system. It will offer end-to-end and secured mobile payments to businesses of all sizes across the globe, significantly improving their in-store business efficiency while capturing new sales opportunities.

2.4.7.2 Awards and recognition

Ingenico Group's office in Brazil was recognized for its competitive attitude and sustainable approach. Awarded by Cielo, Latin America's largest payment services provider, the prize recognizes Ingenico Group's focus on customers, partnership building and operational transparency, as well as its commitment to manufacturing components across the entire production chain and the creation of local jobs that result from this policy.

Further, Ingenico Italia was awarded a national prize for innovation. The prize is aimed at supporting the innovation capabilities in the fields of business community, university, research and public administration to encourage a culture of change in accordance with the objectives outlined by the European Commission in the new Framework Programme for Research and Innovation, Horizon 2020. The National Award for Innovation in Services, better known as the "Prize of Prizes for Innovation", is a prestigious innovation award in Italy, which was set up by the Foundation for Technological Innovation (COTEC) with the support of the Italian President. Ingenico Group received the award for its mPOS mobile payments solution, which provides easy-to-use, secure and cost effective payment services for small businesses.

In 2014, Ingenico Group was also awarded the Best Improver accolade for its impressive performance (+39 points between 2013 and 2014) on its climate change, CO_2 emissions and energy consumptions strategies as ranked by Carbon Disclosure Project (CDP). The CDP is an independent NGO that works with global investors to advance investment opportunities and mitigate the risks posed by climate change. The ranking puts Ingenico Group among CDP's Top 40 greenest companies in France.

2.5 Environmental information

2.5.1 Environmental issues and policy

The environmental stakes for the Group are twofold:

- first, establishing a presence in a given territory; managing infrastructure and the logistics resulting from the Group's business have direct impacts in terms of resource and energy consumption, greenhouse gas emissions and waste production;
- second, the sale of Ingenico Group products and related services has repercussions on the environment.

As a leading worldwide provider of payment solutions, Ingenico Group has a key role to play in controlling the environmental impact of the payment chain. Given its core business, Ingenico Group helps to further the development of payment solutions that have less impact on the environment (especially in terms of air emissions and the use of natural resources) than other means of payment, such as cash or checks.

Ingenico Group contributes to environmental conservation with a policy designed to minimize the environmental impact of its business, products and services. The environmental actions undertaken by Ingenico Group are coordinated at Ingenico SA and reviewed annually by senior environmental management.

The environmental policy defined at Ingenico SA is documented and signed by the management. It is based upon four guiding principles:

- **exemplary compliance with the applicable environmental requirements**
  Ingenico Group monitors the legal requirements relating to the environment and takes action to ensure the compliance of its activities, products, and services with the applicable regulations;
- **considering environmental impact from the product design stage**
  Ingenico Group promotes "eco-design" because the primary elements affecting the environmental performance of products begin at the development and design phase;
- **implementing a responsible purchase process that incorporates environmental criteria**
  Ingenico Group incorporates environmental criteria into the purchase requirement sent to its various suppliers and subcontractors;
- **increasing environmental consciousness among employees**
  Ingenico Group encourages its employees to adopt environmentally friendly practices in their daily activities.

2.5.2 Impacts related to business activity and the distribution chain

Ingenico Group's primary concern is to control its environmental footprint in the Group's two main areas of responsibility:

- the operations of its infrastructure, such as offices, logistics centers and data centers (consumption of energy, natural resources and consumables);
- the sale and distribution of payment terminals (use of raw materials and the energy consumption of its products, transportation for delivery to customers, waste production).

Ingenico Group is working to lessen its environmental impact through the actions and measures described below.

2.5.2.1 Impacts resulting from sales activity

Transport

› Merchandise transport

One of the most significant environmental impacts for Ingenico Group, with respect to GHG emissions in particular, is the transportation of materials and merchandise. In the GHG emissions analysis updated in 2014, emissions generated by the transport of terminals from subcontracting factories known as EMS (electronic manufacturing services) to customers were at the top of the list when emissions from product manufacture and use were not included in the calculation.

Air transport in particular has a very significant impact, contributing close to 97 percent of all emissions generated by international transport at the front end of the supply chain. Substantial efforts have thus been made to optimize the logistics chain and especially to increase the number of products included in each shipment (consolidation) and the proportion transported by sea. As a result, in 2014, 25 percent of all products were transported by sea.

› Employee transportation and business travel

The 2014 updated GHG emissions analysis shows that employee business travel accounts for a significant proportion of all transport-related emissions. Ingenico Group has put in place action plans to limit the environmental impact from such business travel by promoting the use of video-conferencing systems for meetings. Such systems are currently installed in many of the Group's facilities and their use is growing steadily.

At a conference for distributors in the EMEA region, held in Dubaï in May 2014, Ingenico Group fully offset the 141.29 metric tons of CO_2 corresponding to the 665,317 kilometers traveled by the 90 participants from 28 different countries. This "carbon offsetting" was conducted in partnership with the organization Climat Mundi as part of a plan to reduce deforestation in Ghana.

Other local initiatives have emerged, as with the German subsidiary, which implemented training sessions for employees on environmentally friendly driving as well as an "environmental challenge" to limit the monthly consumption of fuel among employees with a company car.

To encourage employees to commute by bike, the Chinese subsidiary Landi organized a "car-free day" and offered bicycles as prizes at company events and competitions. This same subsidiary decided in 2014 to change its car rental company to reduce its fuel consumption and associated pollution.

Finally, in Valence (France) a "mobility challenge" was organized at the local offices in June 2014, during which 81 people (or 31 percent of the site's workforce) opted to come to work using an alternative mode of transport. On that occasion, 2,116 km were traveled by bus, train, bike, carpool or scooter.

Raw and auxiliary materials consumption

A study was conducted on the amount of raw materials consumed directly by various subsidiaries. Since the bulk of Ingenico Group activity occurs in offices, paper consumption was a key area of focus for the study.

› Paper consumption

Paper consumption by the Ingenico Group amounted to 42.3 metric tons in 2014.

(in metric tons)	2014	2014 (like-for-like)	2013 (like-for-like)	Change
Paper consumption	42.3	40.1	46.1[1]	-13%

(1) 2013 data were revised upwards due to a correction in the data reported by the Chinese subsidiary in China and the integration of the sites in Belgium, Indonesia, Mexico and Russia.

Examples of the Group's commitment to reducing paper consumption include changing printer settings, increasing the use of electronic documentation (emails and instant messaging) and encouraging paperless work environments. Some of these initiatives have been put in place in Germany, Belgium, China, France and the United Kingdom.

Beyond paper and cardboard consumption, the Group is examining other potential impacts that its activities might have on the consumption of resources. The components of the products sold by Ingenico Group are one of the important issues being considered.

› Consumption of components

The GHG emissions analysis conducted in 2014 pointed out that, when the entire Ingenico Group value chain is taken into account, the impact of terminal manufacturing on greenhouse gas emissions is very substantial. Raw materials mining and component manufacture account for more than 32.0 percent of the GHG emissions generated by Ingenico Group's activity.

Efforts at eco-designing, which seeks to reduce the amount raw materials used per product, are therefore essential to decreasing both natural resource consumption and related GHG emissions.

Preventive measures, recycling and waste disposal

Most of the Ingenico Group's subsidiaries have sorting systems to collect and recycle internal waste such as electrical and electronic equipment, toners and cartridges, batteries and accumulators, plastic, paper and cardboard.

Collection and recycling networks for Ingenico Group terminals are also in place in countries like Australia, Canada, Singapore and Turkey. In the European Union, in compliance with the WEEE (Waste Electrical and Electronic Equipment) directive (for more information, see section entitled Evaluation and Regulatory Compliance), Ingenico Group offers collection and recycling schemes to its customers for end-of-life terminals.

The quantity of terminals collected and for recycling, which was tracked at Group level, reached a total of 111.6 metric tons in 2014.

(in metric tons)	2014	2014 (like-for-like)	2013 (like-for-like)	Change
Non-hazardous waste collected and treated[(1)]	637.0	488.0	498.1[(2)]	-2%
Hazardous waste collected and treated	19.5	9.0	8.4[(3)]	+7%
End-of-life products (WEEE) collected and treated	111.6	111.6	227.2[(4)]	-51%

(1) Excluding sites in Belgium and Singapore.
(2) 2013 data was revised upwards due to a correction in the data reported by the sites in Italy and the UK and the integration of the sites in the US (Alpharetta, GA).
(3) 2013 data was revised downwards due to a correction in the data reported by the sites in Italy and the integration of the sites in the US (Alpharetta, GA).
(4) 2013 data was revised downwards due to a correction in the data reported by the sites in Spain, France, India and Italy, and the integration of the sites in Australia.

Several different factors may explain the decrease in tonnage for end-of-life products collected and treated *via* the recycling networks: a slower pace of replacement for terminals (and therefore fewer terminals to be scrapped), lower average weight for more recent models, services employed by customers outside of Ingenico Group's operational control, etc.

2.5.2.2 Impacts related to infrastructure

Energy consumption

A study of data relating to energy consumption was performed at Group level. In 2014, the quantity of electricity used was 12,334.3 MWh, while the amount of natural gas consumed was 2,119.8 MWh LHV over the same period.

(in MWh)	2014	2014 (like-for-like)	2013 (like-for-like)	Change
Electricity consumption[(1)]	12,334.3	11,646.1	10,967.2[(2)]	+6%
Natural gas consumption[(3)]	2,119.8	2,119.8	2,034.7[(4)]	+4%

(1) Excluding the sites in Russia.
(2) 2013 data was revised upwards due to a correction in the data reported by the sites in Germany, China, Spain and France and the integration of the sites in Belgium, the US (Boston, MA), Indonesia, Mexico and the Philippines.
(3) Excluding the sites in the US (Alpharetta, GA).
(4) 2013 data was revised upwards due to a correction in the data reported by the sites in Germany, the US (Alpharetta, GA), the UK, and Turkey, and the integration of the site in Belgium.

Energy consumption (electricity and natural gas) increased only slightly between 2013 and 2014 despite an increase in business activity (+19 percent) and in the number of employees (+18 percent).

Where possible, Ingenico Group only occupies buildings with high energy efficiency. Such is the case in Valence (France), where the building is BBC-certified (low-energy consumption) by an external certifying body, which guarantees an energy performance level well above that of standard buildings. In addition, this site has 163 m² of solar panels installed on the roof to provide some of the energy for building-wide services (heating, lighting, etc.). In the United States (Alpharetta, GA), Ingenico Group also works out of an LEED-certified (Leadership in Energy and Environmental Design) and Energy Star-certified building, guaranteeing high energy efficiency.

In 2014, the German subsidiary established a "green energy" agreement with its energy supplier to ensure that, from 2015, the energy delivered across all of its sites is produced from renewable resources only.

Other actions to reduce energy consumption were deployed on Group sites in Germany, Brazil, China, the US, France and the UK, where the use of high-efficiency electrical equipment, low-consumption light bulbs, LED lighting and movement detectors limit excess energy consumption.

Water consumption

In 2014, water consumption was tracked locally at each site. Overall water consumption for the Group in 2014 was 50,400 cubic meters.

(in thousands of m³)	2014	2014 (like-for-like)	2013 (like-for-like)	Change
Water consumption(1)	50.4	36.3	38.0(2)	-4%

(1) Excluding the sites in the UK and Russia.

(2) 2013 data was revised upwards due to a correction in the data reported by the sites in China and Turkey, the integration of the sites in Belgium and Indonesia, and a change in the reporting scope for the sites in Spain and France.

Group subsidiaries have taken several initiatives to reduce water consumption. The buildings in Brazil, China, the US (Boston, MA) and France, for example, are equipped with automatic faucets and dual flush toilets.

Ingenico Group has no knowledge of local constraints water resource matters. Moreover, given the Group's activity, the consumption recorded are for purely food and sanitary use only.

Substance and noise pollution

In order to evaluate greenhouse gas emissions generated by the Group's activity, an updated Group-wide GHG analysis was performed, including the activities of the following subsidiaries: Landi (China), Ogone (Belgium), and Easycash (Germany). The GHG calculation process can be found in the section entitled "Analysis of greenhouse gas emissions".

As the noise and odors caused by Ingenico Group's activity is negligible, they are not subject to specific reporting.

Land use

As Ingenico Group's activity has limited impact on ground soil, there is no specific reporting on ground soil pollution.

Biodiversity conservation

Ingenico Group's activity has not revealed any direct negative impact on biodiversity as they have very few green space or land in the premises they occupy.

2.5.3 Solution and production offering

2.5.3.1 General approach

A major concern for Ingenico Group is reducing the environmental footprint of the products it sells and the services it offers. The Group's environmental policy involves leveraging research and development, pursuing eco-design and incorporating environmental criteria into purchase policy with the aim of minimizing the impact of the Group's activities on the environment.

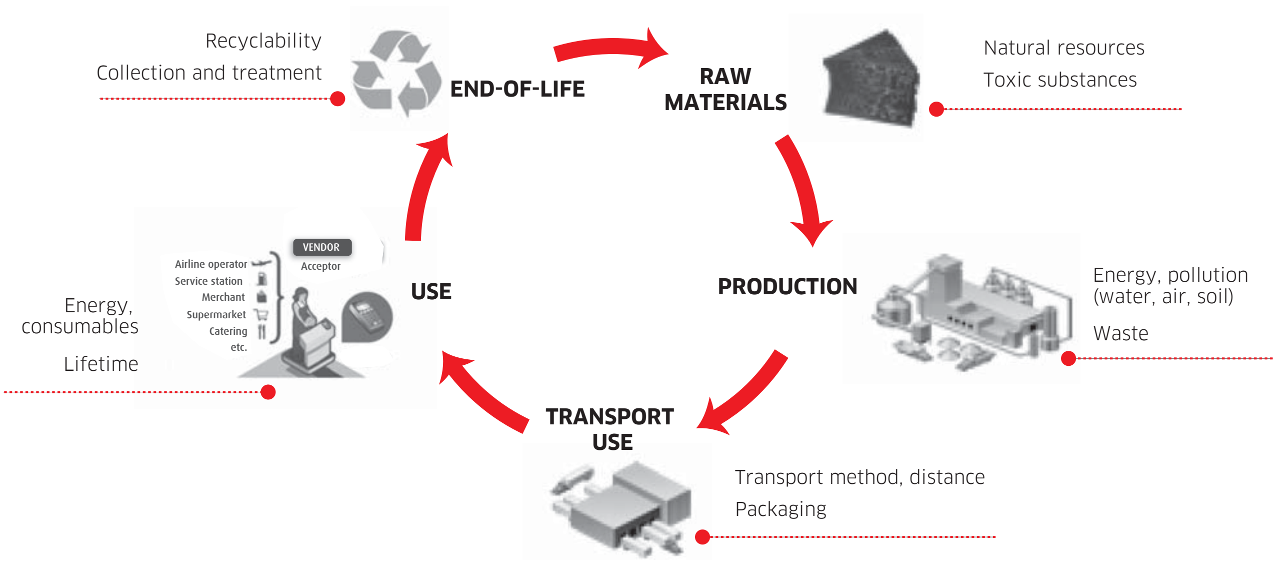
The 2014 analysis of GHG emissions shows that the use of terminals is the phase that generates the most GHG emissions, and that component manufacturing is the largest contributor within the manufacturing phase for Ingenico Group products (for details refer to the section entitled "Analysis of greenhouse gas emissions").

All of the above indicators vindicate the Group's eco-design approach in its environmental policy.

2.5.3.2 Eco-design

Eco-design is a preventive approach that factors in environmental concerns right from the product design and development phase. This approach requires that consideration be paid to the environmental requirements that relate to the product – regulations, customer expectations, Group policy – and to the product's environmental impacts, including energy and resource consumption and waste production.

The eco-design approach implemented by Ingenico Group is based on the "life cycle" approach to products, as shown in the following diagram:

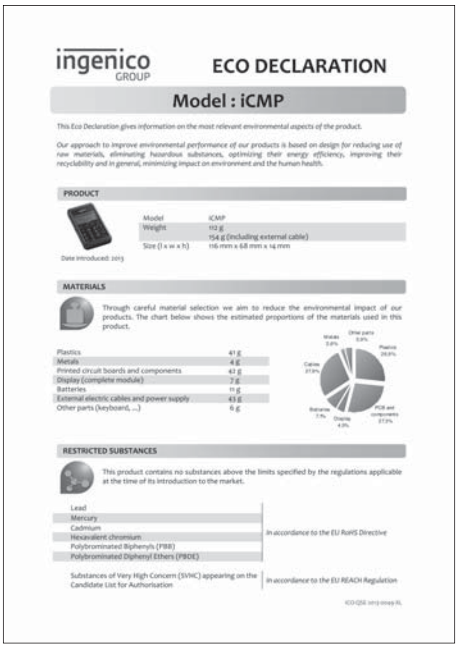


Using an eco-design guide and check-list, established using the best international standards for electronic products, the Group evaluates the environmental performance of its products:

- by measuring a number of design indicators like weight, volume, energy consumption, number of components, surface area of printed circuits, etc.;
- by verifying compliance with current regulatory requirements (WEEE, RoHS, REACH, etc.);
- by identifying good design practices (compatibility of plastics, number of different plastic materials, marking of parts, disassembly, chemical substances used, sleep mode, etc.).

This evaluation of environmental performance provides the basis for drafting an "eco-declaration," a sort of environmental product profile that emphasizes the ecological aspect of the product while responding to customer expectations.

Example of an eco-declaration on a product (an ICMP)



ingenico GROUP

ECO DECLARATION

Model : iCMP

This Eco Declaration gives information on the most relevant environmental aspects of the product.

Our approach to improve environmental performance of our products is based on design for reducing use of raw materials, eliminating hazardous substances, optimizing their energy efficiency, improving their recyclability and in general, minimizing impact on environment and the human health.

PRODUCT

Model	iCMP
Weight	112 g 154 g (including external cable)
Size (l x w x h)	116 mm x 68 mm x 14 mm

Date introduced: 2013

MATERIALS

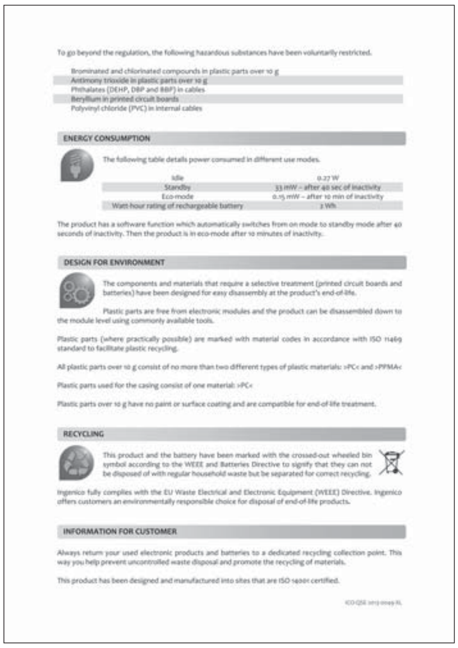
Through careful material selection we aim to reduce the environmental impact of our products. The chart below shows the estimated proportions of the materials used in this product.

Plastics	41 g
Metals	4 g
Printed circuit boards and components	42 g
Display (complete module)	7 g
Batteries	11 g
External electric cables and power supply	43 g
Other parts (keyboard, ...)	6 g

RESTRICTED SUBSTANCES

This product contains no substances above the limits specified by the regulations applicable at the time of its introduction to the market.

Lead Mercury Cadmium Hexavalent chromium Polybrominated Biphenyls (PBB) Polybrominated Diphenyl Ethers (PBDE)	*In accordance to the EU RoHS Directive*
Substances of Very High Concern (SVHC) appearing on the Candidate List for Authorisation	*In accordance to the EU REACH Regulation*



To go beyond the regulation, the following hazardous substances have been voluntarily restricted.

- Brominated and chlorinated compounds in plastic parts over 10 g
- Antimony trioxide in plastic parts over 10 g
- Phthalates (DEHP, DBP and BBP) in cables
- Beryllium in printed circuit boards
- Polyvinyl chloride (PVC) in internal cables

ENERGY CONSUMPTION

The following table details power consumed in different use modes.

Idle	0.27 W
Standby	33 mW – after 40 sec of inactivity
Eco-mode	0.15 mW – after 10 min of inactivity
Watt-hour rating of rechargeable battery	3 Wh

The product has a software function which automatically switches from on mode to standby mode after 40 seconds of inactivity. Then the product is in eco-mode after 10 minutes of inactivity.

DESIGN FOR ENVIRONMENT

The components and materials that require a selective treatment (printed circuit boards and batteries) have been designed for easy disassembly at the product's end-of-life.

Plastic parts are free from electronic modules and the product can be disassembled down to the module level using commonly available tools.

Plastic parts (where practically possible) are marked with material codes in accordance with ISO 11469 standard to facilitate plastic recycling.

All plastic parts over 10 g consist of no more than two different types of plastic materials: >PC< and >PFMA<

Plastic parts used for the casing consist of one material: >PC<

Plastic parts over 10 g have no paint or surface coating and are compatible for end-of-life treatment.

RECYCLING

This product and the battery have been marked with the crossed-out wheeled bin symbol according to the WEEE and Batteries Directive to signify that they can not be disposed of with regular household waste but be separated for correct recycling.

Ingenico fully complies with the EU Waste Electrical and Electronic Equipment (WEEE) Directive. Ingenico offers customers an environmentally responsible choice for disposal of end-of-life products.

INFORMATION FOR CUSTOMER

Always return your used electronic products and batteries to a dedicated recycling collection point. This way you help prevent uncontrolled waste disposal and promote the recycling of materials.

This product has been designed and manufactured into sites that are ISO 14001 certified.

2.5.4 Monitoring of environmental performance and regulatory compliance

Ingenico SA implements its environmental policy mainly by establishing an Environmental Management System based on ISO 14001, by monitoring GHG emissions Group-wide, and by broadening the scope of the environmental reporting process.

Ingenico Group also intends for its environmental policy to be an exemplary model of compliance with the applicable environmental regulations.

2.5.4.1 Certified Environmental Management System

Environmental protection is a growing concern and controlling the environmental impact of a company's activities requires a structured approach in order to be sustainable. Ingenico SA has an Environmental Management System which is ISO 14001-certified (renewed in 2014). As the international standard for environmental management, ISO 14001 provides the framework for determining the program of measures and procedures that can help companies gain better control over the environmental impact of their business, products, and services. ISO 14001 requires the establishment and implementation of environmental practices such as compliance with applicable environmental regulations, determining and evaluating any significant environmental impacts, establishing objectives and a program for achieving those objectives, and implementing continuous improvements using specific monitoring and measurement methods.

In China, Ingenico Group's subsidiary Landi also has an ISO 14001-certified Environmental Management System.

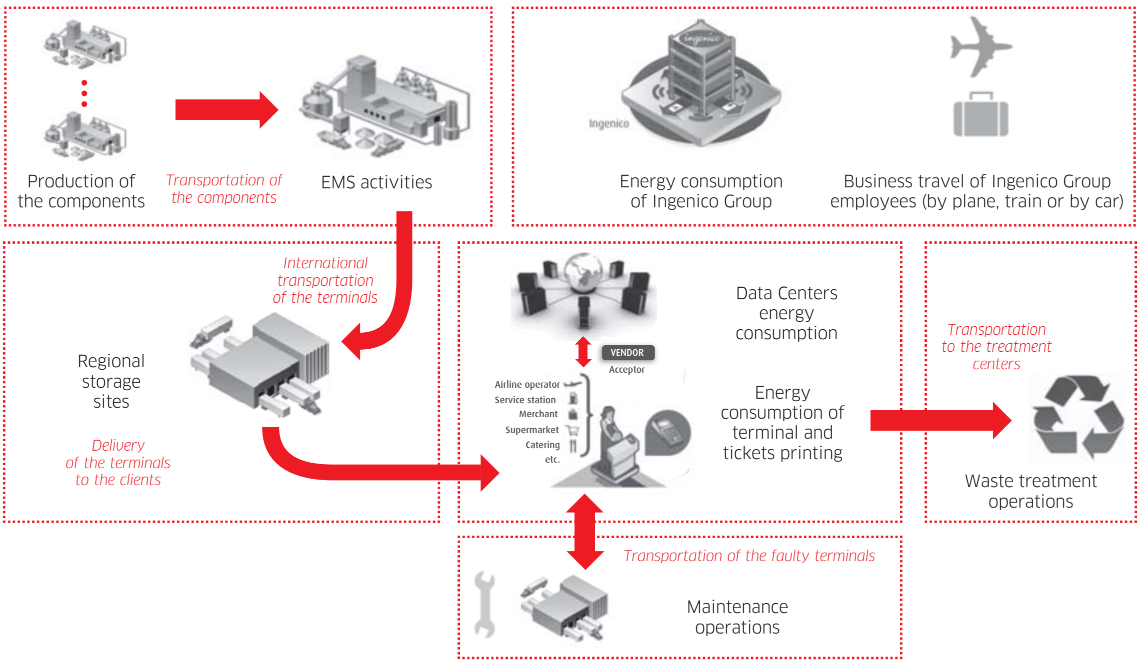
2.5.4.2 Analysis of greenhouse gas emissions

To monitor the Group's GHG emissions, Ingenico Group updated its emissions analysis in 2014. This initiative goes beyond more compliance with legal obligations under the Grenelle II Act by broadening the scope of GHG emissions analysis to encompass the entire value chain of the Ingenico Group, including the activities of the following subsidiaries: Landi (China), Ogone (Belgium), and Easycash (Germany).

The analysis of the Group's greenhouse gases (GHG) covered the following elements:

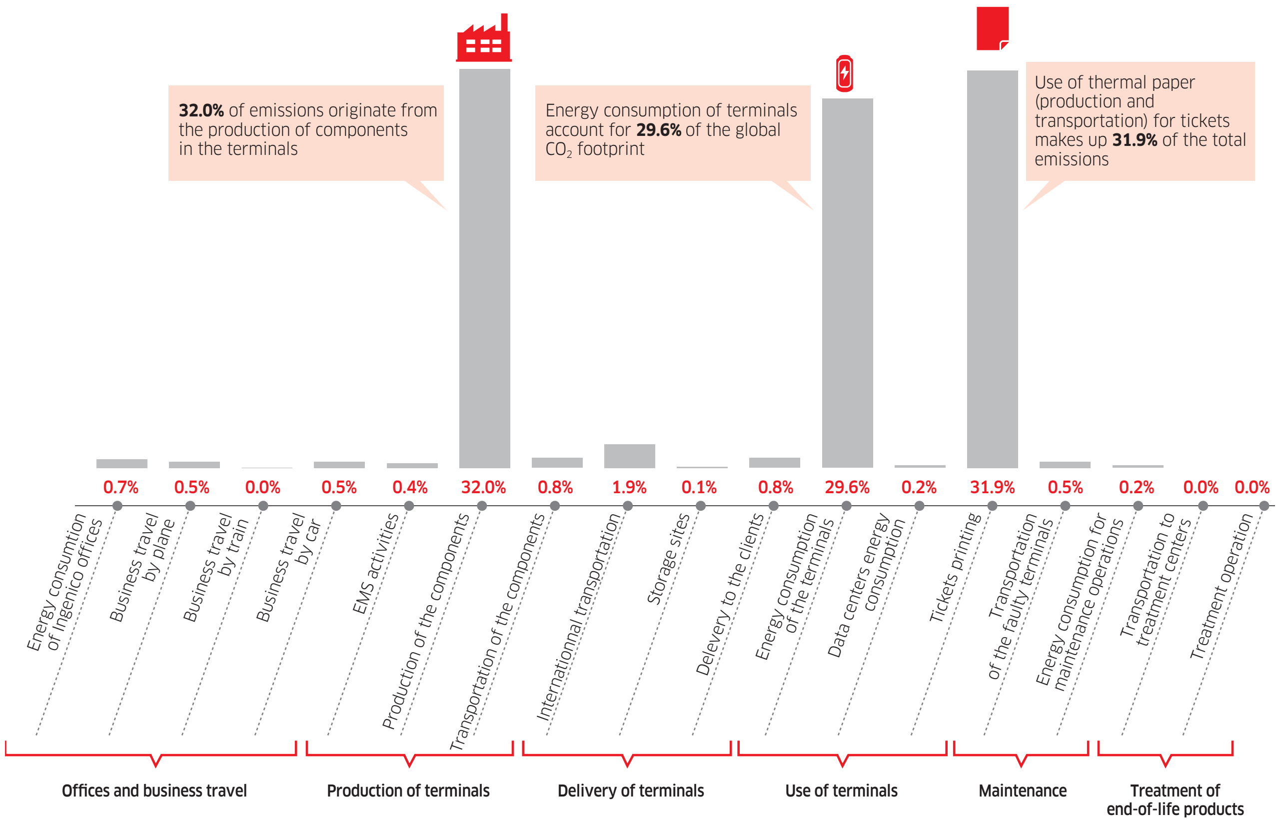
- energy consumption and cooling/heating systems in the Group's buildings;
- business travel;
- energy consumption and cooling/heating systems at EMS;
- production and transport of terminal components;
- international transport and delivery of terminals from EMS to the customers;
- energy consumption of terminals;
- production and transport of the paper needed for printing out receipts when transactions take place;
- energy consumption of data centers (for services operated by Ingenico Group);
- collection and delivery of terminals for repair;
- energy consumption and cooling/heating systems at maintenance centers;
- transport of terminals to their place of disposal;
- treatment of end-of-life terminals.

Schema of the elements included in the GHG emissions analysis



This analysis enabled the identification of the elements with the largest GHG emissions in order to target preventive actions and make the greatest impact. The results presented in the analysis below help the Group to refine its action plans for reducing GHG emissions within its approach toward progress and the continuous improvement of environmental performance.

Principal sources of CO_2 emissions in Ingenico Group's value chain



GHG emissions, as well as the variations noted in the table below, should be considered along with the following figures:

- increase in production of approximately 29 percent between 2013 and 2014;
- increase in the number of terminals in use by 20 percent between 2013 and 2014.

CO_2 emissions by category and by year

(in metric tons of CO_2 equivalent)	2014	2013	Change
Office use and business travel	14,154	14,434	-2%
Production of terminals	278,868	215,147	+30%
Delivery of terminals	23,328	17,641	+32%
Use of terminals	516,995	464,178	+11%
Maintenance	5,408	4,739	+14%
Treatment of end-of-life products	204	81	+152%
TOTAL	**838,957**	**716,220**	**+17%**

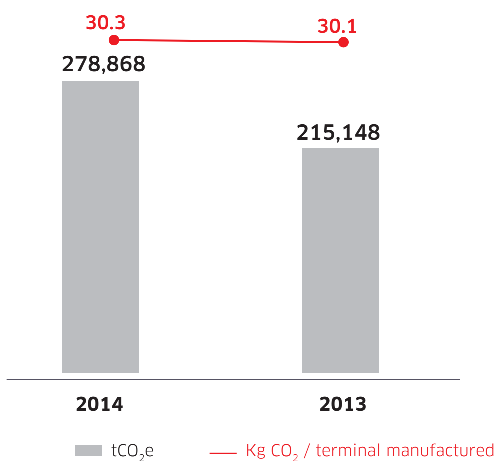
CO_2 emissions by scope and by year

(in metric tons of CO_2 equivalent)	2014	2013	Change
Scope 1 (direct emissions from combustion of fossil fuels)	4,109	4,289	-4%
Scope 2 (indirect emissions from electricity)	6,525	5,627	+16%
Scope 3 (other indirect emissions)	828,323	706,304	+17%
TOTAL	**838,957**	**716,220**	**+17%**

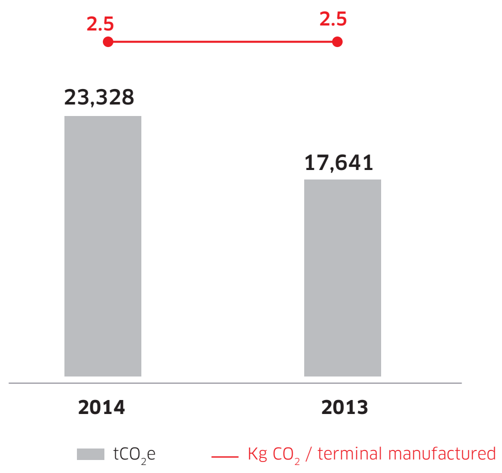
GHG emissions related to offices and business travel have slightly decreased between 2013 and 2014 (-2 percent) in spite of the growth of the Group's business (+19 percent) and the increase in the number of employees (+18 percent).

Indicators related to the production and delivery of terminals are generally proportional to the quantity of terminals manufactured by the Group.

Terminal production

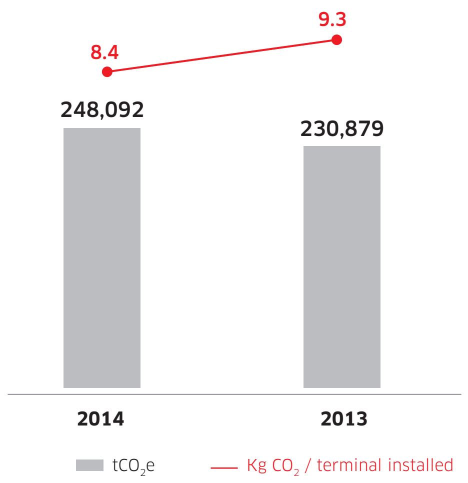


Terminal delivery



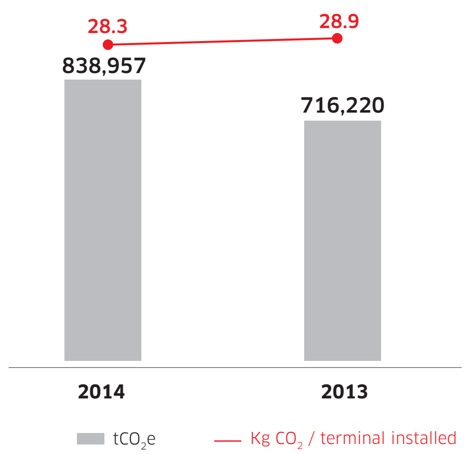
The efforts made to optimize the energy efficiency of terminals have made a measurable difference in GHG emissions generated by their use and, in particular, their energy consumption. In fact, the GHG emissions resulting from the average energy consumption per terminal installed fell by 10 percent between 2013 and 2014.

Energy consumption for terminals



The growth of the Group's business saw an upward trend in total GHG emissions in 2014 compared with 2013 (on a like-for-like basis). This increase (+17 percent), however, is slower than the increase in production (+29 percent) and the number of terminals in use (+20 percent).

Ingenico Group GHG emissions



Greenhouse gas reduction targets

In 2013, Ingenico Group set two GHG emissions reduction targets. The Group's first target was to achieve a 40 percent reduction in the GHG emissions from the average consumption of the terminals in use by 2015 (in relation to 2011 on a like-for-like basis, *i.e.*, excluding the activities of Landi, Ogone and Easycash). In 2014, thanks to the optimization of the energy efficiency of Ingenico Group products, this target has already been reached and exceeded, with a 53 percent reduction in GHG emissions.

The second target stipulated that the total GHG emissions per Ingenico Group terminal in use should be 20 percent lower by the end of 2015 than in 2011 (excluding the activities of Landi, Ogone, and Easycash). In 2014, Ingenico Group recorded a 14 percent reduction of its GHG emissions within this scope, which is in line with the objective set in 2013.

2.5.4.3 Regulatory assessment and compliance

The Ingenico Group monitors, analyzes and implements actions that ensure compliance with current legal requirements related to the environment. The regulations in Europe are the most stringent and are constantly being reinforced. Ingenico Group's primary aim is to ensure that its products comply with relevant regulations, particularly as regards its suppliers and subcontractors, and to take a proactive approach in several areas:

- the RoHS (Restriction of the use of certain Hazardous Substances) directive aims to reduce the use of certain substances that are hazardous to health and to the environment and that can be found in electrical and electronic equipment (lead, mercury, cadmium, chromium and brominated flame retardants). In 2014, all of the products delivered by Ingenico Group complied with this legal requirement;
- the REACH (Registration, Evaluation, Authorization and restriction of Chemicals) regulation requires that information be provided throughout the distribution chain if any so-called Substances of Very High Concern (SVHC) are used in the manufacturing of products, and that the ECHA (European Chemicals Agency) be notified accordingly. Ingenico Group has monitored its suppliers and performed laboratory tests to ensure that no substance on the SVHC list, which is updated on a regular basis by the ECHA, is used as a component of Ingenico Group products in proportions exceeding the information and/or declaration thresholds set forth by this regulation;
- the WEEE (Waste Electrical and Electronic Equipment) directive, applicable in the European Union, requires manufacturers of electrical and electronic equipment to organize and finance the collection, treatment and disposal of their end-of-life products. Ingenico Group provides a specific network to its customers for the collection and recycling of their end-of-life terminals and complies with the requirements to inform the users, recyclers and local authorities in accordance with this directive;

- the Batteries and Accumulators directive regulates the use of certain hazardous substances and mandates the collection and recycling of this type of waste, including any which may be incorporated into electrical or electronic products. Ingenico Group complies with the design and information requirements of this directive;
- the Packaging directive seeks to reduce, at the source, the weight and volume of packaging required for products and to minimize health hazards by diminishing the presence of heavy metals. Ingenico Group ensures that these requirements are taken into account by their packaging suppliers;
- the ErP (Energy-related Products) directive establishes a framework for the eco-design of energy-related products. The Group carefully monitors the measures published by the European Commission and, although none of these measures currently apply to Ingenico Group, strives to uphold their eco-design principles in its new product ranges.

Above and beyond applicable regulatory requirements, Ingenico Group also works to encourage the use of thermal paper containing no Bisphenol A in its terminals.

Ingenico Group has access to tools dedicated to monitoring regulations to ensure that the Group remains aware of environmental regulations applicable to the Group's business.

2.5.4.4 Preventing and reducing environmental risks

The Group's business activities represent no significant risk to the environment, as Ingenico Group sells and distributes products but does not manufacture them.

Nevertheless, initiatives have been put in place to prevent and reduce such risks. The Group calls on external service providers for laboratory tests, environmental regulatory monitoring, advice on environmental matters and ISO 14001 environmental certification. All of these initiatives support Ingenico Group's focus on preventing and reducing the Group's impact on the environment.

The Group also intends to build environmental awareness among its employees. To this end, Ingenico Group encourages Group employees to adopt environmentally-friendly practices in their daily activities to reduce paper consumption, travel, and energy consumption, and to promote waste sorting. In China, the subsidiary Landi organizes annual awareness campaigns for the workforce on waste management, energy savings and even the risks of water pollution.

2.5.4.5 Reserves and guarantees related to environmental risks

The Ingenico Group has no knowledge of environmental litigation or environmental conditions that could adversely affect the Group's holdings or financial results or impact the use of its tangible fixed assets. Accordingly, no provision for environmental risks was recognized in the 2014 financial statements.

2.6 Report by the Statutory Auditors, appointed as Independent Third Parties, on the consolidated labour, environmental and social information presented in the management report

Year ended 31 December 2014

This is a free translation into English of the Statutory Auditor's report issued in French and it is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as statutory Auditor of Ingenico SA, appointed as Independent Third Party, accredited by the COFRAC under number 3-1049 (1), we hereby present to you our report on the consolidated environmental, labour and social information (hereinafter the "CSR Information") for the year ended December 31st, 2014, presented in the management report. This report has been prepared in accordance with Article L.225-102-1 of the French Commercial Code.

Responsibility of the company

The Board of Directors is responsible for preparing the company's management report including CSR Information in accordance with the provisions of Article R.225-105-1 of the French Commercial Code and with the guidelines used by the company (hereinafter the "Guidelines»), summarized in the management report and available on request from the company's head office.

Independence and quality control

Our independence is defined by regulations, the French code of ethics governing the audit profession and the provisions of Article L.822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable law and regulations.

Responsibility as an independent third party

On the basis of our work, it is our responsibility to:

- attest that the required CSR Information is presented in the management report or, in the event that any CSR Information is not presented, that an explanation is provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Statement of completeness of CSR Information);
- express limited assurance that the CSR Information, taken as a whole, is presented fairly, in all material respects, in accordance with the Guidelines (Opinion on the fair presentation of CSR Information).

Our work was carried out between December 2014 and February 2015 during around three weeks. We were assisted by our specialists in corporate social responsibility.

We performed the procedures below in accordance with professional auditing standards applicable in France, with the decree dated 13 May 2013 determining the manner in which the independent third party should carry out his work, and with ISAE 3000 (2) concerning our opinion on the fair presentation of CSR Information.

1. Statement of completeness of CSR Information

On the basis of interviews with the individuals in charge of the relevant departments, we reviewed the company's sustainable development strategy with respect to the social and environmental impact of its activities and its social commitments and, where applicable, any initiatives or programmes it has implemented as a result.

We compared the CSR Information presented in the management report with the list provided in Article R.225-105-1 of the French Commercial Code.

For any consolidated information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R.225-105, paragraph 3 of the French Commercial Code.

We verified that CSR Information covers the consolidation scope, *i.e.* the company, its subsidiaries as defined by Article L.233-1 and the entities it controls as defined by Article L.233-3 of the French Commercial Code, within the limitations set out in the methodological information presented in the section 2.1 of the management report.

Based on these procedures and given the limitations mentioned above, we attest that required CSR Information has been disclosed in the management report.

2. Opinion on the fair presentation of CSR Information

Nature and scope of the work

We conducted three interviews with the people responsible for preparing CSR Information in the departments in charge of collecting the information and, where appropriate, with those responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, impartiality and understandability, taking into account best practices, where appropriate;

(1) Scope available on the website www.cofrac.fr.

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

- verify that a data-collection, compilation, processing and control process has been implemented to ensure the completeness and consistency of the CSR Information and review the internal control and risk management procedures followed to prepare the CSR Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information with respect to the characteristics of the company, the social and environmental challenges of its activities, its sustainable development strategy and sector best practices.

With regard to the CSR Information that we considered to be the most important presented:

- at parent entity level and sites level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organization, policy, action), we performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and consolidation of the data. We also verified that the data was consistent by cross-checking it with other information in the management report;
- at the entity level for a representative sample of entities selected (3), on the basis of their activity, their contribution to the consolidated indicators, their location and risk analysis, we conducted interviews to verify that the procedures were followed correctly and to identify any undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents on average 22% of quantitative social information and between 38% and 100% of quantitative environmental informations.

Quantitative social information	Reporting *scope*
Headcount at 31/12 Breakdown of the workforce by age, gender and geographical area Percentage of part-time workers Layoffs and new hires (individual and collective)	Ingenico Group
Total hours of training	Ingenico Group, excluding India, Indonesia, Czech Republic, Poland, Serbia, Argentina, Colombia, Miami (US), Venezuela, Chile and GlobalCollect

Quantitative environmental information	Reporting *scope*
Percentage of payment terminals made in ISO 14001-certified plants Greenhouse gas emissions	Ingenico Group
Energy consumption	Australia, Belgium, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Netherlands, Philippines, Russia (excluding electricity), Singapore, Spain, Turkey, United Kingdom and the United States (excluding gas)
End-of-life products (WEEE) collected and treated	Australia, Belgium, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Netherlands, Philippines, Russia, Singapore, Spain, Turkey, United Kingdom and the United States
Non-hazardous waste collected and treated	Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Netherlands, Philippines, Russia, Spain, Turkey, United Kingdom and the United States

Qualitative information	
Labour topics	Summary of collective agreements Policies implemented regarding training Measures implemented to promote gender equality Code of Ethics and Business Conduct
Environmental topics	The organization of the company to integrate environmental issues and, if appropriate, the assessments and certification process regarding environmental issues The use of eco-design methods for terminals
Social topics	Consideration, in the relationship with subcontractors and suppliers of their social and environmental responsibility Importance of subcontracting and consideration, in the relationship with subcontractors and suppliers of their social and environmental responsibility

(3) Ingenico UK and Ingenico France.

For the other consolidated CSR information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes used, based on our professional judgement, were sufficient to enable us to provide limited assurance; a higher level of assurance would have required us to carry out more extensive work. Due to the use of sampling techniques and other limitations intrinsic to the operation of information and internal control systems, we cannot completely rule out the possibility that a material irregularity has not been detected.

Conclusion

Based on our work, we did not identify any material anomalies likely to call into question the fact that the CSR Information, taken as a whole, is presented fairly in accordance with the Guidelines.

Paris La Défense, February 19, 2015

Appointed Independent Third-Party Auditor

French original signed by:

KPMG SA

Anne Garans	Jean-Pierre Valensi
Partner	*Partner*
Climate Change & Sustainable Development Department	

3

CORPORATE GOVERNANCE

3.1 Report of the Chairman of the Board of Directors on corporate governance and internal audit and risk management procedures

To the Shareholders,

In line with the provisions of Article L.225-37 of the French Commercial Code, the Chairman of the Board of Directors presents you with his report for 2014 on the composition of the Board of Directors, the application of the principle of equal representation of men and women thereon, how it prepares and organizes its work and the internal control and risk management procedures implemented in the Company.

The Chairman of the Board has written his report in close cooperation with the Group's main functional and operational departments, *i.e.* Governance and Risks, Finance and Human Resources. The back-and-forth process between the Chairman of the Board and these departments enhances comprehension and provides an accurate picture of the operations involved and the relevant procedures implemented in the Group.

In accordance with Article L.225-235 of the French Commercial Code, the Company's statutory auditors have reported on the information contained in this report on the internal control procedures implemented by the Company in preparing and processing accounting and financial information and attested that this report contains the other disclosures required by Articles L.225-37 and L.225-68 of the French Commercial Code.

This report was approved by the Board of Directors on February 18, 2015 and has been released to the public.

3.1.1 Governance structure

3.1.1.1 Corporate Governance Code

As part of its corporate governance initiatives, the Company put in place a set of measures in accordance with the AFEP-MEDEF Corporate Governance Code which were, in particular, the reference source for the Company's Articles of Association and Rules of Procedure of the Board of Directors. In the same manner, the Company decided to refer to the AFEP-MEDEF Corporate Governance Code for listed companies available on the MEDEF website: www.medef.com.

3.1.1.2 Implementation of the "apply or explain" rule

As recommended by the Autorité des Marchés Financiers, the summary table below lists the points in the AFEP-MEDEF Code not strictly followed by the Company:

AFEP-MEDEF recommendation not followed	Ingenico Group's practice and explanation
Executive officers' fixed compensation (section 23.2.2) The fixed compensation of executive directors should be revised only after relatively long periods, for example three years.	The fixed compensation of the Chairman and Chief Executive Officer was previously reviewed annually. The Company will comply with the recommendation of the AFEP-MEDEF Code from the next reappointment of the Chairman and Chief Executive Officer and propose a review of the fixed compensation at each subsequent reappointment. Nevertheless, steps have been taken to keep the remuneration for 2015 at the same level set in 2014.
Severance benefits (§ 23.2.5) The severance benefits for an executive director should only be authorized in the event of a forced departure, regardless of the form taken by this departure, that is related to a change in control or strategy.	The severance package for the Chairman and CEO does not stipulate that it will only be payable in the event of forced departure related to a change of control or strategy. The severance package for the Chairman and Chief Executive Officer will be reviewed upon his reappointment by the 2016 Annual General Shareholders' Meeting to approve the 2015 financial statements.

3.1.1.3 Legal form

The Company is a public limited company with a Board of Directors and a Management Board.

Combining the functions of Chairman and Chief Executive Officer

On January 20, 2010, the Board of Directors combined the positions of Chairman and Chief Executive Officer, which had been separate since 2004. Since that decision was made, Philippe Lazare has been the Chairman and Chief Executive Officer.

This option, which is also the one most often chosen by French listed companies with a Board of Directors, was made in a constantly changing and particularly competitive environment to ensure greater consistency between strategic and operational functions and to simplify the decision-making process in the interests of greater efficiency, thereby ensuring compliance with the best management practices.

Powers of the Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer is vested with the broadest powers to act in the Company's name in all circumstances. He or she exercises these powers within the scope of the Company's corporate purpose and subject to the powers expressly granted by law to Shareholders' Meetings and to the Board of Directors.

He represents the Company in its relations with third parties. The Company is responsible for the actions of the Chairman and Chief Executive Officer that do not fall within the corporate purpose, unless it proves that the third party knew that the act was ultra vires or could not ignore it under the circumstances, with the proviso that the mere publication of the Articles of association shall not constitute such proof.

Limits on the powers of the Chairman and Chief Executive Officer

The limits placed by the Board of Directors on the powers of the Chairman and Chief Executive Officer are described in Article 2 of the Board's Rules of Procedure and are reviewed below.

The consent of the Board of Directors is required before the Chairman and Chief Executive Officer may appoint any person to act as a permanent representative of the Company or of companies that it controls directly or indirectly, as defined in Article L.233-3 of the French Commercial Code, to the Board of Directors or the Supervisory Board of any company that is not directly or indirectly controlled by the Company. The Board of Directors shall base its decision on any proposals or opinions issued by the Compensation, Appointments and Governance Committee.

Prior authorization from the Board of Directors is also required for any related party agreement in accordance with Articles L.225-38 *et seq.* of the French Commercial Code. This includes any "Golden Parachute" or "Additional Retirement" agreements with the Chairman, Chief Executive Officer or Executive Vice Presidents involving compensation or benefits due upon the termination of their duties or thereafter.

The prior consent of the Board is also required for the following:

- **(i)** setting the consolidated budget for the year;
- **(ii)** setting the consolidated business plan;
- **(iii)** any investment, divestiture, acquisition of equity interests or assets, contribution or disposal of assets, merger, demerger or partial contribution of assets in an amount exceeding €25 million;
- **(iv)** any application for a loan exceeding €35 million or any issuance of bond debt or other long-term liabilities exceeding €35 million;
- **(v)** any financial transaction liable to have a material effect on the strategy and scope of Ingenico Group and involving an amount in excess of €50 million;
- **(vi)** any financial transaction involving an amount in excess of €100 million;
- **(vii)** any capital increase or series of capital increases liable to modify by more than 10 percent the total share capital and/or voting rights in Ingenico Group during a period of less than twelve consecutive months, and not entailing preferential subscription rights for existing shareholders; and
- **(viii)** any capital increase or series of capital increases liable to modify by more than 20 percent the total share capital or voting rights in Ingenico Group during a period of less than twelve consecutive months, even with preferential subscription rights for existing shareholders maintained;
- **(ix)** any material transaction outside of the Group's strategy, in accordance with the AFEP-MEDEF Code.

Neither the provisions of these Articles nor any Board resolutions limiting the Chairman and Chief Executive Officer's powers are enforceable against third parties.

Powers of the Deputy Chief Executive Officers

In agreement with the Chairman and Chief Executive Officer, the Board shall determine the extent and term of the powers vested in Deputy Chief Executive Officers. The Deputy Chief Executive Officers have the same powers as the Chairman and Chief Executive Officer with respect to third parties.

They are vested with the broadest powers to act in the Company's name in all circumstances. They exercise these powers within the scope of the Company's corporate purpose and subject to the powers expressly granted by law to Shareholders' Meetings and to the Board of Directors.

They represent the Company in its relations with third parties. The Company is responsible for the actions of the Deputy Chief Executive Officers that do not fall within the corporate purpose, unless it proves that the third party knew that the act was ultra vires or could not ignore it under the circumstances, with the proviso that the mere publication of the Articles of association shall not constitute such proof.

On the date that this report was prepared, the Board had not appointed a Deputy Chief Executive Officer.

3.1.2 Composition of the Board of Directors - directors and executive officers

3.1.2.1 Rules for the composition of the Board of Directors

The composition of the Company's Board of Directors and executive management is determined by the applicable laws and regulations, by the Articles of Association of the Company as well as by the Rules of Procedure of the Board of Directors, the main clauses of which are summarized or copied below.

Appointment of Directors: in line with the Articles of Association, the Company is administered by a Board consisting of at least three (3) and at most thirteen (13) members appointed from among the shareholders.

The Directors are appointed by the General Meeting and can be removed by it. The term of office for Directors is four years. Exceptionally, and in order to stagger the renewal of the Directors' terms of office, the Combined Ordinary and Extraordinary Shareholders' Meeting held on May 3, 2012 proceeded with appointments or renewals of terms of office for periods of four (4) or two (2) years. The staggering of Directors' terms of office is now a reality.

Plurality of offices as a Director of the Company and of several other *sociétés anonymes* (public companies) is allowed only within the limits permitted by law.

A Company employee may be appointed to the Board of Directors, but only if his or her employment contract predates this appointment and corresponds to a position actually held. The employee-Director does not lose the benefit of his or her employment contract. The number of Directors bound to the Company by employment contracts may not exceed one third of all Directors in office. Any appointment made in violation of the above provision shall be declared null and void. However, this does not render null and void the proceedings in which the improperly appointed Director has taken part. At December 31, 2014, the Company's Board of Directors did not include employee shareholders appointed as Directors pursuant to Article L.225-23 of the French Commercial Code, or a director elected by the employees in accordance with Article L.225-27-1 of the French Commercial Code, the provisions of which do not apply in this case.

In the event of the death or resignation of a Director, the Board of Directors may make a provisional appointment between two shareholders' meetings. Any such provisional appointment must be ratified by the next meeting of shareholders. Even if the meeting does not ratify the appointment, the prior proceedings and acts of the Board of Directors shall be considered valid.

When the number of Directors in office drops below three, the remaining Directors must immediately convene a shareholders' meeting in order to restore Board membership to the required minimum.

Age limit: in accordance with the Articles of Association, the number of Directors (individuals or representatives of legal entities) over 75 years of age may not exceed one third, rounded to the next higher number, of Directors in office on the date of the Annual Meeting convened to approve the annual financial statements. When this recommended number has been exceeded, the oldest Director, except for the Chairman, shall be deemed to have resigned.

Legal entities that are Directors: in accordance with the Articles of Association, if a company is on the Board of Directors, as soon as it is appointed it must designate a physical person as its permanent representative who shall be subject to the same conditions and obligations and have the same duties as any individually appointed Director, without prejudice to the joint and several liability of the legal entity represented. When a legal entity dismisses its permanent representative, it must at the same time provide for a replacement. The same applies in the event of death or resignation of the permanent representative.

Share ownership by Directors: each Director must own at least ten (10) Company shares. These shares must be held in registered form and fully paid up. This requirement does not apply to employee shareholders who have been appointed to the Board of Directors under Article L.225-23 of the French Commercial Code.

Directors appointed during the life of the Company who were not shareholders at the time of their appointment must acquire the minimum number of shares required within six months of their appointment. Should this requirement not be fulfilled, said Directors shall be deemed to have resigned.

In addition to the ten (10) shares specified in Article 12 of the Articles of Association, each Director agrees to hold one thousand (1,000) shares as of the beginning of his or her term of office in accordance with the Rules of Procedure.

Also in accordance with the Rules of Procedure, each censor shall pledge to hold five hundred (500) shares as of the beginning of his or her term of office.

These shares must be registered shares that are fully paid up.

This requirement does not apply to employee shareholders who have been appointed to the Board of Directors under Article L.225-23 of the French Commercial Code.

Chairman of the Board of Directors: the Board of Directors shall elect one of its members Chairman for the term of office which it sets but which may not exceed their term of office as Director. This position must be occupied by an individual, or the appointment shall be declared null and void. The Chairman may be re-elected for an indefinite number of terms.

The Board may also appoint a Secretary, who need not be a Board member.

The Chairman's term of office expires by right at the first Annual Meeting of Shareholders held during the year of his seventy-fifth birthday.

Deputy Chairman: should the Chairman be temporarily unavailable or die, the Board of Directors may appoint one of its members as Deputy Chairman of the Board. If unavailable, this appointment is renewable. In the event of death, it shall be valid until a new Chairman is elected.

Censors: the Board may appoint one or more non-voting members for a term of four years upon proposal by its Chairman. Their role is to advise the Board of Directors on company policy and direction, based on their experience or particular qualifications. The independent advisor(s) may only take part in the proceedings of the Board of Directors in an advisory capacity. The Board of Directors therefore closely scrutinizes all appointment recommendations to ensure that the candidate possesses the skills and the expertise required to assist it.

3.1.2.2 Representation of men and women on the Board of Directors

The Board of Directors ensures compliance with the principle of equal representation of women and men thereon. As of the date of this Registration Document, the composition of the Board is compliant with Law No. 2011-103 of January 27, 2011 and with the AFEP-MEDEF Code with respect to equal representation of women and men on boards of directors and supervisors and with professional equality, since three of the Board's nine members, or one third of the total, are women. The Board of Directors has therefore met the 20-percent threshold for female representation.

3.1.2.3 Employee representation on the Board of Directors

Directors elected to represent employees

The Company does not fall within the scope of Article L.225-71-1 providing for mandatory employee representation on the Board of Directors of public companies that reach a certain size. The Company's Board of Directors therefore has no director representing the employees.

Directors elected to represent employee shareholders

The Company does not fall within the scope of application of Articles L.225-23 and L.225-71 of the French Commercial Code which provides that in listed companies where collective employee shareholding exceeds 3 percent of the Company's share capital, the shareholders must appoint to the Board one or more directors representing employee shareholders.

The Board of Directors therefore has no directors representing employee shareholders of the Company.

3.1.2.4 Composition of the Board of Directors at December 31, 2014

At December 31, 2014, the Board was composed of nine (9) Directors appointed by the General Meeting of Shareholders and one censor:

Name	Age	Position	First appointment/ Last renewal	Term expires at close of meeting called to approve the financial statements for FY	Number of shares held as of the date of this Registration Document
Philippe LAZARE	58	Chairman and Chief Executive Officer and Director*	March 15, 2006 – May 3, 2012	2015	402,798
Jean-Pierre COJAN	61	Director	February 25, 2011 – May 7, 2014	2017	1,010
Jean-Louis CONSTANZA	53	Independent Director	May 7, 2014	2017	1,050
Diaa ELYAACOUBI	44	Independent Director	April 28, 2011 – May 3, 2012	2015	1,010
Xavier MORENO	66	Independent Director	March 14, 2008 – May 7, 2014	2017	2,129
Florence PARLY	51	Independent Director	May 3, 2012	2015	1,010
Thibault POUTREL	37	Director	February 6, 2002 – May 3, 2012	2015	1,010
Celeste THOMASSON	48	Director	February 25, 2011 – May 7, 2014	2017	1,044
Élie VANNIER	65	Independent Director	March 14, 2008 – May 7, 2014	2017	2,205

* *Philippe Lazare's positions as Chairman and Chief Executive Officer will cease with his term of office as Director.*

William Nahum was appointed as a censor by decision of the Board of Directors dated March 15, 2006 for a period of six years. On February 23, 2012, the Board of Directors voted to renew his term of office for a period of six (6) years, which was reduced to four (4) years at the Extraordinary Shareholders' Meeting of May 3, 2012. As of December 31, 2014, Mr. Nahum held 525 Company shares.

3.1.2.5 Changes in the composition of the Board of Directors in 2014

Changes in the composition of the Board of Directors following the Annual General Shareholders' Meeting on May 7, 2014 were:

	Comments
Departure	
Jean-Paul JAINSKY	The Company proposed to the General Meeting of May 7, 2014 the appointment of a new independent director, replacing Jean-Paul Jainsky, a non-independent director, whose term was about to expire, in order to comply with the recommendations of the AFEP-MEDEF Code.
Appointment	
Jean-Louis CONSTANZA	Appointment of a new independent director, replacing Jean-Paul Jainsky, a non-independent director, in order to comply with the recommendations of the AFEP-MEDEF Code.
Reappointments for 4-year terms	
Jean-Pierre COJAN	
Xavier MORENO	
Celeste THOMASSON	
Elie VANNIER	

3.1.2.6 Specific information on directors

Address of Directors

The address of the Company shall be the business address of the Directors.

Nationality of Directors

Except for Ms. Thomasson, who is American, all the Directors hold French citizenship.

Directorships and offices

The Company's executive director (CEO) holds no directorships in listed companies, including foreign companies, not affiliated with the Group.

In addition, no non-executive director of the Company holds more than two directorships in listed companies, including foreign companies, not affiliated with the Group.

The list of directorships and offices of each Director can be found in section 3.2 of this Registration Document.

Convictions, bankruptcies, official public indictments and/or sanctions

To the best of the Company's knowledge and on the date this Registration Document was prepared, none of the Directors, over the past 5 years:

- has been convicted of fraud;
- was associated with a bankruptcy, receivership or liquidation;
- has been the subject of an official public indictment or sanction by any statutory or regulatory authority;
- has been disqualified by a court from acting as a member of an administrative, management or supervisory body or from acting in the management or conduct of the affairs of any issuer.

Conflict of interest

On the date this Registration Document was filed, Thibault Poutrel indirectly held 1.4 percent of Cryptolog International's share capital. This agreement is duly referred to in the statutory auditors' special report on related party agreements and commitments.

Service contracts

During the last fiscal year, no Board member entered into a service contract with the Company or with Group companies providing benefits upon termination of the contract.

3.1.2.7 Independence of Directors

Ingenico Group is a widely-held corporation without a controlling shareholder as defined in Article L.233-3 of the French Commercial Code. According to the AFEP-MEDEF Code, in companies with controlling shareholders, independent directors should account for at least half of the Board members.

The AFEP-MEDEF criteria to be fulfilled for a director to qualify as independent are the following:

- not to be an employee or executive director of the Company, the parent company or one of its consolidated affiliates, either currently or within the past five years;
- not to be an executive director of a company in which the Company holds, directly or indirectly, a directorship or in which an employee appointed as such or an executive director of the Company (either currently or within the past five years) holds a directorship;
- not to be a customer, supplier, investment banker or commercial banker that is material to the Company or the Group, or for a significant part of whose business the Company or the Group accounts;
- not to be related by close family ties to an executive director;
- not to have been an auditor of the Company within the previous five years;
- not to have been a director of the Company for more than twelve years.

Directors representing major shareholders of the Company may be considered independent provided that they do not exercise control over the Company. However, when the shareholding exceeds 10 percent of the capital or voting rights, the Board of Directors should systematically review whether the director still qualifies as independent, taking into consideration the Company's ownership structure and any potential conflict of interest.

The Compensation, Appointments and Governance Committee discusses the qualifications for being considered an independent director and writes a report on this question for the Board of Directors. Every year, on the basis of this report, the Board of Directors reviews the extent to which each director fulfills the criteria for independence mentioned above.

On February 18, 2015, the Board of Directors reviewed the degree of independence of the directors on the basis of the above criteria and the report by the Compensation, Appointments and Governance Committee.

The criteria used to evaluate how significant the relationship of each independent director is with the Company or its Group were also discussed.

To date, no Director has had a business relationship with the Company and therefore the Board of Directors has not set criteria to assess the material nature of business relationships.

According to the independence criteria defined by the AFEP-MEDEF Code, five members of the Board of Directors are considered independent:

AFEP-MEDEF independence criteria	Philippe Lazare	Jean-Pierre Cojan	Diaa Elyaacoubi	Jean-Louis Constanza	Xavier Moreno	Florence Parly	Thibault Poutrel	Celeste Thomasson	Elie Vannier
1. Not to be or have been, either currently or within the past five years:									
› an employee or executive director of the Company, the parent company or of one of its consolidated affiliates;	Yes	No	No	No	No	No	No	No	No
› an executive director of a company in which the Company holds a directorship or in which an employee or a director of the Company (either currently or within the past five years) holds or has held a directorship.	No	No	No	No	No	No	No	No	No
2. Not to be a customer, supplier, investment banker or commercial banker:									
› that is material to the Company or Group;	No	No	No	No	No	No	No	No	No
› or for a significant part of whose business the Company or the Group accounts.	No	No	No	No	No	No	No	No	No
3. Not to be related by close family ties to an executive director:	No	No	No	No	No	No	No	No	No
4. Not to have been an auditor of the Company within the previous five years:	No	No	No	No	No	No	No	No	No
5. Not to have been a director of the Company for more than twelve years:	No	No	No	No	No	No	Yes	No	No
6. Not to be a shareholder taking part in the control of the Company or its parent company (beyond 10 percent of the capital and voting rights):	No	Yes	No	No	No	No	No	Yes	No
Conclusions *:	**NI**	**NI**	**I**	**I**	**I**	**I**	**NI**	**NI**	**I**

** NI = Not independent - I = Independent*

The Board of Directors therefore has a majority of Independent Directors.

3.1.3 Ethical obligations imposed on Directors

The Rules of Procedure of the Board of Directors lay out the main obligations imposed on Directors, the rules of which are presented below.

The members of the Board of Directors are appointed for their expertise, their shareholder representation and the contribution they can make to the work of the Board.

Each member of the Board must be able to perform the duties of his/her directorship in accordance with the rules of independence, ethics and integrity.

In accordance with corporate governance principles, all Directors perform their duties in good faith, in the manner they deem appropriate to promote the best interests of the Company and with the care expected of a normally prudent person in carrying out such a mandate.

Board members undertake, in all circumstances, to maintain their freedom of analysis, judgment, decision and action, and to reject any pressure, direct or indirect, that may be exerted on them.

Each member of the Board of Directors ensures compliance by the Company with its obligations and commitments, compliance with laws and regulations, especially with regard to transparency and communication to shareholders and in the implementation of good governance principles.

Information on members of the Board of Directors

Before accepting his/her assignment, each director must be aware of the laws and regulations related to his/her function, as well as any special requirements of the Company under its Articles of Association and of these Rules of Procedure with which he/she undertakes to comply.

When appointed to the Board of Directors and, if deemed necessary, each director may also receive training on the specifics of the Company and the Group, their business, industry, organization and in particular their financial circumstances.

Defending the Company's interests

Each Director represents all shareholders and must act at all times in the best interests of the Company. Each director undertakes to ensure that Company decisions do not favor one category of shareholders over another.

Conflict of interest

Each member of the Board of Directors is required to disclose to the Board any real or potential conflict of interest in which he or she could be directly or indirectly involved. In all such cases, the Compensation, Appointments and Governance Committee shall examine the related risks. Depending on the nature and significance of the conflict identified, the Committee may recommend that the Board of Directors bar a particular director from taking part in decision-making by the Board on the specific issues in question or from attending Board meetings, or suspend that director from office for as long as the real or potential conflict of interest exists. That director shall be required to comply with the requests of the Board of Directors in this matter.

Accountability of the Board of Directors

Directors must be attentive to how the powers and responsibilities of the Company's various bodies are defined and exercised.

In particular, they must ensure that no single person may have unlimited discretionary power over the Company; they must ensure the proper functioning of technical committees set up by the Board; they must ensure that the internal control bodies operate effectively and that the statutory auditors perform their duties satisfactorily.

The Board of Directors conducts an annual review of the internal control procedures implemented by the Company.

The Board of Directors also reviews its operations on an annual basis.

The Board of Directors periodically evaluates its own performance. This process is led by the Chairman of the Board and another Board member who is also a member of the Compensation, Appointments and Governance Committee. These evaluations are primarily concerned with ensuring compliance with the rules of transparency, ethics and the prevention of risks encountered by the Company.

In accordance with the law, information on the work of the Board and its Rules of Procedure, as well as the ensuing actions, are presented in this report.

Attendance of members of the Board of Directors

Each of the Directors must devote the necessary time and attention to their duties and attend the Annual General Shareholders' Meeting.

Transactions involving the Company's shares

In line with Article L.621-18-2 of the French Monetary and Financial Code and under the conditions defined by applicable law, each Director, and anyone with close personal ties thereto, must report directly and simultaneously to the AMF (the French securities regulator) and the Company any transaction they have carried out involving the Company's shares (purchases, sales, subscriptions, securities exchanges, transactions in financial instruments linked to the shares).

In its management report, the Board of Directors must inform the Annual General Shareholders' Meeting of such transactions carried out during the precious calendar year by the Directors, people personally connected to them, as well as by non-executive managers referred to in Article L.621-18-2 paragraph b) of the French Monetary and Financial Code.

As provided in the Rules of Procedure, all Company shares owned by a Board member must be held in registered accounts.

Confidentiality – Inside information

The Directors and any person attending meetings of the Board of Directors are bound by a duty of confidentiality regarding the deliberations of the Board and its Committees.

Information provided to a member of the Board of Directors in his or her official capacity is said to be given on a personal basis (intuitu personae). He or she must protect its confidentiality and not disclose it under any circumstances. This obligation also applies to the representatives of any legal entity with a seat on the Board of Directors, as well as to censors.

The information disclosed to members of the Board of Directors in their official capacity is subject to the provisions of Article L.465-1 of the French Monetary and Financial Code and Articles 621-1 to 622-2 of the AMF's General Regulations relating to inside information, abstention requirements and insider trading.

In particular, if the Board of Directors receives specific confidential information that may, at the time of its publication, significantly impact the share price of the Company, its subsidiary or an affiliated entity, the Board members must refrain from using this privileged information by purchasing or selling or attempting to purchase or sell, either directly or indirectly, on their own behalf or on behalf of a third party, the financial instruments to which this information pertains or financial instruments to which these instruments are related.

They must also refrain from:

- disclosing this information to another person outside the ordinary scope of their business, profession or duties or for any purpose other than that for which the information was passed on to them;
- recommending to another person, based on inside information, to purchase or sell or to have another person purchase or sell the financial instruments to which this information pertains or financial instruments to which these instruments are related.

Failure to comply with these obligations is punishable by administrative and criminal penalties.

3.1.4 Organization and functioning of administrative and management bodies

The functioning of the Company's Board of Directors and executive management is determined by the applicable laws and regulations, by the Articles of Association of the Company as well as by the Rules of Procedure of the Board of Directors, whose main clauses are summarized or copied below.

3.1.4.1 Executive Management

In accordance with the Articles of Association, day-to-day management of the Company shall be the responsibility of either the Chairman of the Board of Directors or of any other individual appointed by the Board and designated as the Chief Executive Officer.

The Board of Directors decides between the alternative arrangements for managing the Company mentioned above, in accordance with the quorum and majority requirements set forth in Article 12 of the Articles of Association. The shareholders and third parties shall be given notice of this decision, as provided for by a decree of the French Conseil d'État (Council of State).

On the date this document is prepared, the Chairman of the Board of Directors is responsible for the general management of the Company.

Chairman and Chief Executive Officer

The Board of Directors can remove the Chief Executive Officer from office at any time.

An individual may not simultaneously hold more than one office as a Chief Executive Officer of *sociétés anonymes* (public companies) with their registered offices in France, except when the second office is held in a company controlled, within the meaning of "control" set forth in Article L.233-16 of the French Commercial Code, by the company in which the first office is held.

The Chairman and Chief Executive Officer may not be more than 75 years of age.

At least once each quarter, the Chairman and Chief Executive Officer submits a report to the Board of Directors that includes the key figures for the main companies in the Group, most notably sales, profit and performance in relation to forecasts.

The Chairman and Chief Executive Officer regularly informs the Board of Directors of significant events and transactions related to the Company's strategy.

Once each half-year period, the Board of Directors examines the statement of the Group's off-balance sheet commitments presented by the Chief Financial Officer.

The Chairman and Chief Executive Officer also keeps the Board of Directors informed of any decision involving internal reorganization and any asset acquisition or disposal plans.

Furthermore, any accounting principles used that have a material impact on how the Group's financial statements are presented are formally validated by the Chief Executive Officer, reviewed by the Audit Committee in the presence of the statutory auditors and, if necessary, brought to the Board's attention at the discretion of the Audit Committee.

At all closing dates for published financial statements, the Chief Executive Officer and financial management explain the main accounting options and justify the choices ultimately made to the Audit Committee in the presence of the statutory auditors. The matter may be brought to the Board's attention at the discretion of the Audit Committee.

Deputy Chief Executive Officers

At the suggestion of the Chief Executive Officer, the Board may confer on one or more individuals the task of assisting the Chief Executive Officer, as Deputy Chief Executive Officer(s). The number of Deputy Chief Executive Officers may not exceed five.

The Board can remove Deputy Chief Executive Officers from office as proposed by the Chairman and Chief Executive Officer. When removed without due cause, Deputy Chief Executive Officers may claim damages.

Deputy Chief Executive Officers may not be more than 75 years of age.

The Board of Directors has not appointed a Deputy Chief Executive Officer.

3.1.4.2 Board of Directors

Convening Board of Directors' meetings: a Board meeting can be convened by the Chairman or by half of the Board members as often as the Company's best interests so require and at least once each quarter, at a place specified in the notice of meeting. The Board decides how notice of meetings is to be given.

In accordance with the Rules of Procedure, meetings may be convened using any means, by the Chairman or on the Chairman's behalf by any person designated by him or, alternatively, at the request of half the members of the Board.

Every notice of meeting is accompanied by the Board's agenda.

At the end of each calendar year, the Board draws up a schedule of meetings for the following year, based on the Chairman's proposals, and indicates the topics to be discussed.

The following persons are called to Board meetings:

- the members of the Board of Directors;
- the non-voting member (censor);
- as of December 31, 2014, four Works Council members chosen to represent the Council: two of them belong to the managerial staff category, one belongs to the technician and supervisor category, and another one to the clerical staff category. These representatives participate in Board meetings in a consultative capacity;
- the statutory auditors, but only if the meeting is called to examine or approve annual or interim financial statements (such as half-yearly statements) or for any other purpose that might require their presence.

Members of the Executive Committee, in particular, the Chief Financial and Operations Officer, are regularly requested to take part in meetings when the agenda warrants it.

When the Board of Directors has not met for over two months, its members may request that the Chairman call a meeting with a specified agenda, provided that at least one third of all members sign the request.

The Chief Executive Officer may also request that the Chairman convene a Board meeting with a specific agenda.

The Directors present at a Board meeting shall sign the attendance sheet.

Proceedings of the Board of Directors: the proceedings of Board meetings shall not be considered valid unless at least half of all Board members in office, and no fewer than two Board members, are present. Resolutions will be passed by a majority of the votes of members present or represented. If the votes are equal, the Chairman has a casting vote. When only two Board members are present, resolutions shall be passed by mutual agreement.

In compliance with Article 12 of the Company's Articles of Association and the Board's Rules of Procedure, Directors shall be deemed to be present for calculating quorum and majority if they take part in Board meetings *via* videoconferencing or other telecommunications systems allowing them to be identified and guaranteeing their effective participation, the conditions of which are set forth by the relevant statutory provisions, except when the Board meets for the matters referred to in Articles L.232-1 and L.233-16 of the French Commercial Code.

In accordance with the Rules of Procedure, decisions by the Board of Directors require a simple majority of those members present or represented, with the following exceptions:

a) decisions requiring a qualified majority in accordance with a delegation of powers voted by the General Meeting of Shareholders; and

b) decisions pertaining to the following matters (decisions of prior approval given to the Chairman and Chief Executive Officer and/or to the Deputy Chief Executive(s) or any other decision by the Board on said matter(s):

- any financial transaction liable to have a material effect on the strategy and scope of the Ingenico Group and involving an amount in excess of €50 million,
- any financial transaction involving an amount in excess of €100 million,
- any capital increase or series of capital increases liable to modify by more than 10 percent the total share capital and/or voting rights in Ingenico during a period of less than twelve consecutive months, and not entailing preferential subscription rights for existing shareholders, and
- any capital increase or series of capital increases liable to modify by more than 20 percent the total share capital or voting rights in Ingenico during a period of less than twelve consecutive months, even with preferential subscription rights for existing shareholders maintained;

c) decisions pertaining to the following matters:

- the re-appointment, appointment or removal from office of the Chairman of the Board and/or the Chief Executive Officer of Ingenico,
- any change in the Board's Rules of Procedure liable to alter the qualified majority requirements and/or the list of matters requiring a decision by qualified majority,
- any draft resolution submitted by the Ingenico Board of Directors for approval by the General Meeting of Shareholders that is liable to alter the qualified majority requirements for decisions by the Ingenico Board of Directors and/or the list of matters requiring the Ingenico Board of Directors to reach a decision by qualified majority.

The decisions referred to in points b) and c) must be made by a qualified majority equal to a whole number of votes greater than two thirds of the total number of all Board members present or represented at the meeting (with each Board member entitled to one vote).

In the event that a proposal to re-appoint or appoint the Chairman of the Board and/or the Chief Executive Officer is voted down, a new candidate must be proposed to the Board within five business days following said vote. In such a case, by exception to the preceding paragraph, the decision may be made by a simple majority of all Board members present or represented at the meeting.

In the event of a tie, the Chairman shall have a casting vote.

Minutes of the Board meeting proceedings shall be put in a special minute book and signed by the Chairman and at least one Director.

Extracts or copies of said minutes shall be validly certified by the Chairman of the Board, the Chief Executive Officer, the Deputy Chief Executive Officers, or the Director temporarily appointed as Deputy Chairman. In the event of liquidation, such extracts or copies shall be validly certified by the receiver.

Powers of the Board of Directors: the Board of Directors determines the Company's strategy and oversees its implementation. Subject to the powers expressly granted to the Shareholders' Meetings and within the limit of the Company's corporate purpose, the Board deals with all matters concerning the smooth running of the Company and, through its decisions, manages the Company's business.

In its relationships with third parties, the Company shall be bound even by Board actions that are outside the scope of the Company's purpose, unless it can prove that the third party was aware that the action was outside the Company's purpose or could not be unaware of this given the circumstances, provided the mere publication of these Articles will be inadequate proof.

The Board of Directors performs any checks and verifications it considers appropriate. The Chairman or the Chief Executive Officer of the Company must provide each Director with any documents and information he needs to perform the duties of his office.

The Chief Executive Officer shall inform the Board on a regular basis of the resolutions planned or implemented by him as part of the management of the Company.

Any security, surety and guarantee provided by the Company must be approved by a resolution of the Board.

Chairman: the Chairman of the Board of Directors organizes and directs the work of the Board and reports on this to the Annual General Shareholders' Meeting. He ensures that the Company's various bodies are functioning properly and, in particular, that the Directors are in a position to perform their duties.

The Chairman presents the Board members and statutory auditors with the draft related-party agreements referred to in Articles L.225-38 *et seq.* of the French Commercial Code. He also informs the statutory auditors of any related-party agreement that has been approved by the Board of Directors and must be approved by the Ordinary General Shareholders' Meeting.

Information provided to each Director: the on-going provision of timely information to the members of the Board of Directors is a vital prerequisite for the fulfillment of their mandate.

At any time during the year, the Board of Directors may conduct the verifications and controls it deems appropriate. To this end, any Board member may ask to be supplied with the documents needed to fulfill his or her mandate by submitting a request to the Chairman of the Board.

Insofar as it is possible, the Board members are informed no later than eight days prior to the date of the next Board meeting of all points to be discussed at that meeting, and they are supplied, within the same time limit, with any materials they may need to examine and understand the points on the agenda, so that they may properly fulfill their mandate. This obligation to provide adequate, relevant, exhaustive information is the responsibility of the Chairman of the Board and Chief Executive Officer since the Board combined these positions.

Prior to the meeting, each Board member is given a file containing the documents pertaining to the main points on the agenda.

Similarly, the Board members must make sure that they have all the information they need to fulfill their mandate. It is their duty to request any further information they may require.

Representation of Board members: Board members have the option of authorizing another Board member in writing (for example, by mail, fax or telegram) to represent them at a Board meeting. No single Board member may have more than one proxy at a given Board meeting.

3.1.4.3 Mandate of the Board of Directors

Within the framework of its legal prerogatives, the Board of Directors has the following responsibilities:

- to determine the Company's strategic policies and ensure that they are implemented;
- subject to the powers expressly assigned by law to the General Shareholders' Meetings, to concern itself with all issues related to the proper functioning of the Company and settle them through its proceedings;
- to examine all acts by which the various Group entities benefit from funding and guarantee instruments;
- to study all internal or external transactions likely to have a material impact on profits or to alter the balance sheet structure substantially;
- to carry out any controls and verifications it may deem appropriate.

Commitments by the Company to provide guarantee instruments may only be authorized by the Chief Executive Officer with the prior approval of the Board of Directors. In practice, each year, the Board of Directors sets a global amount and an amount per commitment, below which its prior approval is not required.

The Board of Directors also approves, following the procedure described in Article L.225-38 of the French Commercial Code, the agreements between the Company and any of its executive officers, directors or shareholders with over 10 percent of the voting rights in the Company, as well as any commitment made for the benefit of the Chairman or the Chief Executive Officer in the form of compensation or benefits payable awarded upon termination of their mandate or subsequently thereto.

It also makes the decisions in the aforementioned matters.

3.1.4.4 Activity of the Board of Directors during the year ended December 31, 2014

During the year ended December 31, 2014, the Board of Directors met eight (8) times.

The attendance rate of Board members, including members participating *via* telecommunications, in the fiscal year ended December 31, 2014 was 88.88 percent and breaks down as follows:

	Feb. 19, 2014	Mar. 27, 2014	May 7, 2014	Jun. 18, 2014	Jul. 2, 2014	Jul. 30, 2014	Oct. 29, 2014	Dec. 11, 2014	% Attendance
Philippe Lazare	•	•	•	•	•	•	•	•	100%
Jean-Pierre Cojan	•	•	•	•	•	•		•	87.50%
Jean-Paul Jainsky until May 7, 2014 and Jean-Louis Constanza from May 7, 2014		•	•	•	•	•	•	•	87.50%
Diaa Elyaacoubi	•		•	•	•	•	•	•	87.50%
Xavier Moreno	•	•	•	•	•	•	•	•	100%
Florence Parly		•	•	•	•	•	•		75%
Thibault Poutrel		•	•	•	•	•	•		75%
Celeste Thomasson	•	•		•	•	•	•	•	87.50%
Elie Vannier	•	•	•	•	•	•	•	•	100%

In addition to reviewing the special-focus work prepared by the committees, during its meetings of the year ended December 31, 2014, the Board of Directors also dealt with the following:

- the approval of the parent company and consolidated financial statements for the year ended December 31, 2013, and the appropriation of net profit or loss;
- the selection of an independent director;
- the preparation of the Annual Combined Ordinary and Extraordinary Shareholders' Meeting: The Board of Directors drafted the resolutions to be submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting held on May 7, 2014, in addition to the management report and the Chairman's report on the Board's composition, how it prepares and organizes its work and the Company's internal control and risk management procedures;
- the preparation of the advisory opinion on the "Say on pay" rule;
- the capital increase as part of the payment of stock dividends;
- the performance evaluation of the Board of Directors and its Committees;
- the review of the consolidated financial statements for the half-year ended June 30, 2014, and quarterly revenues;
- the approval of management planning documents;
- the review of various strategic investment or divestiture projects;
- the acquisition of the GlobalCollect Group, world leader among on-line full-service payment providers;
- tax-related issues, including tax disputes in Brazil;
- the authorization and renewal of the authorization to implement a share repurchase program, thus using the authorization granted by the Annual General Shareholders' Meeting of May 7, 2014;
- Company policy on gender equality and equal pay;
- debt issuance in the form of a bond issue;
- the approval of the 2015 annual budget;
- the establishment of a commercial paper program;
- the 2014 free share award plan and the joint investment plan;
- the early redemption of OCEANE convertible/exchangeable bonds.

Performance evaluation of the Board of Directors

In accordance with the AFEP-MEDEF Code and its Rules of Procedure, the Board of Directors annually evaluates how well it has met shareholder expectations, having been appointed by them to run the Company. This evaluation reviews its composition, organization and performance.

Once a year, the non-executive directors meet together without the Chairman and Chief Executive Officer to evaluate his performance.

At the beginning of 2015, the Board of Directors conducted a self-assessment of his performance in FY 2014 by means of a questionnaire filled out by each Director. The questions concerned the general functioning of the Board, its duties, the way its meetings were conducted, the resources available to the Board, the major themes addressed, relations with management and committees. The Directors and the censor rated their performance on a scale of 1 (almost never/not satisfied) to 4 (always/very satisfied).

The self-assessment questionnaire allowed the Board to review its performance and to check that important issues were properly prepared for and discussed. It also measured the actual contribution of each Director to the Board's performance as a result of his or her skills and involvement in discussions.

The comments and discussions ensuing from this evaluation showed that the Directors were very satisfied overall with the performance of the Board and its Committees in 2014. The main findings of this evaluation, which highlighted areas for improvement, were:

- the Directors were generally very satisfied with the overall functioning of the Board;
- the Directors were generally very satisfied with its relations with the management and committees; one Director specified that regular presentations by the managers of business units/ departments helped to better understand the business and know the line management;
- the Directors were generally very satisfied with the way in which the major themes were addressed;
- some Directors noted that the composition of the Board should nevertheless be reviewed, especially in terms of male/female parity.

In light of the evaluation's results, the Company plans to appoint at least one woman during the 2016 Annual General Shareholders' Meeting to approve the financial statements for FY 2015.

3.1.4.5 Board of Directors' Special Focus Committees

The Board of Directors has set up three special focus committees – the Strategic Committee, the Audit and Finance Committee, and the Compensation, Appointments and Governance Committee – to help it function more effectively and facilitate its decision-making.

The committees are composed mainly of Directors, whether individuals or permanent representatives of legal entities, appointed by the Board.

The Compensation, Appointments and Governance Committee and the Strategic Committee may also include one or more censors, as well as one or more outside members selected for their particular skills. All committee members are required to serve in a personal capacity; no alternatives or proxies are permitted.

Each committee reports on its work, *via* its Chairman, at the next meeting of the Board of Directors.

Minutes of each committee meeting are taken by the secretary of the Board of Directors, presented to the committee members for approval at the next meeting and shared with the Chairman of the Board of Directors. A register recording the proceedings of each committee is kept at the Company's registered office.

Each committee issues proposals, recommendations and opinions, as appropriate, in its area of specialization as described below. A committee has the authority to perform, or to have performed, any study that may facilitate the decision-making of the Board of Directors. It may also question Group employees as needed, strictly for the purpose of carrying out the checks and verifications it is required to perform.

The composition, responsibilities as well as the work of the special focus committees in 2014 are described below.

Strategic Committee

› Composition of the Strategic Committee

As of December 31, 2014, the committee had seven (7) members, as follows:

- Elie VANNIER, Chairman of the Committee and Independent Director;
- Jean-Pierre COJAN, Director;
- Jean-Louis CONSTANZA, Independent Director;
- Diaa ELYAACOUBI, Independent Director;
- Xavier MORENO, Independent Director;
- Thibault POUTREL, Director;
- Celeste THOMASSON, Director.

› Functioning of the Strategic Committee

The committee periodically informs the Board of Directors of its work, research and recommendations. It is up to the Board to determine what use should be made of such information.

Each year, the committee holds at least two meetings called by its Chairman, who also has the option of calling further meetings as required.

To fulfill this mandate, the Strategic Committee may act in conjunction with the Chairman or Chief Executive Officer to enlist the cooperation of Group functional and operational directors.

The committee may also make use of outside consultants and experts, subject to the approval of the Board of Directors.

› Main responsibilities of the Strategic Committee

The Strategic Committee has been given the following mandate:

- to examine new investment projects and plans for expanding existing operations in France or abroad, as well as any possible asset acquisition or disposal plan, so that the Board of Directors may give the necessary approval;
- to monitor previous investments periodically and to carry out all appropriate research and assignments;
- to examine all proposals by financial investors or industrial groups for acquisition of a stake in the Company, particularly through merger and acquisition operations.

› Work performed by the Strategic Committee

The Strategic Committee met four (4) times during the year ended December 31, 2014 and examined, in particular:

- the acquisition of the GlobalCollect Group;
- the points of progress on new offerings by Ingenico Group (especially Telium Tetra and Marketplace);
- various other mergers and acquisitions projects.

The attendance rate of committee members during the year ended December 31, 2014 was 96.42 percent.

Audit and Finance Committee

› Composition of the Audit and Finance Committee

The Rules of Procedure of the Board of Directors specify that the Audit and Finance Committee must have no fewer than three (3) and no more than seven (7) members. It must be chaired by an Independent Director and both the Chairman and the members must have financial and accounting expertise and are appointed by the Board of Directors.

As of December 31, 2014, the committee had three (3) members, as follows:

- Florence PARLY, Chair of the Committee and Independent Director;
- Thibault POUTREL, Director;
- Elie VANNIER, Independent Director.

In accordance with section 16.1 of the AFEP-MEDEF Code, two thirds of the Audit and Finance Committee members are independent.

Florence Parly's experience and expertise, especially in finance, are described in section 3.2 of the 2014 Registration Document. She served as Secretary of State for the Budget in 2000 and 2002. She is also the executive general manager of the French National Railways Company (SNCF) in charge of strategy and finance.

The other committee members also have financial and accounting skills, gained in particular through their work experience as described in section 3.2 of this 2014 Registration Document.

› Functioning of the Audit and Finance Committee

Each year, the Audit and Finance Committee holds at least three meetings called by its Chairman, who also has the option of calling further meetings as required.

Meetings of the Audit and Finance Committee concerning the financial statements are held at least two (2) days prior to Board of Directors' meetings.

The Rules of Procedure of the Board of Directors state that the Audit and Finance Committee should evaluate its performance once a year.

In accordance with Article 6 of the Rules of Procedure, the Audit and Finance Committee may benefit from the assistance or participation of all departments in the Company and its subsidiaries (heads of finance, accounting, cash management, internal audit and risk control, etc.). To carry out its duties, the Audit and Finance Committee may, with the approval of the Board of Directors, seek any outside advice or expertise that it deems necessary.

› Main responsibilities of the Audit and Finance Committee

The mandate of the Audit and Finance Committee is to assist the Board in continually monitoring the way in which the Company is run, in compliance with the legislation and with the Company's Articles of Association. The committee is also responsible for alerting the Board to any irregularities or anomalies it may detect in the Company's financial statements or internal control and risk management procedures.

It is responsible for monitoring and giving its opinion to the Board of Directors on the following topics:

- the audit of financial statements by the statutory auditors;
- the close procedures and content of annual and half-year financial statements;
- the process of preparing financial information;
- significant financial transactions (debt, shareholders' equity, quasi-equity, etc.) proposed by the Company;
- the effectiveness of internal control and risk management systems;
- the independence of the statutory auditors.

The committee is involved in proposing candidates to be appointed or to replace statutory auditors for the Company and its subsidiaries. It also issues recommendations on these candidates.

For certain issues, such as accounting treatment or the financial aspects of major transactions, the input of another committee is required. In this case, the Audit and Finance Committee may ask the chairmen of the relevant committees to collaborate under the terms that they define with the approval of the Chairman of the Board of Directors.

The statutory auditors:

- inform the committee, at the beginning of the year, of the audit procedure that they intend to use;
- report to the committee, at the close of the period, on the due diligence performed;
- alert the committee to:
  - any changes that they believe should be made to the financial statements or other accounting documents, providing any useful observations about the valuation methods used to prepare them,
  - any irregularities or inaccuracies they may have discovered;
- submit to the committee their conclusions drawn from the above observations and changes on the earnings for the period compared with those for the previous period;
- inform the committee of any risks that could compromise their independence and the protective measures taken to reduce these risks;
- notify the committee of any significant weaknesses in internal control procedures relating to the preparation and processing of accounting and financial information.

Every year, they provide the Audit and Finance Committee with a statement of independence and an update of the total amount of fees received by their firm for both the services provided in performing the due diligence directly related to their audit and services that are not directly related to their role as statutory auditors.

The Company has not expressly stated that it implements the Poupart-Lafarge report on audit committees of July 22, 2010. In practice, however, the Company applies the recommendations made in the report.

› Work performed by the Audit and Finance Committee

The Audit Committee met six (6) times during the year ended December 31, 2014.

The attendance rate of committee members during the fiscal year ended December 31, 2014 was 100 percent.

During its meetings of the year ended December 31, 2014, the Board of Directors examined:

- the financial statements:
  - parent company and consolidated financial statements for 2013,
  - financial statements for the first half of 2014,
  - financial statements for the first and third quarters of 2014;
- all press releases on Group earnings;
- the breakdown of the statutory auditors' work and fees;
- the 2014 estimates;
- the management planning documents;
- the 2015 budget;
- financing topics:
  - bond issue,
  - establishment of a commercial paper program,
  - early redemption of OCEANE convertible/exchangeable bonds;
- the internal audit assessment for 2014 and program for 2015;
- internal control;
- the risk management system;
- other cash management topics:
  - the Company's off-balance sheet risks and commitments,
  - the currency hedging policy,
  - financing and hedging foreign currency exposure;
- tax-related issues, including tax disputes in Brazil;
- renewal of guarantees.

Compensation, Appointments and Governance Committee

This Committee is composed of three (3) to six (6) directors and is chaired by an independent director.

Composition of the Compensation, Appointments and Governance Committee

As of December 31, 2014, the committee had five (5) members:

- Xavier MORENO, Chairman of the Committee and Independent Director;
- Jean-Pierre COJAN, Director;
- Diaa ELYAACOUBI, Independent Director;
- William NAHUM, censor;
- Florence PARLY, Independent Director.

In line with section 18.1 of the AFEP-MEDEF Code, the committee chairman and the majority of its members are independent directors.

Functioning of the Compensation, Appointments and Governance Committee

Under the Rules of Procedure, each year, the committee holds at least three meetings called by its Chairman, who also has the option of calling further meetings as required.

Main Responsibilities of the Compensation, Appointments and Governance Committee

The Compensation Appointments and Governance Committee makes recommendations to the Board of Directors on compensation of executive officers as well as on performance share awards and stock options granted to Group employees and executive officers, and on employee shareholding policy in general. It also makes recommendations on the composition of the Board of Directors and its committees, prepares the annual evaluation of the Board and its committees and deliberates on all questions related to corporate governance and ethics within the Group.

The Compensation, Appointments and Governance Committee submits its recommendations on appointments to the Group's executive and supervisory bodies and on appointments of directors or censors to the Board of Directors.

The committee periodically informs the Board of Directors of its work, research and recommendations. It is up to the Board to determine what use should be made of such information.

Work performed by the Compensation, Appointments and Governance Committee

The Compensation, Appointments and Governance Committee met four times during the year ended December 31, 2014.

The attendance rate of committee members during the year ended December 31, 2014 was 100 percent.

In particular, it examined the following issues:

- the governance practices of listed French companies;
- the process for evaluating the Board's performance in 2014 based on a questionnaire. Its findings were presented by the Compensation, Appointments and Governance Committee to the Board of Directors on February 18, 2015. The Committee concluded that, overall, Board members were satisfied with its performance and the quality of the information provided;
- the opportunity to appoint a lead director;
- the examination of the composition of the Executive Committee;
- the analysis of the independence of directors with regard to AFEP-MEDEF rules;
- Company policy on gender equality and equal pay;
- the free share-award plan;
- the review of information on the compensation paid to members of the Executive Committee ;
- the compensation paid to the Chairman and Chief Executive Officer;
- the preparation of the advisory opinion on the "Say on pay" rule;
- the amount of directors' attendance fees set for 2015;
- the allocation of directors' attendance fees for 2015.

3.1.5 Internal control and risk management

The Company uses the international internal control framework developed by "COSO" (Committee Of Sponsoring Organizations of the Treadway Commission, the conclusions of which were published in the US in 1992) and applied the framework's general principles in organizing the description of its risk management and internal control system for this report. The Group decided to apply the new COSO 2013 framework published on May 14, 2013.

3.1.5.1 Definition and objectives

The **Group's risk management system** aims to cover all the Group's businesses, processes and assets and should allow executive management to maintain risks at an acceptable level. Risk is defined as a possible event that could have a negative impact on the Company's people, assets, environment, objectives or reputation.

Internal control is a process implemented by the Board of Directors, executives and employees of the organization to provide reasonable assurance as to the achievement of the following goals:

- compliance with applicable laws and regulations;
- effectiveness and efficiency of operations;
- reliability of financial information.

The internal control system implemented in the Company, as well-designed and well-applied as it may be, can only give shareholders, executive officers and the Board of Directors reasonable assurance that the above objectives will be achieved.

Internal control and risk management are closely related and are therefore both handled by the Governance and Risk Department, which reports directly to the Group's Chairman and Chief Executive Officer. Internal Audit also comes under this Department.

Scope of internal control: The internal-control and risk-management system set up by the Company encompasses all companies included in the Group's scope of consolidation. The Group ensures the existence and proper functioning of internal-control and risk-management systems in its subsidiaries.

3.1.5.2 Description of internal-control and risk-management procedures

The Company takes the same approach to internal control and risk management as the COSO framework, in which five components are defined:

- control environment;
- risk assessment;
- control activities;
- information and communication;
- monitoring.

Control environment

The control environment is the foundation for all other components of internal control. It encompasses the integrity, ethical values and competence of personnel; the management style of the executive team; policies on the assignment of authority and the organization and training of personnel; and the governance rules applied at the initiative of the Board of Directors.

The **Company's Board of Directors** includes an Audit and Finance Committee, the composition, meeting frequency and main responsibilities of which are described in this report. It plays a key role in the internal-control and risk-management system, since its responsibilities include:

- examining and assessing all points related to the preparation, auditing and publication of financial documents produced by the Company in connection with its financial reporting;
- reviewing the annual internal audit plan and monitoring the recommendations issued by the statutory auditors and the internal audit team;
- monitoring the performance of internal-control and risk-management systems.

The **Code of Ethics and Business Conduct** sets out all the essential rules of conduct that the Group expects all employees to abide by and is an important tool in maintaining the quality of the Group's control environment.

Whistleblowing: a whistleblowing system was strengthened in 2014 to meet the declaration requirements and recommendations of the CNIL, France's data protection authority. The system provides a dedicated email address that can be used by any employee to report events that could be considered misconduct or in conflict with internal control procedures. Reports are handled confidentially to protect the employee and the rights of other people involved.

A **"Gift and Hospitality" policy** was enacted during the year to clarify the rules applicable to all Group employees. Selected employees received anti-corruption training, a program that the Group plans to extend to other entities in in 2015.

Delegations of power were updated in 2014 for all subsidiaries.

Conflict of interest statements were completed and signed by Group management (Executive Committee, subsidiary directors, sales executives, etc.) in 2014 to ensure that they can perform their duties independently in the best interests of the Company.

Self-assessments conducted by Group subsidiaries to evaluate the quality of their control environment were launched in 2009 and are repeated each year. The RedBook internal control manual used as a self-assessment basis was completely revised and expanded in 2014 (for distribution in 2015) to support the Group's development. To enhance the consistency of these rules and procedures, the manual – used by all Group subsidiaries – includes a detailed list of control objectives, priority controls and procedures for each of the 18 processes identified (460 descriptions of controls, objectives and procedures identified). The manual was also brought in line with the Group's risk map. The rules and procedures found in this manual are updated and expanded on a regular basis.

Risk assessment

Every entity faces a variety of risks from external and internal sources that may impact the achievement of its objectives and that must be managed, *i.e.* identified and analyzed. The main risks facing the Company are described in Chapter 1.6 of this Registration Document.

Risk management is overseen by the Governance and Risk Department. The Group's risk management policy defines the objectives of the process and the methodology for identifying, analyzing and managing risk. The Governance and Risk Department is responsible for implementing this policy and coordinating the process by consolidating the analyses and building action plans together with the operational and functional departments and monitoring their implementation.

The process is presented and reviewed annually by a corporate Risk Committee led by the Chairman and Chief Executive Officer and specifically includes the Chief Financial Officer, regional directors and the main functional department executives.

The Ingenico Group has regularly mapped its risks since 2009. The risk map revealed fifteen or so major risks. For each risk, the likelihood of occurrence, the potential impact and the effectiveness of existing control measures were assessed. Action plans have been devised to reduce Ingenico's exposure to the risks identified as the most significant. These plans are managed by the people who "own" the specific risks and are responsible for the relevant risk-control and reduction plans.

In 2012, the Group mapped out its fraud risks to identify how it can protect itself against risks of internal and external fraud. The analysis and prevention of risks related to fraud fall within the responsibility of the Governance and Risk Department.

The Audit and Finance Committee receives regular updates on risk-management issues. A meeting is held once a year with this committee to discuss risk assessment and management and to review the Group's major risks.

To monitor the performance of the risk management process, the Board of Directors is informed by the Audit and Finance Committee of the main steps taken in risk oversight, such as creating internal control positions in subsidiaries, introducing the Code of Ethics and Business Conduct and updating the internal control manual.

Control activities

Control activities can be defined as the application of policies and procedures that help ensure management directives are carried out.

At the initiative of Company management, a set of rules and procedures was gradually introduced for each executive, business or functional unit. The Group also rigorously and actively monitors the performance of each business unit and the application of the Group's policies.

To enhance the consistency of rules and procedures, an internal control manual (RedBook) is now effective for all Group subsidiaries. Each chapter of the manual provides a detailed list of the control objectives to be achieved and the key controls to be implemented. This manual has also been brought in line with the Group's risk and fraud maps. The rules and procedures found in this manual are updated and expanded on a regular basis.

Information and communication

Pertinent internal control information must be identified, gathered and reported in a form that allows each relevant manager to be notified of the weaknesses identified while allowing them the time needed to take the necessary corrective actions.

Our information channels and organizational structure have been designed to make it easy for regional or business units to report any internal control weaknesses and share their best practices with all relevant managers.

The Regions are organized in a similar manner to the Group's management, enabling faster decision-making, greater efficiency and smoother information flow between the corporate center and the regions.

Information and communication regarding internal control closely follow the Group's organizational structure:

- budget control is ensured through monthly reporting on performance. Each region produces a report, which is consolidated centrally. The purpose of reporting is to track where sales and profits are being generated, analyze the resulting operating income and identify deviations from the budget;
- during periodic reviews, regional/country directors meet with the Executive Committee to analyze performance and operational issues requiring attention as well as the forecasts.

In addition, corporate functions are responsible for ensuring that the Group's business strategy is applied in their area of responsibility. Accordingly, the Operations Division ensures that production work is carried out in compliance with the standards set by the Group and handled by subcontractors that it has approved. The Marketing Division defines and validates the product and marketing policies adopted in the regions.

Monitoring

Internal-control and risk-management systems need to be monitored to assess performance over the long term. This is accomplished through permanent oversight and regular assessments.

The Governance and Risk Department, which reports directly to the Chairman and Chief Executive Officer, oversees internal control and ensures that methodology is applied properly. The department also coordinates the risk assessment process at Group level each year and performs internal audits at Group subsidiaries.

An internal audit plan is established each year, based on:

- the rotation of audit assignments to ensure an audit at least once every three years;
- the results of internal and external audits carried out in previous years;
- the risk-mapping mentioned above;
- the results of the self-assessment process;
- newly consolidated entities;
- large-scale projects and the main cross-functional processes;
- requests by the Executive Committee and the Chairman and Chief Executive Officer.

In 2014, the Internal Audit Department carried out the audit plan approved by the Audit and Finance Committee. Audits are documented in reports that summarize the main findings and provide recommendations. After being approved by the audited entities and their management, these recommendations are turned into action plans and submitted to the Governance and Risk Department. Over the following months, the Governance and Risk Department ensures the implementation of these corrective actions through follow-up reports on the status of each point brought up by the audit.

The 2014 audit plan was as follows:

- 12 audits in subsidiaries;
- 3 cross-functional audits at corporate level;
- 6 special assignments at the request of Management;
- 12 audit follow-ups.

These audits covered 49 percent of Group revenue (based on the revenue of Forecast 2). The work carried out in 2014 did not reveal any significant internal control weaknesses or deficiencies.

By bringing together risk management, internal control and internal audit in the same department, these functions can share the same methodology and regular audits can better integrate the risks identified.

The Group's statutory auditors are kept informed of all the work performed in the areas of internal control, internal audit and risk management at regular meetings to strengthen the internal-control and risk-management system.

In 2014, the Group had approximately 10 specialized staff dedicated to risk management, internal control and internal audit. This number does not include the employees dedicated to managing operational risk in transaction entities.

3.1.5.3 Internal control procedures relating to the preparation and processing of accounting and financial information

Accounting and financial organization

In order to achieve complete transparency between operating departments and financial management and ensure that operations are reported to the fullest possible extent, the Group has adopted the following organization for its teams, resources and processes:

- financial controllers and/or Chief Financial Officers at subsidiaries report to the regional Chief Financial Officers, who in turn report to the Group Chief Financial Officer, rather than reporting to subsidiary or regional heads. Regular meetings of finance executives are held by the Group Finance Department;
- all the Group's main entities use the same accounting management system;
- the Group chart of accounts is restated in line with IFRS, the basis for consolidation and reporting used by all Group entities.

This organization provides the accounting and financial function with all the data required to prepare the financial statements for the entire scope of operations. In 2014, the International Accounting Standards Board (IASB), responsible for defining and publishing IFRS procedures, updated the Group's accounting standards handbook and distributed it through a network of local accountants who were given special training.

Accounting and financial information systems

As mentioned earlier, one of Ingenico Group's goals in recent years has been to standardize its information systems (SAP, BFC).

The management reporting format, the primary tool for analyzing the operational performance of entities, includes information on the financial position and on cash flows.

This enables a more detailed analysis of Group performance for each product or service line and prepares Ingenico Group for the future developments of its markets.

Financial information is generated from monthly closing data.

Disclosure of financial and accounting information

Financial and accounting information is not disclosed until it has been reviewed and approved by the Chief Financial Officer.

The Company abides by a timetable of its accounting and financial disclosure and reporting obligations.

Internal control over finance

The following steps are taken to monitor the accuracy of financial data on an ongoing basis:

- controllers are regularly provided with instructions on budgetary implementation, reporting and consolidation worksheets and memoranda on changes in IFRS;
- each month, all legal entities and operating units are required to perform and report on a closing process, followed by consolidation. These reports enable the monthly changes to the Group's main operating indicators to be measured. Every month the Group uses the reports to carry out a detailed analysis of its performance (EBIT, EBITDA, free cash flow) at different levels (entity, region, Group). This process enables the Group to verify the correct financial rendering of its business activity and to identify any possible operating risks (*e.g.* delays in accounts receivable, credit notes to be issued, litigation, excess inventory, etc.). The Group's cash position is also analyzed monthly;
- a tax reconciliation is carried out five times a year and a comprehensive review of the Group's major assets is done every six months;
- all Group funding, hedging transactions, bank account openings and closures, bank account signing authorizations and the Group's cash pooling system are centralized under the control of the Chief Financial Officer.

Internal control is a top priority for Ingenico Group, which regularly invests in improving its system.

3.1.6 Shareholder participation in General Shareholders' Meetings

The rules governing attendance at, and participation in, shareholders' meetings are set forth in Article 19 of the Articles of Association and described in Chapter 8 of this Registration Document.

3.1.7 Principles and rules adopted by the Board to determine the compensation and benefits of directors and executive officers

The principles and rules governing the determination of the Directors' and Executive Officers' compensation and benefits are determined by the Board after conferring with the Compensation, Appointments and Governance Committee in compliance with the Rules of Procedure of the Board. These principles and rules are specified in the management report of the Board of Directors in compliance with Article L.225-102-1 of the French Commercial Code.

3.1.8 Information with a potential impact on public offerings

Any information with a potential impact on public offerings is described, if appropriate, in the management report, in accordance with Article L.225-100-3 of the French Commercial Code.

3.2 Positions and duties of the Board members as of December 31, 2014

Philippe LAZARE

Chairman and Chief Executive Officer since January 20, 2010

Experience and expertise

Born on October 30, 1956, Philippe Lazare was educated at the École Supérieure d'Architecture de Paris-La Défense. He held several positions in the Purchasing Department of the PSA group prior to joining the Thalès group as director of a Sextant Avionique site. In 1994, he was appointed Chief Operating Officer of the Air France group, in charge of the Industrial Logistics Division, which encompassed Air France Maintenance, Air France Industries and Servair group. He then managed the Lucien Barrière hotel and Casino group (1998-2000) and worked for the Eurotunnel group as Chairman and CEO until 2002. Within the La Poste group, Mr. Lazare was Director of Purchasing, Property and Cost Control (2003-2004), member of the Executive Committee of La Poste, and Chairman and CEO of Poste Immo. In 2006, he was appointed Executive Vice President of the La Poste group and Chief Executive Officer of La Poste's General Public *(Grand Public)* Division, positions he held until July 13, 2007. On July 17, 2007, he became the Chief Executive Officer of Ingenico, on whose Board of Directors he had already sat since March 15, 2006. On January 20, 2010, he was also appointed Chairman of Ingenico, thus becoming the new Chairman and Chief Executive Officer. Mr. Lazare is a Knight of the Legion of Honor.

Other positions and duties

WITH THE INGENICO GROUP IN 2014

Representative of Ingenico SA, Chairman:
- Ingenico Venture SAS since May 6, 2009

Director and Chairman:
- Fujian Landi Commercial Equipment Co., Ltd. (China) since June 25, 2008

Board Member:
- Ingenico Inc. (USA) since July 17, 2007
- Nanjing ZTE Ingenico Network Technology Co., Ltd. (China) since October 30, 2012
- Roam Data, Inc. (USA) since February 6, 2012

Supervisory Board member:
- ZTE Ingenico NV (Netherlands) since November 23, 2012
- Ingenico do Brasil Ltda. since December 10, 2013
- GCS Holding BV (Netherlands) since September 30, 2014

OUTSIDE THE INGENICO GROUP IN 2014

Main position:
None

Other current positions and duties:
None

Positions held in the past five years

Managing Director:
- DI Deutsche Ingenico Holding GmbH until December 16, 2009

Chairman:
- Ingenico France SAS until September 30, 2010
- Ingenico Transactions Services SAS, until June 30, 2011
- Ingenico Prepaid Services France SAS, until June 28, 2013

Board Member:
- Ingenico Investment Luxembourg SA until June 14, 2010
- Europa Communications Pty. Ltd. until December 14, 2010
- EPOS Italia SpA, until June 30, 2011
- Fixed & Mobile Pte. Ltd., until September 10, 2011
- Ingenico International (Pacific) Pty Ltd until June 7, 2012
- Ingenico International (Singapore) Pte Ltd until June 19, 2012
- Ingenico International India Pte Ltd until December 18, 2012
- Ingenico (UK) Ltd. until June 21, 2013

Board member and CEO:
- Ingenico Software Services Philippines Inc. until October 30, 2010
- Ingenico Italia SpA until April 27, 2012
- Ingenico (Latin America) Inc. until July 10, 2012
- Ingenico Corp. until October 4, 2012
- Ingenico Canada Ltd. until October 4, 2012

Board member and Chairman:
- Ingenico Investment Luxembourg SA until June 13, 2010
- Ingenico Barcelona SA until July 1, 2011
- Ingenico Mexico de CV until June 11, 2012
- Ingenico Services Iberia SA until October 1, 2012
- Ingenico Elektronik Sanayi Dis Ticaret SA until November 30, 2012
- Ingenico Iberia SL until April 26, 2013
- Ingenico Ödeme Siste Cözumleri A.A. until May 31, 2013

Representative of Ingenico SA, Chairman:
- Ingenico Data Systems – Sofracin SAS until June 30, 2011
- Mobile Payments Solutions NV until November 23, 2012

Representative of Ingenico SA, sole director:
- Ingenico Eastern Europe Sàrl (Luxembourg) until December 6, 2012
- Representative of Ingenico SA at Strategic Committee of Natural Security SAS (formerly P1G SAS) until July 10, 2009

Jean-Pierre COJAN

Director

Strategic Committee Member

Compensation, Appointments and Governance Committee Member

Experience and expertise

Jean-Pierre Cojan was born on September 4, 1953. He is a French citizen.

Jean-Pierre Cojan has spent his entire career with the Safran Group, a leader in aerospace, defense and security. He began his career in 1977 as a structural design engineer at SNECMA. He then held various positions, including Deputy Managing Director of Safran in charge of Strategy since 2009. He has been the Executive Vice President of Safran in charge of Strategy and Transformation since 2013.

Jean-Pierre Cojan is a graduate of the École Nationale Supérieure des Mines de Paris engineering school.

Other positions and duties

WITH THE INGENICO GROUP IN 2014

None

OUTSIDE THE INGENICO GROUP IN 2014

Main position:

- Executive Vice President of Safran in charge of Strategy and Development since July 1, 2013

Other current positions and duties:

None

Positions held in the past five years

Chairman and Chief Executive Officer:

- Aircelle (until September 2009)

Board Member:

- Safran Engineering Services until February 2010
- Aircelle (Safran group) until December 31, 2014
- Morpho (Safran group) until December 31, 2014
- Turbomeca (Safran group) until December 31, 2014
- Matis Aerospace (Morocco, Safran associate) until December 31, 2014

Jean-Louis CONSTANZA

Independent Director

Strategic Committee Member

Experience and expertise

Jean-Louis Constanza was born on April 16, 1961. He is a French citizen.

With more than 25 years of telecommunications and wireless experience in France and abroad, Jean-Louis Constanza is currently Chief Innovation Officer at Criteo, a specialist in personalized advertising on the web. He founded Orange Vallée, which develops and markets innovative products and services within the Orange Group. Jean-Louis Constanza also founded Ten, the first mobile virtual network operator (MVNO) focused on the mobile internet, and telecom operator Tele2. He holds an MBA from INSEAD and a master's in engineering from the French National School of Aeronautics and Space ("SupAéro").

Other positions and duties

WITH THE INGENICO GROUP IN 2014

None

OUTSIDE THE INGENICO GROUP IN 2014

Main position:

- Chief Innovation Officer at Criteo

Other current positions and duties:

None

Board Member:

- Wandercraft

Positions held in the past five years

Chief Executive Officer:

- Orange Vallée (2007 to 2013)

Diaa ELYAACOUBI

Independent Director

Strategic Committee Member

Compensation, Appointments and Governance Committee Member

Experience and expertise

Born in Morocco on November 8, 1970, Diaa Elyaacoubi is a French citizen.

Diaa Elyaacoubi has spent most of her career as an entrepreneur, mainly in new technologies. In 1999, she founded e-Brands, Europe's leading provider of white label connectivity solutions, such as Internet access and SMS, now a Vivendi subsidiary. In 2003, she founded and now chairs Streamcore, a manufacturer of telecom networking equipment. She also co-founded "Esprits d'entreprise" a French think tank that brings together more than 400 entrepreneurs and business leaders, and is president of "100 Jours Pour Entreprendre" a movement that sponsors and mentors young entrepreneurs. She is also a member of the Oddo & Cie supervisory board.

Other positions and duties

WITH THE INGENICO GROUP IN 2014

None

OUTSIDE THE INGENICO GROUP IN 2014

Main position:

- President of the holding company ODYSSEE 2045
- Oddo & Cie Supervisory Board Member since May 2013
- Founder and Chairwoman of the employers' association Esprits d'Entreprise since May 2013. This employers' association brings together over 400 entrepreneurs and SMEs in a think tank to promote the ideas of its members and their businesses.

Other current positions and duties:

- Manager of SCI Delya 2
- Manager of SCI Delya 3
- Manager of SCI Immobilière 1

Positions held in the past five years

- Manager of SCI Kat Mandou
- Streamcore System Management Board Chairwoman
- President of the "100 Jours Pour Entreprendre" movement from 2012 to 2014

Xavier MORENO

Independent Director

Compensation, Appointments and Governance Committee Chairman

Strategic Committee Member

Experience and expertise

Xavier Moreno was born on December 14, 1948 in Nice, France. He is a French citizen.

Xavier Moreno is Chairman of Astorg Partners, a leading French private equity firm that invests in business transfers (LBOs) valued from €100 million to €1,500 million. Founded in 1998 and controlled by its founding partners, Astorg Partners manages approximately €2 billion in capital and has invested in over 30 business in the last 15 years. Xavier Moreno began his career at the Treasury Department of the French Ministry of Finance. In 1985, he joined Sanofi, where he was Director of the Agroveterinary Division and a member of the Executive Committee. In 1991 he joined the Suez group to direct investments in industry and private equity until the spin-off of Astorg in 1998. Xavier Moreno is a graduate of the Ecole Polytechnique, the Paris Institute of Political Studies (IEP) and the Ecole Nationale d'Administration (ENA).

Other positions and duties

WITH THE INGENICO GROUP IN 2014

None

OUTSIDE THE INGENICO GROUP IN 2014

Main position:
- Chairman of Astorg Partners SAS

Other current positions and duties:

Supervisory Board member:
- GS & Cie SA (Gras Savoye Group)

Executive Committee Member:
- Financial Ofic SAS (Onduline Group)

Board Member:
- Ethypharm SA
- Financial Verdi SAS (Ethypharm Group)
- Onduline SA
- Super Cristal de Luxe
- Cristal de Luxe

Representative of Astorg Partners SAS, Chairman:
- Astorg Team III SAS SCR

Chairman:
- Financière Amaryllis IV SAS
- Financière Muscaris IV SAS
- Kiliteam V SAS
- Megateam V SAS

Positions held in the past five years

Chairman:
- Church Team IV SAS until October 2013
- Bordeaux Team IV SAS until 2011
- Mercure Team IV SAS until 2011

Supervisory Board Chairman
- Honorine SAS (Staci Group)

Board Member:
- Geoservices SA (representative of Astorg Partners) until 2010
- SCT Telecom SA (until 2011)

Executive Committee Member:
- Financière Seringa III SAS (Trescal Group) until 2010
- Jug SA (Geoservices Group) until 2010
- Capucine SAS (Webhelp Group) until 2011

Florence PARLY

Independent Director

Chairman of the Audit and Finance Committee

Compensation, Appointments and Governance Committee Member

Experience and expertise

Florence Parly was born on May 8, 1963 in Boulogne-Billancourt. She is a French citizen.

Florence Parly is currently Executive Vice-President in charge of Strategy and Finance at SNCF, the French national rail company. She is responsible for SNCF's strategic management and economic coherence in a time of transformation. Previously, she worked for eight years in various capacities at the Air France Group, including as Director of Investment Strategy, then later as Executive Vice-President of Air France Cargo, where she led the restructuring and, finally, as Executive Vice-President, Passenger Activity Paris-Orly and French Stations, where she led the Transform 2015 recovery plan.

Prior to that, she was Secretary of State for the Budget (2000-02) as a member of the French government led by Lionel Jospin, after holding various functions including: Advisor to the Prime Minister, Cabinet member (Transportation and Housing, Interior) and within the budget department of the Ministry of Economy, Finance and Budget. She also chaired the Regional Agency for Economic Development of the Ile de France (Paris region) (2004-06).

Florence Parly is a graduate of the Ecole Polytechnique, the Paris Institute of Political Studies (IEP) and the Ecole Nationale d'Administration (ENA).

Other positions and duties

WITH THE INGENICO GROUP IN 2014

None

OUTSIDE THE INGENICO GROUP IN 2014

Main position:
- Executive Vice-President in charge of Strategy and Finance at SNCF (since November 17, 2014)

Other current positions and duties:

Board Member:
- Altran (listed company)
- Bpifrance Participations

Chair of the Appointments and Compensation Committee:
- Altran (listed company)
- Bpifrance

Positions held in the past five years

Supervisory Board member:
- Traxon until November 2011

Chairwoman of the Board:
- Sodexi until March 2013
- MCH (Mexico Cargo Handling) until March 2013

Board Member:
- Air France (resigned on September 1, 2014)
- Servair (Roissy CDG) until 2013

Permanent representative of Air France on the Board of Directors:
- Fram until February 2013

Strategic/Strategy Committee Member:
- Ernst & Young (resigned November 17, 2014)

Other positions:
- Executive Vice-President, Passenger Activity Paris-Orly and French Stations (until September 2014) and member of the Executive Committee of Air France
- Executive Vice-President, Air France Cargo (until December 2012) and member of the Executive Committee of Air France

Thibault POUTREL

Director

Audit and Finance Committee Member

Strategic Committee Member

Experience and expertise

Thibault Poutrel was born on September 8, 1977. He is a French citizen.

Son of Ingenico founder Jean-Jacques Poutrel, Thibault Poutrel began his career at ABN AMRO France then worked at Rothschild & Cie Banque. Since 2001, he has founded and managed several private equity companies including Diamond Minds, Access Consulting and Beaubourg Capital SAS. He is also co-founder of Update Productions (audiovisual production) and the Antidote Agency (press), director of Nextedia (listed on Alternext) and co-founder of the LINK Endowment Fund. He was educated at the Institut d'Études Politiques in Paris and the London School of Economics.

Other positions and duties

WITH THE INGENICO GROUP IN 2014

None

OUTSIDE THE INGENICO GROUP IN 2014

Main position:
- Chairman of Alderville Investissement SA

Other current positions and duties:

Chairman:
- Beaubourg Capital SAS
- Alderville Holding SPRL

Board Member:
- Nextedia SA (formerly Social Mix Media SA)

Managing Director:
- SCI 44 Rue de Meaux
- Diamond Minds Investment SARL
- Access Consulting SARL

Supervisory Board or Steering Committee member:
- WitchBird SAS
- Lokad SAS
- Travelaer SAS

Positions held in the past five years

Supervisory Board or Steering Committee member:
- Cryptolog SAS (representative of Beaubourg Capital SAS)
- Patientsworld SAS (representative of PW Invest SAS)

Celeste THOMASSON

Director

Strategic Committee Member

Experience and expertise

Celeste Thomasson was born on September 23, 1966 in Las Vegas, Nevada. She holds French and US citizenships.

Celeste Thomasson is now CEO of MorphoTrak, a US subsidiary of Safran and provider of biometric identity management solutions. She joined Safran in 2002 where she was successively Head of Legal Services of Messier Services, General Counsel of Messier-Dowty, and General Counsel of the Safran group. Throughout her career, she has often been involved in the Group's acquisitions, working closely with the operational teams. Celeste Thomasson began her career in California, where she worked as a lawyer before moving to France in 1999. She holds a Juris Doctor from Southwestern University School of Law in Los Angeles, and is registered with the Bar of the United States Supreme Court since 1993.

Other positions and duties

WITH THE INGENICO GROUP IN 2014

None

OUTSIDE THE INGENICO GROUP IN 2014

Main position:

- CEO of MorphoTrak, Inc. (Safran group) in the US

Other current positions and duties:

None

Positions held in the past five years

President & Secretary of Messier-Dowty, Inc. (USA) (until July 2010)

Senior Vice President of Safran USA, Inc. (until July 2010)

Board Member:

- Labinal de Mexico, SA de CV (Mexico), until September 2010
- Labinal de Chihuahua, SA de CV (Mexico) until September 2010
- Labinal Investments, Inc. (USA) until July 2010
- Labinal, Inc. (USA) until July 2010
- SMA Engines, Inc. (USA) until July 2010
- Établissements Vallaroche (Safran Group) until April 2013
- Vallaroche Conseil (Safran group) until April 2013
- GlobeMotors, Inc. (USA) (Safran group) until October 2013
- Lexsa (Safran group) until December 2013
- Cercle Montesquieu until January 2014
- Soreval (Safran group)
- Safran Power UK Ltd (Safran Group) UK

Chairman and CEO:

- Lexvall 2 (Safran Group) until January 2013
- Lexvall 13 (Safran Group) until January 2013

Permanent representative of Établissements Vallaroche on the Board of Directors of:

- Lexvall 22 (Safran Group) until December 2013
- Safran Sixty, (Safran Group) until June 2012
- Lexvall 23, Lexvall 24 and Lexvall 25 (Safran Group) until June 2012

Others:

- General Counsel of Safran Group until December 31, 2013

Élie VANNIER

Independent Director

Strategic Committee Chairman

Audit and Finance Committee Member

Experience and expertise

Elie Vannier was born on June 15, 1949. He is a French citizen.

Elie Vannier's career is marked by a variety of experiences in industry, investment banking and the media. After many years in broadcasting, Elie Vannier was appointed Diversification Manager at the metalworking group Strafor Facom until 1991, when he was named Chief Executive Officer of the French subsidiary of Deutsche Morgan Grenfell. In 1997, he joined GrandVision, eventually being appointed Group CEO. Former Chairman of the Board of Directors of Flamel Technologies, over the years he has held many directorships in France and abroad. He was also a professor at the Paris Institute of Political Studies (IEP) lecturing on strategy and international business development. He also served as president of the French center for the study of corporate governance. He is now a professor at Peking University (School of Transnational Law), China. He holds a master's degree in law and a postgraduate degree in political science from the University of Paris I-Sorbonne.

Other positions and duties

WITH THE INGENICO GROUP IN 2014

None

OUTSIDE THE INGENICO GROUP IN 2014

Main position:

- Visiting Professor, Peking University School of Transnational Law (China)

Other current positions and duties:

Board Member:

- Marinopoulos Group (Greece)
- Groupe PP Holding SA (Switzerland)
- Pharmacie Principale SA (Switzerland)
- Fondation Fondamental (France)
- New Cities Foundation (Switzerland)

Positions held in the past five years

Director:

- Compagnie Européenne de Téléphonie (Luxembourg) until 2011
- Conbipel SA (Italy) until 2013
- Flamel Technologies until June 2014

Deputy Chairman of the Supervisory Board:

- Loret Group (France) until June 2011

Chairman of the Board of Directors:

- Flamel Technologies SA until 2012

Family relationships

As of the date of this Registration Document, there are no family relationships between any of the members of the Board of Directors.

Involvement in legal proceedings

The members of the Board of Directors hereby declare that during the past five years, none of them has been incriminated and/or sanctioned, disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of an issuer, or been involved in bankruptcy, receivership or liquidation proceedings as set forth in Annex I to Commission (EC) Regulation No. 809/2004 of April 29, 2004.

William NAHUM

Censor

Compensation, Appointments and Governance Committee Member

Experience and expertise

A certified accountant, statutory auditor, legal expert to the Court of Appeal of Paris, certified by the French Supreme Court, William Nahum has led a parallel professional and institutional career during which he has held almost all the elective offices in his profession. After an internship in an international audit firm and then several years with French and American companies, he established a law office more than thirty years ago, building up a team of partners, along with selected collaborators.

For twelve years, he was President of the Order of Certified Accountants of Paris ("Ordre des Experts-Comptables de Paris") and of the Company of Statutory Auditors of Paris ("Compagnie des Commissaires aux Comptes de Paris"). He was also President of the National Order of Certified Accountants ("Président National de l'Ordre des Experts-Comptables").

He served for nine years on the Board of IFAC, where he acquired expertise in auditing and governance standards that proved particularly useful in litigation or professional liability cases William Nahum has created and chaired two international institutions for accountants: CILEA for Latin America and Southern Europe, and FCM, covering 16 Mediterranean-area countries.

He has also held positions as a volunteer with the Accounting Standards Authority ("Autorité des Normes Comptables"), the Public Accounts Standards Committee ("Comité des Normes de la Comptabilité Publique") and as a legal expert with the Government Shareholding Agency ("Agence des Participations de l'État") and the Ministry of Defense.

In 2004, William Nahum founded the Academy of Accounting and Financial Sciences and Techniques, an organization chaired by him with more than 60,000 members in over 20 countries.

In 2013, William Nahum was elected National President of CIP (Information Center on the Prevention of Company Difficulties).

A government order of December 24, 2013 made him a member of the Accounting Standards Authority ("Autorité des Normes Comptables").

3.3 Compensation and benefits

3.3.1 Compensation of directors and executive officers

The purpose of the Company's policy on the compensation of directors and executive officers and the management teams more broadly-speaking is to:

- attract, develop, retain and motivate the best talent;
- encourage better performance;
- align compensation levels with the Company's results.

It is guided by three principles:

- competitiveness and consistency of compensation in respect of market practices (compensation policies of comparable listed companies, especially technology companies in France, Europe and the United States), while maintaining a certain balance in internal compensation practices;
- internal fairness, based on individual and team performance, to ensure fair and balanced compensation that reflects individual levels of success, measured both quantitatively and qualitatively;
- the achievement of overall Group financial and operating results in the short, medium and long-term as well as their implementation compared to medium and long-term strategic objectives.

3.3.1.1 Compensation, stock options and performance shares granted by the Company to the Chief Executive Officer

3.3.1.1.1 Policy for compensating the Chairman and Chief Executive Officer

In recent years, the Board of Directors has decided to change the compensation of the sole executive director, Philippe Lazare, Chairman and Chief Executive Officer, in order to restore it to its proper level, reflect the transformation of the Group's profile since 2010 - both in size and scope of operations - while adhering to best market practices, including the spirit of the AFEP-MEDEF Code as revised in June 2013. Since 2010, the Group's revenues have nearly doubled (1.8x), its net profits have more than quadrupled (4.3x) and its stock market capitalization has more than tripled (3.5x), exceeding €5 billion at the end of December 2014.

In addition to compensating operational and financial performance, the Board of Directors also uses the compensation of its Chairman and Chief Executive Officer as a talent retention tool. This is necessary because the Group operates in the payment ecosystem – a global market that is changing very rapidly and has a narrow talent pool.

Compensation structure in 2014

Against this backdrop, in 2014 the Board pursued efforts to restore the Chairman and Chief Executive Officer's compensation to its proper level, focusing on a significant rise in his variable compensation to reward his accomplishments and the Group's financial and operating performances.

In 2014, the Chief Executive Officer's compensation included:

- **an annual salary of €700,000** (compared with €650,000 in 2013), up 7.7 percent from 2013, in order to partially restore the compensation of the Chairman and Chief Executive Officer to a level commensurate with his responsibilities, his vision, his track record and with market practices. The slight increase in fixed compensation brings him closer to the pay levels of international companies in the payment ecosystem as well as the median of CAC Next20 companies;
- **a target annual variable compensation of €1,000,000** (compared with €800,000 in 2013) with the maximum variable compensation remaining at 135 percent (or €1,350,000). The Board of Directors has in effect **focused on raising the variable compensation significantly to restore the Chairman and Chief Executive Officer's compensation to its proper level** in the best interest of the stakeholders.

  Depending on the level of achievement of each of the criteria below, the payment may vary from 0 to 135 percent of the target annual variable compensation, or from 0 to 193 percent of the fixed annual salary.

  For 2014, the variable compensation is based on the achievement of quantitative and qualitative criteria as set by the Board of Directors on March 27, 2014; its structure remains unchanged compared to 2013:

  - **quantitative targets, at 70 percent** (or €700,000) of the target annual variable compensation, up to 150 percent (or €1.05 million). These targets are tied to the Company's financial performance:
    - 40 percent tied to consolidated EBITDA,
    - 15 percent tied to consolidated revenue growth,
    - 15 percent tied to free cash flow (excluding acquisitions, divestitures and special dividends).

    Payment of variable compensation is only triggered once 90 percent of each of these targets is attained, below which variable compensation for financial criteria is nil. It reaches 100 percent when 100 percent of the target is attained, and a maximum of 150 percent when 110 percent of the target is attained, in line with the rules set by the Board of Directors on February 27, 2013,
  - **qualitative objectives, at 30 percent** (or up to €300,000), each accounting for one quarter of the total and is tied to:
    - the availability of new technologies for future products,
    - the external growth strategy,
    - the development of mobile solutions with the strategic integration of Roam Data,
    - the growth of multi-channel payment transactions.

  Variable compensation is calculated and paid at the close of the fiscal year to which it relates, after the Board of Directors has approved the financial statements;
- **no special bonus**. Since 2013, the Board of Directors has waived the use of special bonuses, in line with best market practices;
- **no pension plan**. The Board of Directors feels that this provision is not a suitable retention tool for Ingenico Group, which operates in a fast-changing market. For information purposes, the cost of the pension plan was valued at €15 million by an outside firm;
- **no attendance fees** as a Company Director and Chairman of the Board;
- **no compensation** under a non-competition clause;
- **a long-term incentive** (valued at €312,482 for the shares granted under the 2014 Plan). The Chairman and Chief Executive Officer subscribed to this joint investment plan with his own funds along with key managers of the Group for 2014. The plan consists of an investment by the Chairman and Chief Executive Officer in shares of the Company which could entail the award of performance shares.

  These performance share awards are dependent on the achievement of performance criteria:

  - internal, tied to the Group's financial and operating performance: EBITDA in line with the market guidance issued. The trigger threshold at which one free share is awarded per share invested is set at 90 percent of the target. Two free shares are awarded at 95 percent of the target and four free shares at 100 percent. The maximum number of free shares is reached when the target is exceeded: six free shares per share invested at or above 104 percent of the target,
  - external, tied to the relative performance of the Company's share price compared to that of the SBF 120. The trigger threshold is reached when the Ingenico share performance is at least 95 percent of the SBF 120 performance. Beyond that, one additional free share is awarded per five percent increment up to a maximum of four free shares awarded per share invested if the Ingenico share price performance is at least 110 percent of the SBF 120 performance;
- **in addition, Philippe Lazare shall be remunerated for exercising his duties as Chairman of the Board and Chief Executive Officer:**
  - a company car,
  - unemployment insurance for loss of mandate, and
  - a contractual indemnity in the event of early termination.

    In accordance with the resolution of the Board of Directors of March 15, 2012, approved by the Annual General Shareholders' Meeting of May 3, 2012, Philippe Lazare will receive an indemnity in the event of termination of his term of office for any reason other than gross negligence. The amount of this indemnity will be calculated based on the achievement of the following performance criteria:
    - he shall receive an indemnity equal to one year of gross annual salary payable in his capacity as Chief Executive Officer of Ingenico,

- he shall maintain his entitlement to free shares for which the vesting period has not yet expired. To date, he has received a total of 6,500 shares, for which the vesting period has not yet expired. The amount of the benefit granted is estimated at €312,482,

this arrangement is subject to the following performance conditions:

- EBIT has grown in line with revenue growth during his term of office,
- the Company has maintained or increased its market share during his term of office.

This is referred to in the statutory auditors' report on related party agreements and commitments (section 3.4 of this Registration Document).

Finally, there is no employment agreement between Philippe Lazare and any of the Group companies. As an officer of the Company, he is not a member of the savings plan set up for employees of the Group.

Summary of the status and terms of departure of the Chief Executive Officer

Management Directors and executive officers	Employment contract	Supplementary retirement plan	Indemnities or benefits due or likely to be due on termination or change of function	Benefits in connection with a non-competition clause
Philippe LAZARE				
Chairman and Chief Executive Officer since January 20, 2010 (1) End of term of office: 2016 Annual General Shareholders' Meeting to approve the financial statements for 2015	No	No	Yes (2)	No

(1) Philippe Lazare was re-appointed as member of the Board at the Annual Shareholders' Meeting of May 3, 2012 and his mandate as Chairman and Chief Executive Officer was renewed by the Board of Directors' decision on the same day.
(2) This indemnification agreement is described above.

Changes in the compensation structure

As part of the work done on the Chairman and Chief Executive Officer's compensation, the Board of Directors hired a specialist outside consulting firm in 2014 to do a comparative analysis of his compensation structure with the practices of four sample groups: The CAC40 index, the Next20 index, French and international technology companies, and companies positioned in the payment ecosystem.

This analysis was used to measure the competitiveness of the Chairman and Chief Executive Officer's compensation and of Ingenico's results compared to various sample groups, based on criteria selected by the Group (revenue growth, changes in net profitability and market capitalization). The results were used to evaluate the CEO's performance, the link between his pay and performance, the relevance over time of the compensation structure and the objectives assigned to him.

Accordingly, the Board of Directors, acting on the recommendation of the Compensation, Appointments and Governance Committee, decided to revise the overall compensation structure of the Chief Executive Officer and to:

- maintain the CEO's fixed compensation throughout his term of office and to review it only as and when he is reappointed;
- focus on variable compensation mechanisms based on the Group's short and long-term performance, beyond the beneficiary's term of office:
  - maintain a high level of variable compensation of up to 200 percent of fixed compensation, in line with the practices of competitors in the global payment market,
  - rebalance the target and maximum bonus levels to create a stronger incentive for long-term performance,
  - establish a deferred annual compensation mechanism alternating a joint investment plan (involving a personal capital risk for Chairman and CEO) and a free share award plan with criteria for EBITDA and the relative performance of the share price in relation to the SBF120;
- continue not to allocate attendance fees and not to set up a defined benefit pension plan.

This target compensation structure, approved by the Board of Directors on February 18, 2015 and aligning the compensation structure with the long-term value creation, will be implemented upon the reappointment of the Chief Executive Officer during the 2016 Annual General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2015.

2015: a year of stabilization

In light of these circumstances, the Board of Directors decided that, insofar as the adjustments made were more in line with market practices, the fixed and variable compensation would remain unchanged compared to 2014 and there would be a rebalancing of the compensation structure with a larger component tied to the company's long-term performance:

- **a fixed annual salary unchanged at €700,000;**
- **a target annual variable compensation of €1,000,000** with the maximum variable compensation unchanged at 135 percent of the target variable compensation.

  For 2015, the variable compensation is based on the achievement of quantitative and qualitative criteria as set by the Board of Directors on February 18, 2015. The relative weighting remains unchanged compared to 2014:

  - **quantitative targets, at 70 percent** (€700,000) of the target annual variable compensation, tied to the Company's financial performance:
    - 40 percent tied to consolidated EBITDA,
    - 15 percent tied to consolidated revenue growth,
    - 15 percent tied to free cash flow (excluding acquisitions, divestitures and special dividends).

    The compensation tied to attainment of these quantitative targets can go as high as 150 percent of the target variable compensation for the year (*i.e.*, €1,050,000).
  - **qualitative objectives, at 30 percent** (€300,000), the three criteria of which are consistent with the strategic plan but cannot be disclosed for reasons of confidentiality and professional secrecy. However, at the end of the performance appraisal period, the Group will disclose these targets and their level of achievement. The target variable compensation for these criteria is capped at 100 percent (or €300,000);
- **no special bonus;**
- **no pension plan;**
- **no directors' attendance fees;**
- **a long-term incentive via a free share award plan.**

3.3.1.1.2 Compensation due or paid to the Chief Executive Officer in 2014

Summary table of compensation and stock options and shares awarded to Philippe Lazare – Chief Executive Officer

	2014 *(Gross amount in euros)*	2013 *(Gross amount in euros)*
Compensation due for the year (detailed information in the table below)	2,038,358	1,673,342
Valuation of multi-year variable compensation awarded during the year	n.a.	n.a.
Valuation of options granted during the year	n.a.	n.a.
Valuation of free shares awarded	312,482	n.a.
TOTAL	**2,350,840**	**1,673,342**

Summary table of compensation paid to Philippe Lazare – Chief Executive Officer

	2014 *(Gross amount in euros)*		2013 *(Gross amount in euros)*	
	Accrued during the year	Paid during the year	Accrued during the year	Paid during the year
Fixed compensation	700,000	700,000	650,000	650,000
Annual variable compensation (1)	1,326,021	1,012,951	1,012,951	700,000
Variable multi-year compensation	None	None	None	None
Exceptional compensation	None	None	None	300,000 (2)
Directors' attendance fees	None	None	None	None
Benefits in kind: company car + Insurance for loss of mandate	12,337	12,337	10,391	10,391
TOTAL	**2,038,358**	**1,725,288**	**1,673,342**	**1,660,391**

(1) The variable compensation accrued during a year is paid in the following year.
(2) Exceptional compensation granted by the Board of Directors on February 27, 2013 for FY 2012.

› Compensation paid in 2014

On February 19, 2014, the Board of Directors set Philippe Lazare's target variable compensation for 2013 at €800,000 based on the performance criteria set by the Board of Directors on February 27, 2013. Of this amount 70 percent was tied to the Group's results and 30 percent to qualitative criteria. On that same date, after assessing the achievement of the quantitative and qualitative criteria, and considering the Group's performance in 2013, the Board of Directors set Philippe Lazare's variable compensation for 2013 at €1,012,951.

› Variable compensation paid in 2015 on results of 2014

Given the challenges of 2014, the Board of Directors decided at its meeting of March 27, 2014 to focus on raising the target variable compensation for 2014, setting it at €1 million.

On February 18, 2015, the Board of Directors reviewed the above quantitative and qualitative criteria one by one to determine the level of achievement of each.

Based on the quantitative and qualitative criteria set by the Board on March 27, 2014 and considering the Company's performance as of December 31, 2014, the Board of Directors evaluated the amount of the variable share as follows:

- in quantitative terms, the Board noted substantial outperformance according to the three criteria used: consolidated revenue growth (107 percent of target), consolidated EBITDA (116 percent of target) and free cash flow (159 percent of target), resulting in an overall achievement of 147 percent of the target;
- in qualitative terms, the Board deemed that Philippe Lazare had done an excellent job in 2014 and accordingly allocated the maximum percentage of variable compensation allowed, or 30 percent of the target value. The Board members unanimously appreciated (i) the accelerated deployment of the strategy with the acquisition of GlobalCollect Group, (ii) the launch of the Telium Tetra range and its Marketplace, (iii) the mobile solution development with the strategic integration of ROAM (now wholly-owned), and (iv) the success of the first cross-channel payment transactions.

Philippe Lazare's variable compensation for 2014 has therefore been set at €1,326,021 equal to 189 percent of his fixed compensation for 2014.

3.3.1.1.3 Long-Term incentive

Information on performance shares awarded to the sole executive director during the year 2014

	Plan ref. no. and date	Number of shares granted during the year	Theoretical Value of shares according to the method used for the consolidated financial statements *(in euros)*	Date granted	Date of availability	Performance conditions
Philippe LAZARE	2014-1 dated Oct. 29, 2014	6,500	312,482	October 29, 2014	October 29, 2018	See below
TOTAL		**6,500**	**312,482**			

In order to encourage the achievement of long-term business objectives further, on October 29, 2014 the Board of Directors made use of the twenty-second resolution of the Extraordinary General Shareholders' Meeting April 29, 2013, to set up a new joint investment plan in 2014. This joint investment plan involves a capital risk to beneficiaries. Under this plan, in consideration for a significant personal investment of €50,000 in Company shares, Philippe Lazare was awarded 6,500 bonus shares. These share awards are subject to the achievement of performance conditions as presented above, namely:

- internal, tied to the Group's financial and operating performance: EBITDA in line with the market guidance issued. The trigger threshold at which one free share is awarded per share invested is set at 90 percent of the target. Two free shares are awarded for 95 percent achievement of the target and four free shares at 100 percent achievement. The maximum number of free shares is reached when the target is exceeded: six free shares per share invested at or above 104 percent achievement of the target;
- external, tied to the relative performance of the Company's share price compared to that of the SBF 120. The trigger threshold is reached when the Ingenico share performance is at least 95 percent of the SBF 120 performance. Beyond that, one additional free share is awarded per five percent increment up to a maximum of four free shares awarded per share invested if the Ingenico share price performance is at least 110 percent of the SBF 120 performance.

The number of performance shares definitively awarded to Philippe Lazare at the end of the vesting period (two years) will be based on the level of achievement of these targets.

Performance shares fully vested or available in 2014 for the sole executive officer

	Plan ref. no. and date	Number of shares available	Plan ref. nº. and date	Number of shares fully vested	Final grant conditions
Philippe LAZARE	Plan 3 dated May 5, 2010	49,112	Plan 5 dated June 22, 2012	17,448	See below

Number of shares available

49,112 shares became available in 2014 from the plan authorized by the Board of Directors on March 30, 2010, which made use of the fourteenth resolution approved by the Annual General Shareholders' Meeting of March 14, 2008.

Shares fully vested

The performance evaluation period for the 2012 joint investment plan (Plan No. 5) expired on June 22, 2014. The performance share awards as part of the twentieth resolution approved by the Annual General Shareholders' Meeting of May 11, 2010, were conditioned to the achievement of performance criteria:

- internal, tied to the Group's financial and operating performance: An EBITDA target of €227 million in 2013. The trigger threshold at which one free share is awarded per share invested is set at 91 percent of the target. Two free shares are awarded at 95 percent of the target and three free shares at 100 percent. The maximum number of free shares is reached when the target is exceeded: four free shares per share invested at or above 104 percent of the target;
- external, tied to the relative performance of the Company's share price compared to that of the SBF 120 from 2012 and 2013. The trigger threshold at which two free shares are awarded per share invested is reached when the Ingenico share performance is at least 5 percent greater than that of the SBF 120. Three free shares are awarded if the Ingenico share performance is greater than 10 percent, and four shares if it exceeds 15 percent.

The actual performance recorded by the Board of Directors is as follows:

- EBITDA 2013: €279 million, or 123 percent above the target;
- the Ingenico share performance was 15 percent greater than that of the benchmark, the SBF 120, between 2012 and 2013.

With the Chairman and Chief Executive Officer having personally invested €80,000 and given the level of achievement of the aforementioned performance criteria, 17,488 free shares were fully vested and awarded to him on June 22, 2014.

Mandatory holding period

Pursuant to Article L.225-197-1, II, paragraph 4, of the French Commercial Code, in relation to performance shares allotted for free to the Chief Executive Officer, the Board of Directors must either prohibit the Chief Executive Officer from disposing of said shares until the end of his term of office or specify the number of these shares that must remain registered in his name until the end of his term of office.

For each performance share award to Philippe Lazare, the Board of Directors has resolved, pursuant to the aforementioned provision, that he shall be required to hold and maintain at all times in registered form no less than 15 percent of the total number of shares that have been fully vested and for which the final grant date has been reached. Moreover, any share disposals must be carried out in compliance with the applicable stock market regulations and the procedures followed by the Company.

3.3.1.2 Directors' attendance fees and other compensation received by non-executive directors

The Combined Shareholders' Meeting of April 29, 2013 determined a total maximum annual budget of €400,000 for directors' attendance fees. This amount was not changed during the Annual General Shareholders' Meeting of May 7, 2014.

The allocation of the annual amount of attendance fees approved by the Shareholders' Meeting has been designed to promote the independence of Directors, the chairmanship of the special focus committees and the members' attendance at meetings of the Board and the special focus committees. As recommended by the AFEP-MEDEF Code, the variable portion of attendance fees (contingent on actual attendance at Board and Committee meetings) is preponderant.

The total amount of directors' attendance fees and compensation for the censor was €400,000 in respect of 2014, paid out as follows (amounts in euros):

Non-executive directors in 2014	Gross amounts accrued in 2014 and paid in 2015	Gross amounts accrued in 2013 and paid in 2014
Jean-Pierre COJAN Director	€29,834	€27,362
Jean-Louis CONSTANZA Independent director since May 7, 2014	€35,359	n.a.
Diaa ELYAACOUBI Independent Director	€46,409	€52,117
Jean-Paul JAINSKY Director until May 7, 2014	€24,309	€53,420
Xavier MORENO Independent Director	€66,298	€66,450
William NAHUM Censor	€19,890	€27,361
Florence PARLY Independent Director	€53,591	€36,482
Thibault POUTREL Director	€28,729	€31,270
Celeste THOMASSON Director	€26,519	€26,059
Elie VANNIER Independent Director	€69,061	€79,479
TOTAL	**€400,000**	**€400,000**

Except for Philippe Lazare, the only executive director for whom information is provided above, no other member of the Board of Directors received any additional compensation or other benefits in kind during 2014.

No compensation, other than the compensation mentioned above, was paid to executive directors of the Company by other Group companies during 2014.

3.3.1.3 Pensions, post-employment and other benefits paid to directors and executive officers

None.

3.3.1.4 Loans granted to or guarantees provided on behalf of directors and executive officers

None.

3.3.2 Compensation of Executive Committee members

Compensation awarded to the members of the Executive Committee is composed of fixed compensation and annual variable compensation tied to the attainment of budget targets for the current year, as well as to the attainment of long-range strategic company targets that are modulated to reflect each member's position. Depending on the position, variable compensation for the year may be equal to anywhere from 30 percent to 100 percent of fixed compensation when targets are met. For executives with operational responsibility for a region or business line, 80 percent of this variable component is related to financial targets in their region or business line, and 20 percent to strategic targets. For executives with responsibility for head-office functions, 60 percent is usually tied to Group financial targets and 40 percent to strategic targets in their areas.

Company executives are also part of a joint investment program under which they receive Company shares for free. The number of shares granted depends on their continuous service within the Group and the Company's medium-term performance.

This plan aims to encourage achievement of the Group's long-term objectives and the value creation associated with it. Executives may invest significantly in the Company's shares and, depending on whether or not the performance criteria are achieved, the Company matches the investment with free shares awarded to the beneficiaries.

Performance criteria apply to all shares awarded and combine an assessment that is both intrinsic and relative based on the Company's business and stock-market performance.

A company car is provided to each Executive Committee member.

3.3.3 Shareholdings of executive officers and employees in Ingenico

Ingenico Group periodically grants stock options and performance shares to executives and to top and middle management. Shares are allotted either for attainment of specific operational results or on the basis of commitments made by the beneficiary. Conditions for share grants are decided by the Board of Directors upon recommendation by the Compensation, Appointments and Governance Committee at the same time each year, after publication of the annual report, in accordance with the recommendations in the AFEP-MEDEF Code.

3.3.3.1 Performance shares

Based upon the authorization granted at the Annual Shareholders' Meeting of May 11, 2010, the Board of Directors decided, upon recommendation by the Compensation, Appointments and Governance Committee, to establish free share award programs based on performance and, where relevant, investment. Consequently, since 2010, Ingenico has been implementing this decision by developing the corresponding schemes to encourage involvement of the employees in the Group's overall performance, in particular through retention programs aimed at management teams of companies recently acquired due to external growth.

The programs initiated by Ingenico share similar features. Free share awards are not final until after a minimum vesting period of two or four years, depending on the country. At the end of this vesting period, subject to conditions determined by the relevant plan such as performance, continuous service within the Group or, where relevant, investment, these shares are vested and fully-owned by the beneficiaries.

For plans with a two-year vesting period, an additional two-year holding period is mandatory once the shares are fully vested. There is no mandatory holding period for plans with a four-year vesting period.

Accordingly, in line with the 2010 initiative and the recommendations of the Compensation, Appointments and Governance Committee, the Board of Directors used the twenty-second resolution of the Extraordinary General Shareholders' Meeting of April 29, 2013 and, on October 29, 2014, adopted the conditions for two 2014 performance share award plans:

- the first is a joint investment plan (2014-1) intended for the Group's executive officers and consisting of a significant investment by each of them in shares of the Company. This investment entails the award of free shares, the number of which is determined by the level of achievement of performance criteria as defined above;
- the second is a simple free share award plan (2014-2) intended for executives and middle managers. This plan is conditional on continuous service and correlated to the Group's intrinsic performance (EBITDA) under the same conditions as for the joint investment plan.

In 2014, the Board of Directors awarded:

- 199,470 free shares under the 2014 joint investment plan to 51 beneficiaries;
- 31,200 free shares under the free share award plan to 93 beneficiaries.

Both plans provide for adjustable vesting periods (from two to four years) and holding periods (from zero to two years), depending on the country.

At the end of the vesting period, the beneficiaries must be either:

- an employee of the Company, a subsidiary or an associated company;
- an officer (Chairman of the Board of Directors, Chief Executive Officer or Deputy Chief Executive Officer) of the Company, a subsidiary or an associated company.

If this condition is not met (especially in the event that the beneficiary's employment contract or term of office is terminated for any reason before the end of the vesting period), the free share award lapses and the beneficiary forfeits his or her right to the free share awards [(1)].

As part of its free share award schemes, the Board of Directors is considering an increase in the vesting period for free shares to three years from two.

Performance shares granted to the top ten non-director employees in respect of 2014

2014-1 Plan	65,000
2014-2 Plan	0

Summary of past free share awards

INFORMATION ON FREE SHARE AWARDS

Annual General Shareholders' Meeting of May 5, 2006	Plan 1
Date of Board meeting	Jan. 23, 2008
Total number of shares granted for free, of which shares granted to	775,000
Directors and executive directors:	257,500
Director/Executive officer 1	257,500
Vesting date	Jan. 23, 2010
End of holding period	Jan. 23, 2012
Number of shares granted [(1)] as of June 30, 2009 (most recent date)	315,116
Aggregate number of shares cancelled or lapsed	147,000
Free shares outstanding at year-end	0

(1) After revaluation decision.

Annual General Shareholders' Meeting of March 14, 2008	Plan 2	Plan 3
Date of Board meeting	Mar. 30, 2010	Mar. 30, 2010
Total number of shares granted for free, of which shares granted to	37,555	553,378
Directors and executive directors:		49,112
Director/Executive officer 1		49,112
Vesting date	Mar. 30, 2012	May 11, 2012
End of holding period	Mar. 30, 2014	May 11, 2014
Number of shares granted as of July 29, 2010 (most recent date)	1,784 [(1)]	27,685 [(1)]
Aggregate number of shares cancelled or lapsed	12,148	118,662
Free shares outstanding at year-end	0	0

(1) After revaluation decision.

(1) This is not the case of Philippe Lazare with regard to his compensation in the event of early termination (see section 3.3.1.1 of this Registration Document).

Shareholders' Meeting of May 11, 2010	Plan 4	Plan 5
Date of Board meeting	Jun. 22, 2012	Jun. 22, 2012
Total number of shares granted for free, of which shares granted to	73,000	392,384
Directors and executive directors:	-	17,448
Director/Executive officer 1	-	17,448
Vesting date	Jun. 22, 2014	Jun. 22, 2014
End of holding period	Jun. 22, 2016	Jun. 22, 2016
Number of shares granted as of October 30, 2013	5,500	
Aggregate number of shares cancelled or lapsed	10,000	57,552
Free shares outstanding at year-end	5,500	0

Annual General Shareholders' Meeting of April 29, 2013	Plan 6	Plan 7
Date of Board meeting	Oct. 29, 2014	Oct. 29, 2014
Total number of shares granted for free, of which shares granted to	31,200	199,470
Directors and executive directors:		
Director/Executive officer 1	0	6,500
Vesting date		
End of holding period		
Aggregate number of shares cancelled or lapsed	0	0
Free shares outstanding at year-end		

3.3.3.2 Stock options

Stock options may be granted to members of the Executive Committee who fulfill continuous service conditions and meet specified performance criteria. Attainment of those performance targets is assessed at the end of a vesting period of no less than two years, with the degree of attainment ranging from 0 percent to 100 percent.

The targets pertain to both internal indicators of the Group's financial and operating results and external indicators such as Ingenico's stock market performance in relation to the performance of the SBF 120 stock market index.

Extraordinary Shareholders' Meeting of May 4, 2000	Plan C	Plan D	Plan E
Date of Board meeting or decision made by the CEO under a delegation of authority	April 20, 2004	June 10, 2004	July 8, 2004
Total number of shares available for subscription (1)	151,500	110,000	30,000
Total number of shares available for subscription			
Start date for exercising options	April 20, 2007	June 10, 2007	July 8, 2007
Expiration date	April 20, 2012	June 10, 2012	July 8, 2012
Subscription price (2)	€10.36	€11.04	€13.93
Number of shares subscribed at December 31, 2014 (3)	0	0	0
Including options exercised in 2014 by the top ten non-director employees holding the highest number of exercised options	*0*	*0*	*0*
Aggregate number of stock options cancelled or expired at December 31, 2014 (3)	0	0	0
Stock options outstanding at December 31, 2014 (3)	0	0	0

(1) Number of options originally allocated, excluding subsequent adjustments.

(2) Subscription price after adjustments in 2007 (following payment of the 2006 dividend in free shares), 2010 (following the capital increase by incorporation of retained earnings).

(3) Including options created as part of the adjustment in June 2007 following payment of the 2006 dividend in free shares.

Extraordinary Shareholders' Meeting of October 18, 2004	Plan F	Plan H
Date of Board meeting or decision made by the CEO under a delegation of authority	December 14, 2004	October 19, 2005
Total number of shares available for subscription [1]	209,500	425,000
Total number of shares available for subscription	0	0
Start date for exercising options	December 14, 2007	October 19, 2008
Expiration date	December 14, 2012	October 19, 2013
Subscription price [2]	€11.03	€10.97
Conditions for exercising options (when the plan involves multiple tranches)	-	-
Number of shares subscribed at December 31, 2014 [3]	0	16,684
Including options exercised in 2014 by the top ten non-director employees holding the highest number of exercised options	*0*	*10,594*
Aggregate number of stock options cancelled or expired at December 31, 2014 [3]	0	0
Stock options outstanding at December 31, 2014 [3]	0	0

(1) Number of options originally allocated, excluding subsequent adjustments.

(2) Subscription price after adjustments in 2007 (following payment of the 2006 dividend in free shares), 2010 (following the capital increase by incorporation of retained earnings) and 2012 (following distribution of reserves).

(3) Including options created as part of the adjustment in June 2007 following payment of the 2006 dividend in free shares.

Share subscription or purchase options granted by the Company or any Group company or subscribed by each director or executive officer in 2014

None.

For more information on share subscription or performance share grant programs, please refer to Note 22 of the Notes to the Consolidated Financial Statements for the year ended December 31, 2014.

3.3.3.3 Incentive programs and employee profit-sharing

In addition to the employee profit-sharing scheme required under French law, Ingenico SA has set up an optional incentive program so that all employees can participate in the Group's success and in achieving its objectives of advancement and growth.

Incentive program rewards are calculated on the basis of the extent to which the Group's revenue and profit targets have been met or exceeded.

The incentive agreement applicable to Ingenico SA was renegotiated by collective agreement with the employee representative bodies and signed on June 28, 2012. It covers fiscal years 2012, 2013 and 2014.

In addition, in accordance with the provisions of Amending Finance Law No. 2011-894 of July 28, 2011 for social security for 2011, management and the employees' organizations met to negotiate an agreement on the payment of a profit-sharing bonus to employees. The amount of this bonus in 2014 was €230,669.39.

3.3.3.4 Employee Savings Plan – Employee share offers

A company savings plan enables employees of the subscribing entities to make voluntary deposits or invest the amounts received under the incentive program or profit-sharing scheme.

Ingenico matches up to a ceiling of €2,000 per year the amount of incentive program rewards and voluntary payments that each employee deposits in the employee savings plan.

The investment structures available are the Ingenico France collective employee shareholding fund (FCPE) entirely invested in the Company's shares issued at the time of the 2010 capital increase reserved for employees, and a range of multi-company FCPE funds offering the choice of investment in different asset classes (equities, bonds, money market funds), thus allowing employees to diversify their savings.

As of December 31, 2014, the employees of the Group, within the meaning of "group" as defined by Article L.225-102 of the French Commercial Code, held 1.43 percent of the share capital of Ingenico SA.

3.3.3.5 Collective Pensions Saving Scheme

An agreement on the Collective Pensions Saving Scheme (PERCO) for the Group was signed on July 20, 2012 to enable employees to save for their retirement with assistance from their employer.

Employees can also choose to make voluntary payments or apply all or part of their incentive rewards to the scheme, with matching employer payments of up to €1,500 gross per year and per employee.

3.3.3.6 Trading restrictions

The Board of Directors established Rules of Procedure and a Code of Stock Market Compliance relating to trading in Company shares and to the prevention of insider trading misconduct. These rules incorporate inter alia rules of corporate governance upheld by the Board, and in particular, rules related to the duties and functioning of the Board and its Committees and rules governing the conduct of Board members, for example, when trading in the Company's shares.

The information disclosed to members of the Board Directors in their official capacity is subject to the provisions of Article L.465-1 of the French Monetary and Financial Code and Articles 621-1 to 622-2 of the French stock market authority General Regulations.

In particular, if the Board of Directors receives specific confidential information that may, at the time of its publication, significantly impact the share price of the Company, its subsidiary or an affiliated entity, the Board members must refrain from using this privileged information by purchasing or selling or attempting to purchase or sell, either directly or indirectly, on their own behalf or on behalf of a third party, the financial instruments to which this information pertains or financial instruments to which these instruments are related.

They must also refrain from:

- disclosing this information to another person outside the ordinary scope of their business, profession or duties or for any purpose other than that for which the information was disclosed to them;
- recommending to another person, based on inside information, to purchase or sell or to have another person purchase or sell the financial instruments to which this information pertains or financial instruments to which these instruments are related.

To prevent such insider trading, at the end of each fiscal year the Directors are provided with a timetable for the following year that includes trading blackout periods and reflects the financial information publication dates for the Company, which is also put on line on the Company's intranet site.

3.3.3.7 Share transactions by directors and executive officers of Ingenico

Pursuant to Article 223-26 of the AMF's General Regulations, the following chart lists the transactions disclosed in 2014 by the directors and officers referred to in Article L.621-18-2 of the French Monetary Financial Code:

Declaring director or executive officer	N°. and date of the AMF Decision/ Notice	Financial instru-ment	Type of transaction	Transaction date	Date of receipt of declaration	Place of transaction	Unit price	Transaction amount
Alderville Holdings SPRL, legal entity connected with Thibault Poutrel	2014DD282138	Shares	Sale Purchase	Dec. 31, 2013	Jan. 8, 2014	Euronext Paris	54.91	1,500,141.2
Thibault Poutrel	2014DD282135	Shares	Sale Purchase	Dec. 31, 2013	Jan. 8, 2014	Euronext Paris	54.91	1,500,141.2
Thibault Poutrel	2014DD306308	Shares	Sale Purchase	May 5, 2014	May 12, 2014	Euronext Paris	66.3	29,895,399.3
Thibault Poutrel	2014DD306310	Shares	Sale	May 6, 2014	May 12, 2014	Euronext Paris	65.11	14,712,450.93
Thibault Poutrel	2014DD306309	Shares	Sale	May 5, 2014	May 12, 2014	Euronext Paris	62.85	3,692,500.35
Alderville Holdings SPRL, legal entity connected with Thibault Poutrel	2014DD306578	Shares	Sale Purchase	May 5, 2014	May 13, 2014	Euronext Paris	66.3	29,895,399.3
Patrice Le Marre	2014DD311829	Shares	Sale	May 26, 2014	June 10, 2014	Euronext Paris	64.96	2,415,862
Florence Parly	2014DD318347	Shares	Purchase	March 15, 2013	July 13, 2014	Euronext Paris	44.2797	44,722.5
Patrice Le Marre	2014DD325320	Shares	Sale	Aug. 4, 2014	Sept. 2, 2014	Euronext Paris	Unit price 1: 74.8857 Unit price 2: 74.8857	1: 163,325 2: 41,636
Jacques Guerin	2014DD331467	Shares	Purchase	Oct. 9, 2014	Oct. 13, 2014	Euronext Paris	76.3269	50,000
Philippe Lazare	2014DD331466	Shares	Purchase	Oct. 9, 2014	Oct. 13, 2014	Euronext Paris	76.3269	50,000
Patrice Durand	2014DD331471	Shares	Purchase	Oct. 9, 2014	Oct. 13, 2014	Euronext Paris	76.3269	50,000
Patrice Le Marre	2014DD331668	Shares	Purchase	Oct. 9, 2014	Oct. 14, 2014	Euronext Paris	76.3269	50,000
Michel Leger	2014DD331664	Shares	Purchase	Oct. 9, 2014	Oct. 14, 2014	Euronext Paris	76.3269	50,000
Jacques Behr	2014DD331673	Shares	Purchase	Oct. 9, 2014	Oct. 14, 2014	Euronext Paris	76.3269	50,000
Thierry Denis	2014DD331912	Shares	Purchase	Oct. 9, 2014	Oct. 14, 2014	Euronext Paris	76.3269	50,000
Oscar Bello	2014DD331911	Shares	Purchase	Oct. 9, 2014	Oct. 14, 2014	Euronext Paris	76.3269	50,000
Martine Birot	2014DD331637	Shares	Purchase	Oct. 9, 2014	Oct. 14, 2014	Euronext Paris	76.3269	50,000
Pierre-Antoine Vacheron	2014DD331514	Shares	Purchase	Oct. 9, 2014	Oct. 17, 2014	Euronext Paris	76.3269	50,000
Chloé Mayenobe	2014DD331501	Shares	Purchase	Oct. 9, 2014	Oct. 17, 2014	Euronext Paris	76.3269	50,000
Michel Leger	2014DD336017	Shares	Sale	Sept. 28, 2014	Nov. 5, 2014	Euronext Paris	79.5241	75,547.9
Alderville Holdings SPRL, legal entity connected with Thibault Poutrel	2014DD336021	Shares	Sale	Oct. 30, 2014	Nov. 5, 2014	Euronext Paris	81.6	439,252.8
Thibault Poutrel	2014DD336022	Shares	Sale	Nov. 4, 2014	Nov. 5, 2014	Euronext Paris	81.12	
Chloé Mayenobe	2014DD337245	Shares	Sale	Nov. 6, 2014	Nov. 12, 2014	Euronext Paris	Unit price 1: 83.0648 Unit price 2: 83.0648	1: 13,871.82 2: 113,217.31
Jean-Louis Constanza	2014DD338275	Shares	Purchase	Aug. 8, 2014	Nov. 18, 2014	Euronext Paris	72.396	25,338.6
Jean-Louis Constanza	2014DD338276	Shares	Purchase	Oct. 30, 2014	Nov. 18, 2014	Euronext Paris	80.4943	56,346.01
Alderville Holdings SPRL, legal entity connected with Thibault Poutrel	2014DD340312	Shares	Sale	Nov. 28, 2014	Dec. 2, 2014	Euronext Paris	86.3879	561,521.35
Pierre-Antoine Vacheron	2015DD347116	Shares	Sale	Aug. 26, 2014	Jan. 14, 2015	Euronext Paris	75.7723	113,658.45
Pierre-Antoine Vacheron	2015DD347119	Shares	Sale	Dec. 19, 2014	Jan. 14, 2015	Euronext Paris	85.6392	894,265.94
Pierre-Antoine Vacheron	2015DD347292	Shares	Sale	Dec. 19, 2014	Jan. 14, 2015	Euronext Paris	85.569	189,317.56
Pierre-Antoine Vacheron	2015DD347120	Shares	Sale	Dec. 23, 2014	Jan. 14, 2015	Euronext Paris	86.5699	431,760.24

3.4 Statutory auditors' special report on regulated agreements and commitments

Annual General Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2014

To the Shareholders,

In our capacity as statutory auditors of your Company, we hereby present to you our report on regulated agreements and commitments.

We are not required to ascertain whether any other agreements or commitments exist but to inform you, on the basis of the information provided to us, of the terms and conditions of those that have been disclosed to us or identified in the course of our work. It is not our role to determine whether they are beneficial or appropriate. It is your responsibility, under the terms of Article R.225-31 of the French Commercial Code, to evaluate the benefits arising from these agreements and commitments prior to their approval.

We are also required, as applicable, to communicate the information referred to in Article R.225-31 of the French Commercial Code on the execution, during the previous year, of agreements and commitments previously approved by the Annual General Shareholders' Meeting.

We performed the procedures we deemed necessary to the completion of this engagement, in accordance with the professional guidance provided by the Compagnie Nationale des Commissaires aux Comptes, France's national organization of statutory auditors. Our work consisted in verifying the consistency of the information provided to us with the source documents on which it was based.

Agreements and commitments subject to the approval of the Annual General Shareholders' Meeting

Agreements and commitments entered into by the Company in 2014

We hereby inform you that we have not been notified of any agreement or commitment entered into by the company in 2014, to be submitted to the Annual General Shareholders' Meeting for approval, under Article L.225-38 of the French Commercial Code.

Agreements and commitments already approved by the Annual General Shareholders' Meeting

Agreements and commitments approved in prior years that remained in effect during the previous fiscal year

Under Article R.225-30 of the French Commercial Code, we were advised that the following agreements and commitments, approved by the Annual General Shareholders' Meeting in prior years, remained in effect during the previous fiscal year.

› Commitments to Mr. Philippe Lazare, Chairman and Chief Executive Officer

Description

As approved by the Board of Directors on July 17, 2007, December 12, 2007, January 23, 2008, March 14, 2008 and May 3, 2012:

- Termination benefits in the event of termination of his employment and applicable performance conditions.

Terms and conditions

In the event of removal for any reason other than gross misconduct:

- within 12 months of his appointment, the company shall pay him one year's salary;
- he shall maintain his entitlement to the free shares for which the vesting period has not expired.

Performance conditions

- growth of EBIT in line with revenue growth during his term of office;
- stability or increase of the company's market share during his term of office.

› Cryptolog agreement

Description

As approved by the Board of Directors on September 20, 2006:

- Agreement with CRYPTOLOG to provide its Cryptolog Identity PKI solution in SaaS mode.

Terms and conditions

For this service, an expense of €127,440, taxes not included, was recorded during the year.

The statutory auditors

Paris - La Défense, February 19, 2015

KPMG Audit IS	Mazars	Mazars
Jean-Pierre Valensi	Thierry Blanchetier	Ariane Mignon
Partner	*Partner*	*Partner*

3.5 Statutory auditors' report, prepared in accordance with Article L.225-235 of the French Commercial Code, on the report of the Chairman of the Board of Directors of Ingenico SA

Fiscal year ended December 31, 2014

To the Shareholders,

In our capacity as statutory auditors of Ingenico SA, and in accordance with Article L.225-235 of the French Commercial Code, we hereby report to you on the report prepared by the Chairman of your company in accordance with Article L.225-37 of the French Commercial Code for the year ended December 31, 2014.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L.225-37 of the French Commercial Code, particularly as regards corporate governance.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information; and
- to attest that the report contains the other disclosures required by Article L.225-37 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our audit in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

These standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information.

These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information, contained in the report prepared by the Chairman in accordance with Article L.225-37 of the French Commercial Code.

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L.225-37 of the French Commercial Code.

The statutory auditors

Paris - La Défense, February 19, 2015

KPMG Audit IS	Mazars	Mazars
Jean-Pierre Valensi	Thierry Blanchetier	Ariane Mignon
Partner	*Partner*	*Partner*

4

COMMENTS ON THE FINANCIAL YEAR

4.1 Management report

The consolidated financial data has been drawn up in accordance with International Financial Reporting Standards. In order to provide meaningful comparable information, that data has been presented on an adjusted basis, *i.e.* restated to reflect the depreciation and amortization expenses arising on the acquisition of new entities. Pursuant to IFRS3R, the purchase price for new entities is allocated to the identifiable assets acquired and subsequently amortized over specified periods.

The main financial data for 2014 is discussed on an adjusted basis, *i.e.*, before Purchase Price Allocation (PPA).

To facilitate assessment of the Group's performance, the key consolidated financial figures for 2014 are compared here with pro forma figures and adjusted, with effect from January 1, 2013 ("pro forma 2013"), to reflect the deconsolidation of TransferTo, carried out in 2013, and the reorganization of the Group's operating segments. The 2013 pro forma data also reflect the reclassification of specific R&D costs related to the Group's Services platforms as operating expenses to achieve uniform accounting for R&D costs throughout the Group.

EBITDA is not an accounting term; it is a financial metric defined here as profit from ordinary activities before amortization, depreciation and provisions and before expenses of shares distributed to employees and officers (the reconciliation of profit from ordinary operations to EBITDA is available in Exhibit4).

EBIT is equal to profit from ordinary activities, adjusted for amortization of the purchase price for newly acquired entities allocated to the identifiable assets acquired.

Free cash flow is equal to EBITDA less: cash and other operating income and expenses, changes in working capital requirements, investing activities net of disposals, financial expenses net of financial income and tax paid.

Key figures

				FY 2014 Change	
(in millions of euros)	2014 [(a)]	2013 pro forma [(2)]	2013 reported	2013 pro forma [(2)]	2013 reported
Revenue	1,607	1,301	1,371	+19% [(1)]	+17%
Adjusted gross profit	735	604	600	+22%	+23%
As a % of revenue	*45.7%*	*46.4%*	*43.8%*	*-70bpts*	*+190bpts*
Adjusted operating expenses	(411)	(369)	(361)	+11%	+14%
As a % of revenue	*-25.6%*	*-28.3%*	*-26.4%*	*-270bpts*	*-80bpts*
Profit from ordinary activities, adjusted (EBIT)	324	235	239	+38%	+36%
As a % of revenue	*20.2%*	*18.1%*	*17.4%*	*+210bpts*	*+280bpts*
Profit from operating activities	273	192	187	+42%	+46%
Net profit	172	119	113	+45%	+52%
Net profit attributable to shareholders	172	120	114	+43%	+51%
EBITDA	377	276	279	+37%	+35%
As a % of revenue	*23.4%*	*21.2%*	*20.3%*	*+220bpts*	*+310bpts*
Free cash flow	255	–	177		+44%
Net debt	764	–	296		+158%
Equity attributable to shareholders	1,076	–	767		+40%

(a) Fiscal Year 2014 includes the Contribution of GlobalCollect as of October 1, 2014.

(1) On a like-for-like basis at constant exchange rates.

(2) Excluding the contribution of TransferTo (disposed of in December 2013) and including the reclassification of indirect R&D costs in the Payment Services business as operating expenses.

4.1.1 Financial data

Revenue up 19%

	FY 2014			Q4 2014		
		Change 2014/2013			Change 2014/2013	
	M€	Comparable [(a)(1)]	Reported	M€	Comparable [(a)(1)]	Reported
Europe-SEPA	581	10%	-2% [(b)]	163	15%	0% [(b)]
Asia Pacific	291	21%	21%	84	17%	24%
Latin America	204	17%	8%	61	68%	65%
North America	177	47%	43%	52	17%	24%
EMEA	247	23%	106% [(b)]	64	11%	94% [(b)]
Central Operations [(c)]	107	48%	3%	100 [(c)]	37%	317%
TOTAL	**1,607**	**19%**	**17%**	**524**	**21%**	**43%**

(a) Reflecting the new regional breakdown and the disposal of TransferTo as of January 1, 2013.
(b) Based on 2013 revenue including the contribution of Italy and Eastern Europe in Europe-SEPA.
(c) Including TransferTo disposal as of December 1, 2013 and GlobalCollect acquisition as of October 1, 2014 within Central Operations.

Performance for the year

In 2014, revenue totaled €1,607 million, representing a 17% increase on a reported basis, including a negative foreign exchange impact of €37 million and a €95 million contribution from GlobalCollect on the fourth quarter. Total revenue included €1,259 million generated by the Payment Terminal business and €348 million generated by Payment Services.

Performance by business segment

On a comparable basis [(1)], revenue growth was 19% higher than in 2013, due to double-digit growth in both segments. The 20% growth recorded in Payment Terminals reflected the Group's multi-local footprint and the accelerated deployment of EMV, NFC (contactless) and mPOS solutions. Revenue of Payment Services (excluding GlobalCollect) showed a 6-point increase to 17%, due to strong momentum in payments via the internet (with the former Ogone growing 20%) and the up-selling of new services to Ingenico Payment Services customers (for example, acquiring services in Germany).

Including GlobalCollect's contribution (9% organic growth) for the fiscal year, Payment Services would have achieved organic growth of 13% and accounted for 32% of consolidated revenue, with 22% generated by e-payments (€397 million growing organically by 11%).

Performance by region

The Group recorded double-digit organic growth in all regions on a comparable basis [(1)]. In Europe-SEPA, Ingenico Group consolidated its payment terminal market leadership, while further deploying its payment services strategy combining in-store, online and mobile solutions.

As anticipated, the Group has continued to record a strong growth in North America (up 47%) based on its active involvement with EMV and NFC solutions deployment in the United States (up 50%) and delivery ahead of schedule of a large order in Canada.

The Group has also continued to expand strongly in the emerging markets, with double-digit revenue growth driven by the deployment of new technology (EMV, NFC and mPOS solutions). Ingenico Group has confirmed its leading position in its key markets, particularly in Brazil and China, which accounted for one third of the total group terminal sales volume in 2014. Lastly, strong growth also continued in other emerging markets through greater direct presence (particularly in Indonesia, Mexico and Russia) and an increasingly dense commercial network, above all in the EMEA region (up 23%).

Increase in gross profit

In 2014, adjusted gross profit for the year rose to €735 million, including a €31 million contribution from GlobalCollect in the fourth quarter.

Excluding GlobalCollect's contribution in Q4, gross profit for the full year would have been €704 million, a 17% increase compared with 2013 pro forma figure [(2)]. Gross margin was equal to 46.5% of revenue, up 10 basis points compared to the 2013 pro forma basis [(2)].

This performance is mainly driven by a 90 basis-point increase in gross margin in Payment Terminals (equipment, services and maintenance) to a historic high of 47%, supported by a combination of outstanding growth in this segment and procurement cost optimization.

(1) On a like-for-like basis at constant exchange rates.
(2) Excluding the contribution of TransferTo (disposed of in December 2013) and including the reclassification of indirect R&D costs in the Payment Services business as operating expenses.

Excluding GlobalCollect's contribution in the fourth quarter, 2014 gross margin in Payment Services would be equal to 44.3% of revenue, or 380 basis points lower than the 2013 pro forma basis [1], notably due to the Group's product mix and the dilutive impact of acquiring services in Germany.

Including GlobalCollect's contribution, full year 2014 adjusted gross profit would have amounted to €807 million, equal to 43.7% of revenue.

Operating expenses under control

Reported operating expenses stood at €438 million in 2014 compared with €391 million in 2013 and represented 27.3% of revenue.

(in millions of euros)	2013 reported	2013 pro forma [1] adjusted	2014 reported	Restatement related to depreciation & amortization charges on acquisitions	2014 adjusted
Sales & Marketing	143	119	157	(25)	132
Research & Development	102	105	115	(2)	113
General & Administrative	146	145	166	–	166
TOTAL OPERATING EXPENSES	**391**	**369**	**438**	**(27)**	**411**
As a % of revenue	**28.5%**	**28.3%**	**27.3%**		**25.6%**

After accounting for Purchase Price Allocation expenses of €27 million, adjusted operating expenses totaled €411 million, including a €9 million contribution from GlobalCollect in the fourth quarter.

Excluding the impact of GlobalCollect in Q4, adjusted operating expenses rose 9% in 2014 to €403 million, up from €369 million in 2013 on a pro forma basis [1]. This increase was due primarily to the higher sales, general and administrative expenses that have accompanied the Group's expansion. Operating expenses represented 26.6% of revenue, or 170 basis points lower than the 2013 pro forma figure [1]. Ingenico Group has continued to invest in future sources of growth, above all in R&D, with the rollout of its new Telium Tetra platform and its evolving online platforms.

Including GlobalCollect's contribution, adjusted operating expenses for the full year would have amounted to €446 million, representing 24.2% of revenue.

EBITDA at a historic high – 23.4% of revenue

In 2014, EBITDA stood at €377 million, including a €24 million contribution from GlobalCollect in the fourth quarter.

Excluding the impact of GlobalCollect in Q4, EBITDA for the full year increased by 28% to €353 million, up from €276 million in 2013 on a pro forma basis [1]. The EBITDA margin -a historic high- increased by 220 basis points to 23.4% of revenue.

GlobalCollect's EBITDA margin in the fourth quarter was equal to 25% of revenue. This exceptionally high result reflected the impact of the US dollar appreciation, foreign exchange gains at a time of high volatility of emerging market currencies, as well as reversals of accruals. **On a full-year basis, GlobalCollect's EBITDA** totaled €62 million, **representing 18% of revenue**.

Including GlobalCollect's contribution for the full year, the Group's EBITDA would have amounted to €415 million, equal to 22.5% of consolidated revenue.

Adjusted EBIT margin of 20.2%

In 2014, profit from ordinary activities increased by 42 percent to €292 million compared with €205 million in 2013 on a pro forma basis [1]. Operating margin increased by 240 basis points to 18.2 percent of revenue. Profit from ordinary activities included Purchase Price Allocation expenses of €32 million (including €6 million related to GlobalCollect in Q4'14) as against €30 million in 2013.

(1) Excluding the contribution of TransferTo (disposed of in December 2013) and including the reclassification of indirect R&D costs in the Payment Services business as operating expenses.

Impact of purchase of price allocation (PPA)

(in millions of euros)	2014 reported	PPA Impact	2014 excl. PPA
Gross Profit	730	(5)	735
Operating expenses	(438)	(27)	(411)
Profit from ordinary activities	**292**	**(32)**	**324**

In 2014, adjusted EBIT stood at €324 million, including a €23 million contribution from GlobalCollect in the fourth quarter.

Excluding the impact of GlobalCollect in Q4, adjusted EBIT for the full year increased by 28% to €301 million, up from €235 million in 2013 on a pro forma basis [1]. The EBIT margin was 19.9% of revenue, up 180 basis points.

Including GlobalCollect's contribution, Group's EBIT for the full year would have amounted to €361 million, equal to 19.6% of consolidated revenue.

Increase in profit from operations

Other operating income and expenses represented a net expense of -€18 million, up from - €14 million in 2013 on a pro forma basis[1], with increased expenses related to the acquisition and integration of new entities.

(in millions of euros)	2014	2013 pro forma [1]	2013 reported
Profit from ordinary activities	292	205	208
Other income & expenses	(18)	(14)	(21)
Profit from operations	**273**	**192**	**187**
As a % of revenue	17.0%	14.8%	13.6%

After accounting for Purchase Price Allocation and other operating income and expenses, profit from operations totaled €273 million, a 42% increase compared with the €192 million pro forma figure for 2013 [1]. Operating margin increased by 220 basis points to 17% of revenue.

Reconciliation of profit from ordinary activities to EBITDA

(in millions of euros)	2014	2013 pro forma [1]	2013 reported
Profit from ordinary activities	**292**	**205**	**208**
Allocated assets amortization	32	30	30
EBIT	324	235	239
Other D&A and changes in provisions	44	34	34
Share based payment expenses	9	7	7
EBITDA	**377**	**276**	**279**

(1) Excluding the contribution of TransferTo (disposed of in December 2013) and including the reclassification of indirect R&D costs in the Payment Services business as operating expenses.

Financial results

(in millions of euros)	2014	2013 pro forma (1)	2013 reported
Interest expenses	(28)	(24)	(24)
Income from cash and cash equivalents	10	7	7
Net finance costs	(18)	(17)	(17)
Foreign exchange gains/(losses)	(2)	–	–
Other financial income	–	(1)	(1)
Financial result	(19.5)	(18)	(18)

Increase in profit attributable to shareholders

(in millions of euros)	2014	2013 pro forma (1)	2013 reported
Profit from ordinary activities	273	192	187
Financial result	(19.5)	(18)	(18)
Share of profit of equity-accounted investees	(1)	(0)	(0)
Profit before income tax	252	174	169
Income tax	(81)	(56)	(56)
Net profit	172	119	113
Net profit attributable to shareholders	172	120	114

In 2014, the net profit attributable to Ingenico SA shareholders grew to €172 million, up sharply from the 2013 pro forma (1) basis of €120 million.

The net finance costs included in this result remain relatively flat at -€19.5 million, despite a sharp increase in net debt related to issuance of a fixed rate bond of €450 million maturing in 2021 and a new syndicated line of €600 million.

Income tax expense rose from €56 million (1) in 2013 to €81 million. As of the December 31, 2014 reporting date, the effective tax rate was down 130 basis points to 31.8%, due mainly to the evolution of the geographical mix.

Proposed dividend of €1 per share, up 25%

In line with the Group's dividend policy, the Board of Directors will be proposing that the shareholders vote at their Annual Meeting of May 6, 2015 to distribute a dividend of €1 per share, representing a payout ratio of 35%. Dividends will be payable in cash or in shares, at the option of the holder.

A stronger financial position

Total equity attributable to Ingenico SA shareholders increased to €1.076 billion.

In 2014, Ingenico Group's operations generated free cash flow of €255 million, up from €177 million in 2013. This improvement is mainly attributable to the increase in EBITDA and continued control over working capital, which showed a €40 million surplus despite significant increase of Group's business activity (up 19%). At the same time, Ingenico Group stepped up its investments. Investing activity net of disposals totaled €51 million, compared with €40 million in 2013, as the Group rolled out its new integrated global Telium Tetra offer and upgraded its online platforms.

The main cash outflows in 2014 totaled €722 million, up from €398 million in 2013. The €820 million outflow for the GlobalCollect acquisition was the primary contributor.

(1) Excluding the contribution of TransferTo (disposed of in December 2013) and including the reclassification of indirect R&D costs in the Payment Services business as operating expenses.

Accordingly, as of December 31, 2014, the Group's net debt stood at €764 million, up from €296 million as of December 31, 2013. OCEANE bonds constituted a large proportion of that total. Moreover, most of the outstanding bonds were redeemed early on January 15, 2015, generating the issuance of a total of 6,770,902 shares.

After accounting for this early redemption, the Group's net debt was €653 million, while the net debt-to-equity ratio stood at 55% and the net debt-to-EBITDA ratio was 1.7× (or 1.6× including GlobalCollect's contribution on a full-year basis).

4.1.2 Subsequent events as of December 31, 2014

See Note 35, "Subsequent events" in the notes to the consolidated financial statements.

4.1.3 Principal risks and uncertainties in 2015

In 2015, Ingenico Group faces the same risks as described in the 2014 Registration Document *(document de référence)*.

4.1.4 Related-party transactions

In 2014, there were no material transactions liable to be considered new regulated agreements (See Note 34 in the notes to the interim consolidated financial statements).

4.2 Outlook

4.2.1 2015 Outlook

With its unique positioning in a structurally growing electronic payment market, Ingenico Group has entered 2015 with full confidence.

In this early portion of the year, the business trend is encouraging. After the outstanding performance of its Payment Terminals business in 2014 (20% organic growth), the Group expects revenue to grow by roughly 10% over the pro forma revenue figure for 2014, which is €1.846 billion (including the contribution of GlobalCollect, whose acquisition was completed on September 30, 2014) on a comparable basis at constant exchange rates.

In 2015, the Group also expects its EBITDA margin to be around 21%, reflecting the evolution of its product and geographical mix and ongoing investment.

4.2.2 Trends

In a fast-moving payment market with in-depth evolutions, Ingenico Group remains the central player in the relationship between banks, merchants and their customers, based on its unique expertise and offer adapted to all sales channels (in-store, online and mobile) for merchants, directly or indirectly through banks.

The combination between Ingenico E-Commerce Solutions (ex-Ogone) and GlobalCollect – whose acquisition was finalized in the fourth quarter – has given the opportunity to establish the Group as a global e-payment player, thus extending its in-store payment services leadership to the E-Commerce ecosystem. The Group's aim is to continue to simplify payment for its customers around the world and across all channels: in-store, online and mobile.

To reach its ambition, Ingenico Group has defined priorities which will enable the Group to generate profitable growth, based on five strategic axes:

- deploy its global multi-channel strategy, notably in E-Commerce with the integration of Ogone (today Ingenico E-Commerce Solutions) and GlobalCollect and in mobile payment based on Roam data's platform;
- further integrate its offer around POS with associated Value Added Services leading to additional revenue for merchants and strengthened relationship with their customers;
- strengthen its presence in selected emerging markets;
- keep on innovating with a focus on R&D, to develop its offer on all connected devices, notably with the deployment of Telium Tetra platform;
- continue to evaluate bolt-on acquisition opportunities in payment terminals, services and technology.

In this context, the Group would like to point out that, after the incorporation of the GlobalCollect acquisition, 2016 revenue target is now expected to be over €2.2 billion [3], with an EBITDA margin of more than 20%.

Finally, in 2014, the Group unveiled a new corporate brand platform to reflect its evolution and is now operating under the new dedicated corporate brand name "Ingenico Group". It relies on three strategic pillars: Smart Terminals, Payment Services and Mobile Solutions.

(3) At comparable FX vs. 2012.

4.3 Comments on the parent company financial statements

It should be borne in mind that the Company has three distinct roles:

- the role of a holding company;
- a corporate role encompassing R&D and production work for Ingenico Group;
- a sales and marketing role in France and the EMEA region.

The highlights of 2014 were as follows:

- the rise in revenue on the back of increasing business in France and abroad;
- the increase in the profit from operations generated by the Company's operating performance;
- the receipt of considerable dividends from subsidiaries, totaling €65.3 million;
- the reversal of the entire impairment provision for Ingenico Corp equity securities in the amount of €26.8 million, reflecting the subsidiary's independent return to profit;
- the €830.1 million acquisition of GlobalCollect Group, the world leader in integrated online payment services, the cost of which was financed *via* a loan from a banking pool in the form of a €500 million revolving credit facility and a €100 million term loan. The balance of the acquisition price was financed by drawing on available cash at Ingenico Group;
- the acquisition of the 67.79 percent stake in Ingenico E-Commerce Solutions BV (Netherlands), held by Ingenico E-Commerce Solutions SPRL (Belgium), for €13.56 million. At the end of this operation, Ingenico Group held 100 percent of Ingenico E-Commerce Solutions BV.

  The acquisition was financed *via* the contribution of a portion of Ingenico SA receivables against its subsidiary DI Deutsche Ingenico;
- the subscription to a €69.5 million capital increase by the subsidiary Ingenico E-Commerce Solutions SPRL (Belgium) paid *via* the contribution of Ingenico SA receivables against its subsidiary DI Deutsche;
- the subscription to a €165.1 million capital increase by Ingenico E-Commerce Solutions SPRL (Belgium) paid *via* the contribution of Ingenico SA receivables against its subsidiary GlobalCollect;
- the subscription to a capital increase by Ingenico Holding Asia 2 *via* the capitalization of its long-term receivables in the amount of €3.3 million;
- the subscription to a capital increase by Ingenico India for a cash payment of €3.6 million;
- an earn-out payment as part of the acquisition of the assets of its subsidiary in Russia (Ingenico LLC) in the amount of €3.8 million, in accordance with the agreement to acquire Arcom assets dated April 12, 2012, providing for an acquisition price adjustment based on future performance criteria;
- the issuance of a bond in the amount of €450 million maturing May 20, 2021, to improve its financial flexibility for its growth strategy;
- the early repayment of the balance of its loans, which amounted to €382 million at the end of December 2013;
- the early conversion of 3,501,821 out of a total 6,677,350 OCEANE bonds representing €131,108,000 out of a total €249,999,000 nominal value.

Revenue for the year ended December 31, 2014 was €676.6 million, broken down as follows:

Revenue by geographic area	2014	2013
France	133.2	123.3
Australia, China and Southeast Asia	88.3	85.2
Western and Central Europe	225.9	183.2
The Americas	173.9	95.1
Middle East	27.9	29.1
Africa	27.4	20.5
TOTAL	**676.6**	**536.4**

Net financial income totaled €86.1 million in 2014, versus €33.6 million in 2013. It includes the following items:

	2014	2013
Interest expense	(15.7)	(16.1)
Interest income	5.3	3.9
Income from portfolio investments	3.0	2.2
Provisions/Reversals on equity and receivables	25.7	(4.8)
Dividends and interest received from subsidiaries	65.3	45.8
Foreign exchange gains/losses	0.7	1.6
Gains/losses on disposals of short-term investments	0.5	0.6
Gains/losses on equity interests and loans and advances to subsidiaries and associates	1.3	0
Other	0	0.3
TOTAL	**86.1**	**33.6**

Non-recurring profit/(loss) for the year came to a loss of €0.9 million, broken down as follows:

	2014	2013
Losses on disposal of assets	(0.8)	(2.1)
Litigation and quality expenses	(0.5)	(0.8)
Restructuring costs	–	–
Acquisition expenses	–	–
Moving expenses	–	–
Debt write-offs/Better fortunes	–	–
Other	–	-
Tax-accelerated depreciation and amortization	0.4	(2.7)
TOTAL	**(0.9)**	**(5.6)**

Employee profit-sharing costs totaled €4.3 million.

Income tax totaled -€56.6 million, after a €3.7 million Business Research Tax Credit, a €0.3 million Competitiveness and Employment Tax Credit and the Company's -€0.6 million contribution on dividends.

As a result, the parent company recorded a net profit of €174,214,187.57 for the year.

Non-tax-deductible expenses totaled €95,871 and were related to excess depreciation of passenger cars on long-term leases.

Shareholders' equity rose from €735.6 million in 2013 to €1,021 million in 2014. This €285.4 million increase was driven by the Company's €174.2 million net profit for the year.

In addition, a dividend of €42.2 million (not including treasury shares) was distributed during the first half of 2014: €19.5 million in cash and €22.7 million in Ingenico Group shares.

Information on invoice payment periods for suppliers and customers (Article L.441-6-1 of the French Commercial Code)

As of December 31, 2014, amounts outstanding to suppliers totaled €100,543,525, including €30,098,302 in invoices not yet received. The balance, excluding invoices not yet received, consisted of:

- 21 percent due on invoices payable within 30 days of the invoice date;
- 1 percent on invoices payable in 30 to 60 days;
- 2 percent on invoices payable in more than 60 days;
- 76 percent on invoices due but not yet payable.

5

CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2014

5.1 Consolidated income statements

For the years ended December 31, 2014 and 2013

(in thousands of euros)	Notes	2014	2013
Revenue	**7**	**1,607,339**	**1,370,934**
Cost of sales	8	(877,396)	(771,198)
Gross profit		**729,943**	**599,736**
Distribution and marketing costs		(157,408)	(142,584)
Research and development expenses		(114,640)	(102,342)
Administrative expenses		(166,408)	(146,450)
Profit from ordinary activities		**291,487**	**208,360**
Other operating income	9	567	1,024
Other operating expenses	9	(18,784)	(22,472)
Profit from operating activities		**273,270**	**186,912**
Finance income	10	48,430	36,038
Finance costs	10	(67,967)	(53,769)
Net finance costs		**(19,537)**	**(17,731)**
Share of profits in equity-accounted investees	14	(1,379)	(176)
Profit before income tax		**252,354**	**169,005**
Income tax expense	11	(80,671)	(56,069)
Profit for the period		**171,683**	**112,936**
Attributable to:			
owners of Ingenico SA		171,652	114,074
non-controlling interests		31	(1,138)
Earnings per share (in euros)	**23**		
Net earnings:			
basic earnings per share		**3.16**	**2.17**
diluted earnings per share		**2.94**	**2.07**

5.2 Consolidated statements of comprehensive income

For the years ended December 31, 2014 and 2013

(in thousands of euros)	Notes	2014	2013
Profit for the period attributable to Ingenico SA shareholders		**171,652**	**114,074**
Translation differences		35,165	(27,797)
Remeasurement of derivative hedging instruments at fair value (1)		2,910	2,776
Actuarial gains/(losses) on defined benefit plans	26	(6,518)	(315)
Share of gains/(losses) of equity-accounted investees		–	–
Income tax on gains/(losses) accounted in other comprehensive income (2)		643	(757)
TOTAL GAINS/LOSSES ACCOUNTED IN OTHER COMPREHENSIVE INCOME AND ATTRIBUTABLE TO INGENICO SA SHAREHOLDERS (3)		**32,200**	**(26,093)**
Total comprehensive income attributable to Ingenico SA shareholders		203,852	87,981
Total comprehensive income attributable to non-controlling interests		31	(1,138)
Translation differences attributable to non-controlling interests		208	(21)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**204,091**	**86,822**

2014:

(1) The portion of the gains or losses on interest rate swaps on bank loans and on foreign exchange forward contracts used to hedge cash flows that is determined to be an effective hedge is recognized directly in "other comprehensive income".

(2) Breakdown of income tax recognized in "other comprehensive income":
- *taxes on translation differences: (€11,000);*
- *taxes on gains or losses on hedging instruments: (€1,002,000);*
- *taxes on actuarial gains or losses on defined benefits plans: €1,658,000.*

(3) All items recognized in "other comprehensive income", except for actuarial gains or losses, will subsequently be recycled to the consolidated income statement.

2013:

(1) The portion of the gains or losses on interest rate swaps on bank loans and on foreign exchange forward contracts used to hedge cash flows that is determined to be an effective hedge is recognized directly in "other comprehensive income".

(2) Breakdown of income tax recognized in "other comprehensive income":
- *taxes on translation differences: €116,000;*
- *taxes on gains or losses on hedging instruments: (€956,000);*
- *taxes on actuarial gains or losses on defined benefits plans: €83,000.*

(3) All items recognized in "other comprehensive income", except for actuarial gains or losses, will subsequently be recycled to the consolidated income statement.

5.3 Consolidated statements of financial position

For the years ended December 31, 2014 and 2013

Assets

(in thousands of euros)	Notes	2014	2013
Non-current assets			
Goodwill	12	1,342,759	849,321
Other intangible assets	12	544,553	179,538
Property, plant and equipment	13	51,711	39,201
Investments in equity-accounted investees	14	13,927	14,366
Financial assets	15	6,938	8,902
Deferred tax assets	11	40,812	34,123
Other non-current assets	16	27,616	24,650
TOTAL NON-CURRENT ASSETS		**2,028,316**	**1,150,101**
Current assets			
Inventories	17	118,131	101,983
Trade and related receivables	18	426,473	348,510
Receivables related to intermediation activities	32	1,943	–
Other current assets	20	35,155	30,240
Current tax receivables	20	9,319	6,771
Derivative financial instruments	25	10,933	1,236
Funds related to intermediation activities	32	308,225	–
Cash and cash equivalents	24	426,393	352,107
Assets classified as held for sale	21	–	–
TOTAL CURRENT ASSETS		**1,336,572**	**840,847**
TOTAL ASSETS		**3,364,888**	**1,990,948**

Equity and liabilities

(in thousands of euros)	Notes	2014	2013
Share capital		57,437	53,086
Share premium account		575,227	425,783
Retained earnings and other reserves		416,971	297,556
Translation reserve		24,204	(10,947)
Equity for the period attributable to Ingenico SA shareholders	**22**	**1,073,839**	**765,478**
Non-controlling interests		**2,100**	**1,216**
TOTAL EQUITY		**1,075,939**	**766,694**
Non-current liabilities			
Long-term loans and borrowings	24	1,036,124	560,426
Provisions for retirement benefit obligations	26	18,104	11,423
Other provisions	27	24,986	15,552
Deferred tax liabilities	11	118,938	48,507
Other non-current liabilities	28	36,084	24,568
TOTAL NON-CURRENT LIABILITIES		**1,234,236**	**660,476**
Current liabilities			
Short-term loans and borrowings	24	154,460	88,062
Other provisions	27	18,251	15,018
Trade and related payables	29	413,498	327,859
Payables related to intermediation activities	32	310,168	–
Other current liabilities	31	126,214	110,509
Current tax liabilities	30	28,521	17,887
Derivative financial instruments	25	3,601	4,443
Liabilities classified as held for sale	21	–	–
TOTAL CURRENT LIABILITIES		**1,054,713**	**563,778**
TOTAL LIABILITIES		**2,288,949**	**1,224,254**
TOTAL EQUITY AND LIABILITIES		**3,364,888**	**1,990,948**

5.4 Consolidated cash flow statements

For the years ended December 31, 2014 and 2013

(in thousands of euros)	2014	2013
Cash flows from operating activities		
Profit for the period	171,683	112,936
Adjustments for:		
Share of profit of equity-accounted investees	1,379	176
Income tax expense/(income)	80,671	56,069
Depreciation, amortization and provisions	78,813	71,306
Change in fair value	4,425	2,834
Gains/(losses) on disposal of assets	525	1,688
Net interest costs/(revenue)	15,419	17,456
Share-based payment expense (1)	10,463	6,730
Interest paid	(16,044)	(16,328)
Income tax paid	(92,527)	(81,905)
Cash flows from operating activities before change in net working capital	**254,807**	**170,962**
Change in working capital		
Inventories	(9,915)	(5,385)
Trade and other receivables	(27,583)	(37,207)
Trade and other payables	77,419	80,758
Change in net working capital	**39,921**	**38,166**
NET CASH FLOWS FROM OPERATING ACTIVITIES	**294,728**	**209,128**
Cash flows from investing activities		
Acquisition of non-current assets	(51,714)	(40,170)
Proceeds from sale of tangible and intangible fixed assets	626	678
Acquisition of subsidiaries, net of cash acquired	(799,991)	(368,487)
Disposal of subsidiaries, net of cash disposed of	5,644	9,191
Loans and advances granted and other financial assets	(1,120)	(2,117)
Loan repayments received	3,469	1,694
Interest received	10,154	7,230
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(832,932)**	**(391,981)**

(1) Share-based payment expense of €10.5 million, including €4.4 million paid in equity instruments and €6.1 million paid in cash.

(in thousands of euros)	2014	2013
Cash flows from financing activities		
Proceeds from share capital issues	101	362
Purchase/(sale) of treasury shares	517	(709)
Proceeds from loans and borrowings	1,041,350	274,850
Repayment of loans and borrowings	(386,486)	(108,364)
Change in the Group's ownership interests in controlled entities	(14,797)	(3,151)
Changes in other financial liabilities	(5,416)	1,775
Changes in the fair value of hedging instruments	–	179
Dividends paid to shareholders	(19,796)	(12,472)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**615,473**	**152,470**
Effect of exchange rates fluctuations	5,401	(11,331)
Change in cash and cash equivalents	**82,670**	**(41,714)**
Cash and cash equivalents at beginning of the year	329,116	370,830
Cash and cash equivalents at year end [1]	411,786	329,116

Comments:	2014	2013
(1) Cash and cash equivalents		
Short-term investments and short-term deposits (only portion classified as cash)	*67,075*	*87,024*
Cash on hand	*359,318*	*265,083*
Bank overdrafts (included in short-term borrowings)	*(14,607)*	*(22,991)*
Total cash, cash equivalents and short-term investments	***411,786***	***329,116***

Funds collected in connection with intermediation activities are not included in the cash flow statement (see Note 2, "Accounting principles and methods").

5.5 Consolidated statements of changes in equity

For the years ended December 31, 2014 and 2013

(in thousands of euros)	Share capital	Issue and contribution premiums	Translation reserve	Effective portion of hedging instru-ments	Treasury shares	Retained earnings and other reserves	Total equity attributable to Ingenico SA shareholders	Non-controlling interests	Total equity
Balance at January 1, 2013	**52,488**	**402,431**	**16,956**	**(3,829)**	**(5,900)**	**227,206**	**689,354**	**(706)**	**688,648**
Profit for the period						114,074	114,074	(1,138)	112,936
Other comprehensive income			(27,797)	1,820		(116)	(26,093)	(21)	(26,114)
Total comprehensive income for the period			**(27,797)**	**1,820**		**113,958**	**87,981**	**(1,159)**	**86,822**
Dividends paid to shareholders (1)						(12,771)	(12,771)		(12,771)
Stock dividends paid to shareholders (2)	582	23,186				(23,768)	0		0
Treasury shares (3)					(1,267)	366	(901)		(901)
Share-based payments and exercise of stock options (4)	16	166				6,699	6,879	168	7,047
Remeasurement effect of put *options* (5)						(2,301)	(2,301)	(176)	(2,477)
Dilutions (6)			(119)			(1,547)	(1,666)	1,666	0
Accretions (7)			13			(1,436)	(1,423)	1,423	0
Other						326	326		326
Balance at December 31, 2013	**53,086**	**425,783**	**(10,947)**	**(2,009)**	**(7,167)**	**306,732**	**765,478**	**1,216**	**766,694**
Profit for the period						171,652	171,652	31	171,683
Other comprehensive income			35,165	1,908		(4,873)	32,200	208	32,408
Total comprehensive income for the period			**35,165**	**1,908**		**166,779**	**203,852**	**239**	**204,091**
Dividends paid to shareholders (1)						(19,538)	(19,538)	(183)	(19,721)
Stock dividends paid to shareholders (2)	398	22,289				(22,687)	0		0
Treasury shares (3)						339	339		339
Share-based payments and exercise of stock options (4)	398	(398)				4,432	4,432	111	4,543
Remeasurement effect of put *options* (5)						(6,586)	(6,586)	714	(5,872)
Dilutions						(6)	(6)	3	(3)
Conversions of OCEANE (6)	3,555	127,553				(5,491)	125,617		125,617
Other			(14)			265	251		251
BALANCE AT DECEMBER 31, 2014	**57,437**	**575,227**	**24,204**	**(101)**	**(7,167)**	**424,238**	**1,073,839**	**2,100**	**1,075,939**

2014:

(1) Cash dividend of €0.80 per share paid on June 11, 2014.

(2) Stock dividends financed through incorporation of reserves into share capital and issuance of 398,304 new shares.

(3) As of December 31, 2014, the company held 280,794 treasury shares bought back by virtue of authorizations granted at Shareholders' Meetings.

(4) Share-based payment:

- *the increase in retained earnings and other reserves reflects fair value adjustments to free share awards recognized each year in "Administrative expenses" in "Profit from ordinary activities";*
- *the increase in share capital and reduction in issue and contribution premiums reflects the issuance of new shares to meet obligations to beneficiaries of free share award plans that expired in 2014.*

(5) Remeasurement of put options on Roam Data Inc. and Ingenico Holdings Asia Ltd. N.B.: These put options were for the remaining 1.16 percent non-controlling interests in Ingenico Holdings Asia Ltd.

(6) Conversion of 3,501,821 Ingenico 2011/2017 OCEANE bonds to 3,554,336 shares.

2013:

(1) Cash dividend of €0.70 per share paid on June 3, 2013.

(2) Stock dividends financed through incorporation of reserves into share capital and issuance of 581,967 new shares.

(3) As of January 1, 2013, the company held 252,637 treasury shares. As of December 31, 2013, the company held 280,794 treasury shares bought back by virtue of authorizations granted at Shareholders' Meetings.

(4) Share-based payment:

- *the increase in retained earnings and other reserves reflects fair value adjustments to free share awards recognized each year in "Administrative expenses" in "Profit from ordinary activities";*
- *the increase in share capital and issue and contribution premiums reflects the exercise of stock options.*

(5) Remeasurement of put options on Roam Data Inc. and Ingenico Holdings Asia Ltd. N.B.: These put options were for the remaining 17.04 percent non-controlling interests in Roam Data Inc. and for the remaining 1.16 percent non-controlling interests in Ingenico Holdings Asia Ltd (see Note 6, "Highlights of the period").

(6) Dilution of the Group's share of the net assets of Ingenico Holdings Asia Ltd following the issuance of shares representing 1.16 percent of the share capital to the non-controlling shareholder.

(7) Results from a 12.46 percent increase in the Group's share of Roam Data's net assets following the exercise by a minority shareholder of his put option.

5.6 Notes to the Consolidated Financial Statements

INDEX FOR THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 THE GROUP

These Consolidated Financial Statements present the operations and financial position of Ingenico SA (hereinafter referred to as "the Company") and its subsidiaries, as well as the Group's share of the profit or loss of jointly controlled entities and entities over which the Group has significant influence (together referred to as "the Group"). Ingenico SA is the leading provider of payment solutions, enabling banks and merchants to manage their payment activities across all sales channels (in-store, on-line and mobile). Ingenico SA is a company incorporated under French law, with its registered office in Paris, whose securities were admitted for trading on the Paris Stock Exchange in 1985.

The consolidated financial statements were approved by the Board of Directors on February 18, 2015. They will be submitted for approval to the shareholders at their Annual General Shareholders' Meeting of May 6, 2015.

NOTE 2 ACCOUNTING PRINCIPLES AND METHODS

In compliance with Regulation (EC) No. 1606/2002 of July 19, 2002 as amended by Regulation (EC) No. 297/2008 of March 11, 2008, the Consolidated Financial Statements for the year ended December 31, 2014 were drawn up in accordance with the IFRS (International Financial Reporting Standards), as published by the IASB (International Accounting Standards Board) and as adopted by the European Union as of December 31, 2014. These standards are available on the European Commission's website:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

The new standards in effect as of January 1, 2014 and which concern the Group are as follows:

- IFRS 10, Consolidated Financial Statements;
- IFRS 11, Joint Arrangements;
- IFRS 12, Disclosures of Interests in Other Entities;
- amendments to transition guidance in IFRS 10, 11 and 12;
- the amendments to IAS 27, Separate Financial Statements, and IAS 28, Investments in Associates and Joint Ventures, further to the issue of IFRS 10, 11 and 12;
- amendments to IFRS 10, IFRS 12 and IAS 27, Investment Entities;
- amendments to IAS 32, Offsetting Financial Assets and Financial Liabilities;
- amendments to IAS 36, Recoverable Amount Disclosures for Non-Financial Assets;
- amendments to IAS 39, Novation of OTC Derivatives and Continuing Designation for Hedge Accounting.

During the period, the Group applied for the first time IFRS 10, IFRS 11, IFRS 12 and IAS 28 (revised in 2011) as well as the amendments to IFRS 10, IFRS 11 and IFRS 12 concerning transition arrangements. IAS 27 (revised in 2011) does not apply to the Group as it concerns only separate financial statements. The adoption of these standards did not result in any changes to the accounting methods of subsidiaries and associates.

In preparing these Consolidated Financial Statements, the Group did not apply in advance any standards, amendments or interpretations that have been adopted by the IASB or the IFRIC (International Financial Reporting Interpretations Committee) and the European Union as of December 31, 2014, but which are not yet mandatory. These concern:

- IFRIC 21, Taxes;
- annual Improvements 2010-2012;
- annual Improvements 2011-2013;
- amendments to IAS 19, Employee Contributions to Defined Benefit Plans.

The adoption of IFRIC 21 is expected to have little significant impact on the consolidated financial statements.

The adoption of the other amendments to the standards is not expected to have a significant impact on the consolidated financial statements.

Basis of preparation

The Consolidated Financial Statements are presented in euros, the Group's functional currency. Unless otherwise indicated, all amounts are rounded to the nearest thousand.

The financial statements were prepared on a historical cost basis, except for the following assets and liabilities, stated at fair value: derivative financial instruments, cash and cash equivalents, bank overdrafts, and remeasurement to fair value of assets and liabilities of entities of which the Group has taken control.

Non-current assets and disposal groups classified as held for sale are recognized at the lower of their carrying amount or their fair value less costs to sell.

The preparation of these financial statements requires Group management to make assumptions and estimates affecting the application of the accounting methods, and the reported amounts of assets, liabilities, income and expenses. These estimates take into account economic information which may change in the future and which is uncertain. These estimates involve, in particular, asset impairment tests and the measurement of provisions, which require the use of actuarial assumptions (for example to measure the ultimate cost of post-employment benefits); the methods and assumptions used in identifying intangible assets acquired as part of business combinations; the determination of the useful lives of intangible assets; the estimation of provisions, especially for litigation; assets and liabilities in the context of finance lease contracts; the assumptions used in recognizing deferred tax assets; and, in respect of revenue recognition, the allocation of revenue in proportion to the value of specific components of a multiple-element agreement; revenue presentation as gross or net in respect of service activities. Actual results may differ from these estimates under different assumptions or conditions.

The accounting methods set forth below were consistently applied to all the reporting periods presented in the Consolidated Financial Statements.

These accounting methods were uniformly applied by all Group entities.

To make for easier reading, the Group has elected, in accordance with IAS 1, to present comparative information for a single prior-year period in its Consolidated Financial Statements.

Principles of consolidation

Subsidiaries

A subsidiary is an entity controlled by the Company. The Group controls an entity when it has power over that entity, is exposed to variable benefits from that entity and, due to its power over that entity, has the ability to influence the benefits that it draws from it.

The Group takes account of substantial voting rights in assessing control, *i.e.*, rights that are currently exercisable or exercisable at the time that decisions on relevant business are taken.

The financial statements of all subsidiaries are included in the Consolidated Financial Statements from the date on which the Company gains control until the date on which this control ceases.

Associates

An associate is an entity over whose financial and operating policies the Group has significant influence, without having control. The Consolidated Financial Statements include the Group's share of the profit or loss and of the other comprehensive income of all associates accounted for using the equity method, from the date on which the Group gains significant influence until the date on which this influence ceases.

If the Group's share of the losses of an associate exceeds the carrying amount of its equity investment in the associate, the carrying amount is reduced to nil, and the Group ceases to recognize its share of any subsequent losses, unless the Group has a legal or implicit obligation to share in the associate's losses or make payments on behalf of the associate.

Jointly controlled operations

A jointly controlled operation is a joint venture operated by the Group and one or more other parties under the terms of a contractual agreement which grants it rights to its net assets. The Group recognizes such interests using the equity method. The Consolidated Financial Statements include the Group's share of the profit or loss and of the other comprehensive income of all associates accounted for using the equity method, from the date on which the Group gains significant influence until the date on which this influence ceases.

Transactions eliminated in the Consolidated Financial Statements

Intragroup balances, income and expenses arising from intragroup transactions are eliminated in full in the Consolidated Financial Statements.

Transactions in foreign currency

Revenues and expenses denominated in foreign currency are translated at the euro equivalent on the date of transaction.

Monetary assets and liabilities denominated in foreign currency are translated using the exchange rate in effect on the reporting date. Non-monetary assets and liabilities denominated in foreign currency that are measured in terms of historical cost are translated using the exchange rate in effect at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated using the exchange rate in effect at the date when the fair value was determined. Any resulting unrealized exchange gains or losses are reported in profit or loss for the period.

Translation differences arising on ordinary operating activities that are denominated in foreign currency are now recognized in "Profit from ordinary activities". These ordinary operating activities are related to working capital items, as are the related hedging instruments.

Apart from such translation differences on ordinary operating activities, all other translation differences are recognized in "Net finance costs".

Translation of financial statements

The consolidated financial statements are presented in euros, the Group's functional and presentation currency.

Assets and liabilities of foreign subsidiaries whose functional currency differs from the Group's presentation currency are translated into euros at the exchange rate in effect on the reporting date, except for shareholders' equity, which is stated at historical value. The same accounting treatment applies to goodwill and fair value adjustments arising on acquisitions of foreign subsidiaries, which are likewise translated into euros at the closing rate. Income and expenses of foreign operations are translated into euros at the average rates for the period, except in cases of major fluctuations. Exchange differences resulting from conversions are recognized in other comprehensive income and accumulated in the reserves.

The translation rates for the main currencies used by the Group in 2014 and 2013 are as follows:

Closing rate	2014	2013
US dollar	1.2141	1.3791
Canadian dollar	1.4063	1.4671
Australian dollar	1.4829	1.5423
Pound sterling	0.7789	0.8337
Brazilian real	3.2207	3.2576
Chinese yuan	7.5358	8.3491

Average rate	2014	2013
US dollar	1.3288	1.3282
Canadian dollar	1.4669	1.3685
Australian dollar	1.4724	1.3770
Pound sterling	0.8064	0.8493
Brazilian real	3.1228	2.8669
Chinese yuan	8.1883	8.1655

Business combination

Goodwill

› Determination of goodwill

Since January 1, 2010, Ingenico has accounted for business combinations using the acquisition method, as described in the revised IFRS 3:

- identifiable assets and liabilities acquired are measured at fair value at the date of acquisition, *i.e.*, the date on which control is transferred to the Group;
- a non-controlling interest in an acquiree is measured either at fair value or using the Group's proportionate share of the acquiree's identifiable net assets. This accounting policy choice may be made on a transaction by transaction basis for any business combination.

The application of the revised IFRS 3 since January 1, 2010 has led the Group to distinguish between business combinations carried out prior to and after that date.

BUSINESS COMBINATIONS EFFECTED BEFORE JANUARY 1, 2010

Goodwill is measured as the difference between the cost of the business combination (the consideration paid for the shares, plus any costs directly attributable to the acquisition and share purchase commitments) and the Group's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities on the date that the Group obtains control (unless it obtains control in stages).

Where the Group obtains control through successive share purchases, goodwill is measured separately for each transaction on the basis of the fair value of the identifiable assets, liabilities and contingent liabilities acquired on each date of exchange.

BUSINESS COMBINATIONS EFFECTED AFTER JANUARY 1, 2010

On the acquisition date, goodwill is measured as the difference between:

- the aggregate of the fair value of the consideration transferred (earn-outs included), the amount of any non-controlling interests in the acquiree and, in a business combination achieved in stages, the acquisition-date fair value of the Group's previously-held equity interest in the acquiree, remeasured accordingly in profit or loss under "Other operating income and expenses";
- the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, measured at fair value.

All other costs directly attributable to the acquisition are expensed as incurred in "Other operating income and expenses".

Adjustments to provisional amounts recognized for the business combination are measured at their acquisition-date fair value. Subsequently, those adjustments are measured at fair value at each future reporting date. After a period of one year from the acquisition date, any change in the fair value of those adjustments is recognized in profit or loss. During the one-year period, any changes to that fair value explicitly related to events that occurred after the acquisition date are likewise recognized in profit or loss. All other changes are recognized as adjustments to goodwill.

› Measurement of goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is not amortized, but is tested for impairment annually, or more often if there is any indication of impairment, as described in the section on "Impairment of non-financial assets". For impairment testing purposes, goodwill is allocated to each cash-generating unit or group of cash-generating units liable to derive synergies from the business combination. In respect of associates or jointly controlled operations accounted for using the equity method, the carrying amount of goodwill is included in the carrying amount of the investment in the associate or jointly controlled operation. Goodwill on subsidiaries is presented in a separate balance-sheet line item.

Recognition of acquisitions of non-controlling interests

According to the revised IAS 27 standard, acquisitions of non-controlling interests are recognized as transactions with shareholders acting in their capacity as owners, and therefore no goodwill is recognized as a result of such transactions. Adjustments for non-controlling interests are determined on the basis of the proportionate share of the net assets of the subsidiary.

Put options (share purchase commitments) on non-controlling interests

Put options over non-controlling interests in Group subsidiaries are initially recognized as a financial liability for the present value of the exercise price, with a corresponding entry in "Equity attributable to Ingenico SA shareholders". The unwinding of the discount to that liability and the effect of any changes in estimates are recognized in "Equity attributable to Ingenico SA shareholders", whereas for business combinations effected prior to January 2010, they are recognized in "Financial expense" and "Goodwill", respectively. The share of subsequent profit or loss attributable to minority shareholders is recognized in equity attributable to "Non-controlling interests", as is the share of dividends payable to minority Shareholders.

When the revised IFRS 3 came into effect, no adjustments were made to the assets acquired and liabilities assumed in business combinations completed before the effective date for the revised standard.

Intangible assets

Research and development

Research costs are expensed as incurred.

The costs of development activities, *i.e.* costs related to the application of research findings to a plan or design for the production of new or substantially improved products or processes, are capitalized if the Group can demonstrate all of the following:

- the technical feasibility of completing the intangible asset and the Group's intention to complete it and then use it or sell it;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- the Group's ability to measure the expenditure attributable to the intangible asset during its development reliably;
- how the intangible asset will generate probable future economic benefits (through the existence of a market for its output or the usefulness of the intangible asset for internal use).

Such capitalized costs include the cost of materials and direct labor, plus an appropriate share of production overhead costs. Other development costs, net of subsidies, are expensed as incurred.

Capitalized development costs are stated at cost less accumulated amortization and impairment losses.

Other intangible assets

Licenses, brand names, customer contracts, software and user rights over which the Group has full ownership, as well as software developed for internal use that has a positive, lasting and measurable impact on future results are capitalized and amortized over their estimated useful lives, unless such lives are indefinite. Other intangible assets are stated at cost less accumulated amortization and impairment losses.

Subsequent expenditure

Subsequent expenditure on intangible assets is only capitalized when it increases the future economic benefits of the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortization

The straight-line method is used to amortize intangible assets over their estimated useful lives, unless such lives are indefinite.

Goodwill, intangible assets under development and intangible assets with indefinite useful lives are not amortized, but are rather tested for impairment as described in the section on "Impairment of non-financial assets". Other intangible assets are amortized from the date they are available for use.

The estimated useful lives are as follows:

- capitalized development costs 3-10 years;
- license 3 years [(1)];
- customer relationships 5-20 years;
- other intangible assets 5 years [(1)].

Property, plant and equipment

Assets owned by the Group

Property, plant, and equipment are stated at cost, less any accumulated depreciation and impairment losses. The cost of a self-constructed asset includes the cost of raw materials and direct labor, along with all other directly attributable costs that are necessary for the asset to be capable of operating in the manner intended by management.

When components of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The replacement cost of a component is immediately capitalized under "Property, plant and equipment" if it is probable that the future economic benefits arising from the asset will flow to the Group and its cost can be reliably measured. All routine maintenance and repair costs are expensed as incurred.

Gains or losses on asset disposals are determined by comparing the proceeds from the disposal with the carrying amount of the asset and are recognized in "Profit from operating activities – Other operating income and expenses" if they are unusual and significant.

Finance leases

Leases that transfer substantially all the risks and rewards of ownership to the Group are classified as finance leases. This requires a restatement so that the leased property is recognized as an asset at an amount equal to its fair value or, if lower, at the present value of the minimum lease payments, less accumulated depreciation and impairment losses, with recognition of a corresponding financial liability. The asset is depreciated over the lease term or its estimated useful life, whichever is shorter.

(1) Or contractual term.

In the course of business, the Group may supply payment terminals to its customers under agreements classified as finance leases (where the Group is the lessor). Those terminals may be refinanced by the Group under finance leases (where the Group is the lessee). At the commencement of such leases, the purchase and the sale of the terminals are recorded at the present value of the estimated future lease payments and receipts, and a financial asset and liability are recognized. Income and expenses are recognized in "Net finance costs" over the lease term.

Amortization

Depreciation is computed using the straight-line method over the estimated useful life of each type of item. The useful lives and residual values of property, plant and equipment are reviewed and if need be adjusted at each reporting date.

Land is not depreciated. The estimated useful lives are as follows:

- building improvements 5-10 years [1];
- equipment 3-4 years;
- vehicles 5 years;
- dies 4 years;
- furniture, fixtures, office and computer equipment 3-10 years [1].

Trade receivables

Trade and related receivables are recognized initially at fair value and subsequently measured at amortized cost less any impairment losses. A provision for impairment is recognized when there is objective evidence that the Company will not be able to collect all amounts due according to the contractual terms of the receivable.

Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories is determined using the weighted average cost method and includes the costs incurred to acquire the inventories and bring them to their existing location and condition. A provision is recorded if the carrying amount exceeds the net realizable value.

Other investments

In accordance with IAS 39, financial instruments classified as investments are accounted for based on the category into which they fall. Any unrealized gain or loss arising from the investment is recognized either directly in profit or loss, or temporarily in "Other comprehensive income" until the instrument is disposed of.

Short-term investments that do not meet the criteria of IAS 7 for cash and cash equivalents are classified as other investments.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, together with short-term, highly liquid investments that are easily convertible to a known amount of cash, which are subject to an insignificant risk of changes in value and that have a short maturity. They also include short-term investments that meet the IAS 7 criteria for cash equivalents.

Bank overdrafts repayable on demand, which form an integral part of the Group's cash management strategy, are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

Funds, receivables and payables related to intermediation activities

As part of its online payment services, the Group provides intermediation between consumers, credit card issuers, and merchants. Funds held on behalf of merchants, receivables against credit card issuers, and receivables and payables to merchants reflect the various stages and circumstances of the process whereby a consumer pays a merchant.

Funds held on behalf of merchants correspond to the cash surpluses that the Group holds when the amounts received, from credit card issuers or consumers in respect of purchases made, precede the obligation to pay the merchants. The changes in cash positions connected with these funds are excluded from the cash flow statement, thus permitting a clearer understanding of the Group's own cash flows (see Cash flow statement below).

Receivables related to intermediation activities comprise mainly:

- Group receivables against credit card issuers, in connection with transactions conducted on behalf of merchants but not yet settled;
- Group receivables against merchants in connection with advances made on unsettled transactions and transactions repayable to consumers.

(1) Or the term of the lease.

Liabilities related to intermediation activities comprise mainly:

- liabilities in connection with transactions for which the funds paid by credit card issuers or consumers have not yet been transferred to the merchants;
- liabilities in connection with deposits made by merchants at the start of, or during, the client relationship with the Group.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication that an asset may be impaired. If such indication exists, the asset's recoverable amount is estimated.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated annually or as soon as there is any indication of impairment.

At each reporting date, the Group assesses whether any events and circumstances indicate that an asset may be impaired. Such events and circumstances include significant adverse changes affecting the economic environment and the assumptions and objectives the Group has made or set (budget monitoring, three-year plan, cost-benefit studies, market share, orders on the books). If such events and circumstances are identified, the asset's recoverable amount is estimated.

The recoverable amount of an asset or group of assets is the higher of its fair value less costs to sell and its value in use, which is the present value of the expected future cash flows estimated using a discount rate that reflects the weighted average cost of share capital in the region where the asset is located.

If the asset's carrying amount exceeds its recoverable amount, the asset is considered impaired and the Group reduces its carrying amount to its recoverable amount, with an impairment loss recognized in "Profit from operating activities".

Any impairment loss recognized in a cash-generating unit as a result of an impairment test for goodwill is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then to the other assets of the unit pro rata, on the basis of the carrying amount of each asset in the unit.

Measuring recoverable amount

Financial assets

The recoverable amount of the Group's held-to-maturity investments and receivables measured at amortized cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate of the asset.

Non-financial assets

The recoverable amount of all other assets is the higher of their fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to each asset. If an asset does not generate cash inflows that are largely independent, recoverable value is calculated for the cash-generating unit to which the asset belongs.

Impairment losses

A goodwill impairment loss cannot be reversed once it has been recognized.

An impairment loss recognized in respect of another asset can be reversed if its recoverable value rises above its net carrying amount once again.

When increased due to the reversal of an impairment loss, the carrying amount of an asset must not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Share capital

Treasury shares

The shares issued by Ingenico qualify as equity within the meaning of IAS 32 and are accounted for as such in the Consolidated Financial Statements.

Own shares acquired by Ingenico are classified as treasury shares, and their acquisition cost is deducted from equity.

Dividends

Dividends are recognized as a liability in the period in which they are declared and until they are paid.

Financial liabilities

The Group's financial liabilities consist primarily of current and non-current bank borrowings and a convertible bond issue. In accordance with IAS 39, the former are measured at amortized cost, and the latter is accounted for as a composite financial instrument.

Borrowings at amortized cost

Borrowings are initially recognized at fair value less any directly attributable transaction costs. They are subsequently measured at amortized cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the loan. The calculation includes all fees and points paid or received between parties to the contract, transaction costs, and all other premiums and discounts.

Amortized cost is the amount at which the financial liability is initially measured (minus transaction costs), plus the interest expense calculated using the effective interest method, minus cash outflows (coupon payments, principal repayments and any debt premiums). Accrued interest (payable or receivable) is not recognized at the coupon rate, but using the effective interest rate for the instrument.

Compound financial instruments

Convertible bonds that can be converted into a fixed number of shares at the option of the holder, which does not vary with changes in their fair value, are accounted for as compound financial instruments.

A debt instrument or financial liability represents a contractual obligation:

- to deliver cash or another financial asset to another entity; or
- to exchange financial instruments with another entity under conditions that are potentially unfavorable.

An equity instrument is a contract resulting in a residual interest in an entity after deducting all of its liabilities (net assets).

Debt and equity at the end of the period reflect actual conversions of OCEANE bonds rather than conversion requests made during the period. In contrast, the accrued interest, recognized at the end of the period, reflects conversion requests made during the period, as these bonds will not bear interest.

The fair value of the recognized liability classified as long-term debt is calculated using the average market rate for a straight bond. The difference between the face value of the bond and its fair value is recognized in equity under “Retained earnings and other reserves”, net of deferred taxes.

Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of the issue proceeds. The value of the equity component of convertible bonds is calculated as the issue proceeds less the present value of the future interest and principal payments, discounted at the prevailing market rate for a similar liability that does not have a conversion feature. The interest expense recognized in the income statement is calculated using the effective interest method.

Derivative financial instruments

The Group uses derivative financial instruments to hedge its foreign exchange and interest rate exposure arising from its operating, financing and investing activities. Those instruments are initially measured at fair value, *i.e.* the price that would be received when selling an asset or paid when transferring a liability in an orderly transaction between market participants at the measurement date.

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the reporting date, taking into account current interest rates and the risk of default by the counterparty to the swap.

The fair value of forward exchange contracts is their quoted market price at the reporting date, *i.e.* the present value of the quoted forward price.

The fair value of interest rate options is the present value of the estimated payments that would be received from the counterparty, and is equal to the difference between the strike price and the forward rates over the life of the option.

Initial recognition of foreign exchange and interest-rate hedging instruments and subsequent accounting for changes in their value are carried out in accordance with IAS 39.

In accordance with IFRS 13, which came into effect on January 1, 2013, the Group takes default risk into account in measuring its hedging derivatives. That involves the following:

- the risk of default by the Group on a derivative that is a liability (own credit risk);
- the risk of counterparty default on a derivative that is an asset (counterparty credit risk).

The Group’s method for assessing own and counterparty credit risk is based on a calculation of the implied credit risk on senior fixed-rate bonds traded in the secondary market.

Cash flow hedges

When a derivative financial instrument is designated as a hedging instrument whose cash flows are expected to offset changes in the cash flows of a highly probable forecast transaction, the Group uses hedge accounting. The effective portion of any gain or loss on the hedging instrument is recognized directly in “Other comprehensive income” until the hedged item itself is recognized in profit or loss. The effective portion is then recognized in profit or loss. The ineffective portion of any gain or loss is recognized in “Net finance costs” for the period.

Any hedging relationship must be highly effective at the outset and during the entire period of the hedging relationship. Changes in the hedging instrument and the hedged item must offset each other.

The hedging instrument is deemed to be highly effective when it is within a range of 80 percent to 125 percent on a cumulative basis. At each reporting date, effectiveness is assessed.

Hedge ineffectiveness, which is recognized in the Group’s profit or loss, mainly results from:

- interest rate differentials between the hedging instrument’s reference currency and the euro over the hedge period (in forward points);
- differentials between the notional or principal amount of the hedging instrument and the notional or principal amount of the hedged item;
- differentials between residual maturities or dates on which interest rates are reset for the hedging instrument and the hedged item.

Even in the case of hedging relationships that are “highly effective”, the impact of any hedge ineffectiveness is recognized in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or liability, or if a forecast transaction involving a non-financial asset or liability becomes a firm commitment measured at fair value, the associated cumulative gain or loss recognized in “Other comprehensive income” is removed and included in the initial cost or any other carrying amount of the non-financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or liability, the associated gains or losses that were recognized directly in “Other comprehensive income” are reclassified to profit or loss for the same period or periods during which the asset or liability affects profit or loss.

When the hedging instrument expires or is sold, terminated or exercised, or when the Group revokes the designation as a hedging relationship, but still expects the forecast transaction to occur, the cumulative gain or loss at that date remains in equity and is recognized when the transaction occurs, using the method previously described. When the Group no longer expects the hedged transaction to occur, the unrealized cumulative gain or loss that was recognized in “Other comprehensive income” is immediately recognized in profit or loss.

If a hedging instrument is used to hedge risk arising from the Group’s operating activities, its impact on profit or loss is reported in “Profit from operating activities”. If such an instrument is used to hedge risk arising from the Group’s financing activities, its impact on profit or loss is reported in “Net finance costs”.

Hedges of monetary items (fair value hedges)

If a derivative financial instrument is used to hedge the foreign currency risk on a recognized monetary asset or liability, hedge accounting is not applied and the gains or losses on the financial instrument are recognized in profit or loss.

If a hedging instrument is used to hedge risk arising from the Group’s operating activities, its impact on profit or loss is reported in “Profit from operating activities”. If such an instrument is used to hedge risk arising from the Group’s financing activities, its impact on profit or loss is reported in “Net finance costs”.

Employee benefits

Defined contribution plans

Payments to defined contribution plans are expensed as incurred.

Defined benefits plans

The Group’s net obligation in respect of defined benefits plans is measured separately for each plan; it is determined by the difference between the discounted present value of the obligation and the fair value of any plan assets.

The amount of the Group’s obligation is determined by calculating the amount of future benefits due to employees at retirement and performing an actuarial valuation of the projected future salary levels and the number of years of service of active employees estimated to be part of the plan at the time of retirement. The ratio of years of service at the valuation date to years of service at the time of retirement is calculated to determine the Group’s obligation at the valuation date.

The discount rate applied is the yield at the reporting date on high-quality corporate bonds with terms consistent with those of the Group’s obligations. Calculations are performed by independent actuaries using the projected unit credit method.

The Group’s entire obligation in respect of defined benefit plans is recognized immediately. Any actuarial gains and losses arising during the period are recognized in other comprehensive income, in accordance with the revised IAS 19 standard. To determine the return on plan assets, the Group uses the rate applied to determine the discounted present value of the obligation.

Long-term benefits

The Group’s net obligation in respect of long-term benefits is the amount of future benefits earned by employees in return for services rendered in current and prior years. The amount of the obligation is determined using the projected unit credit method. This amount is discounted to determine its present value, deducting the fair value of any plan assets. The discount rate applied is the yield at the reporting date on high-quality corporate bonds with terms consistent with those of the Group’s obligations. Actuarial gains and losses on long-term benefits are recognized in profit or loss.

Share-based payment

The fair value of the stock options and free share awards is recognized in payroll costs, with a corresponding increase in equity. Fair value is measured at the grant date and is expensed over the vesting period. The fair value of the stock options and free share award plans granted is measured using standard measurement techniques which are adapted to the specific characteristics of each plan, with reference to the terms and conditions defined at the grant date (using the Black-Scholes and/or the Monte-Carlo models). The amount recognized as an expense is adjusted to reflect the actual number of options and/or shares vested for the portion corresponding to internal performance conditions.

The fair value of employees’ share appreciation rights, which are settled in cash, is recognized in expenses as a counterparty to the increase in liabilities, over the course of the period in which the rights are vested. The liability is measured on every reporting date as well as on the settlement date at the fair value of the share appreciation rights. Any change in liability is recognized in “Profit for the period”.

Provisions

Provisions are recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Litigation and claims

Provisions for litigation and claims are recognized when the Group has a current obligation in respect of litigation in progress, administrative inquiries, disputed proceedings and other claims arising from past events not yet settled, and that it is probable that an outflow of economic benefits, which can be reliably estimated, will be required to settle the obligation. The Group obtains legal advice to assess the probability of the outcomes and to measure the provisions for litigation and claims.

Restructuring

A provision for restructuring is recognized when the Group has approved a formal and detailed restructuring plan and has:

- either commenced the restructuring;
- or has announced the plan publicly.

Provisions are not recognized for future operating costs.

Warranties

A provision for warranties is recognized when the underlying goods or services are sold.

The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Supplier inventory buyback commitments

A provision for commitments to buy back inventory from suppliers is recognized to cover the risk that components held by suppliers may become obsolete and the risk that supplies may exceed planned output.

A provision for the full value of components declared obsolete is recognized. The Group estimates excess supplies by comparing the procurement plan with the production plan.

Product quality risk

A provision for product quality risk is recognized when this risk is not covered by the provision for warranties.

The amount of the provision is based on a weighting of all possible outcomes against their associated probabilities.

Onerous contracts

A provision for onerous contracts is recognized when the expected economic benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Trade and related payables

Trade and related payables are recognized initially at fair value and subsequently measured at amortized cost.

Income

Sale of goods and services

The Group earns most of its revenue from the sale of payment terminals and the rendering of services related to payment terminals or to the processing of payment transactions carried out through a variety of methods.

No revenue is recognized if there is significant uncertainty regarding (i) the recoverability of the consideration due, (ii) the costs associated with the service that have been incurred or are to be incurred, or (iii) the possible return of goods when the customer has the right to cancel the purchase, or when the Group has continuing management involvement with the goods.

Revenue is recognized according to the type of transaction involved.

Sale of goods

How sales are recorded depends on the nature of the contract.

› Firm sales

Revenue from the sale of terminals is recognized in profit or loss when the significant risks and rewards of ownership of the goods have been transferred to the buyer.

› Leasing

In the case of finance leases (where the Group is the lessor), revenue is recognized when the significant risks and rewards of ownership of the goods have been transferred; that revenue is equal to the fair value of the leased asset or, if lower, to the present value of the minimum lease payments accruing to the lessor. Finance income is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Revenue from operating leases is recognized as income on a straight-line basis over the lease term.

Rendering of services

Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the service at the reporting date. The stage of completion is assessed based on work performed. When services are performed by an indeterminate number of acts, revenue is recognized on a straight-line basis over the specified period.

Hardware maintenance and servicing

Revenue arising on terminal service contracts is allocated over the life of the contract on a pro rata basis in the case of equipment maintenance contracts that the customer entered into when purchasing the terminals. Otherwise, revenue is recognized as soon as the services are rendered (when the terminals are installed, for example).

Transactions

Revenue arising on service contracts related to payment transactions is recognized as the services are performed. It usually varies with transaction volume and/or amounts.

For certain services, the Group determines whether it is acting as principal or as agent, using the criteria of IAS 18, such as the responsibility for the rendering of the service, inventory risk, price-setting, and credit risk. The analysis is made on the basis of a review of the operating model for the supply and sale of the services, in particular the sale and/or purchase agreements. When it is determined that the Group acts as agent in respect of the provision of services, the revenue recognized is restricted to the net margin on the provision of the services. When it is determined that the Group acts as principal, revenue is recognized on a gross basis.

Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract should be recognized in profit or loss by reference to the stage of completion of the contract activity. The stage of completion is assessed based on work performed. Expected losses are immediately recognized in profit or loss.

Multiple-element arrangements

Revenue arising on multiple-element arrangements, *i.e.*, including the simultaneous sale of goods, services and a license agreement, is broken down by residual value among the individual components based on their fair value.

Expenses

Operating lease payments

Operating lease payments (where the Group is the lessee) are recognized as an expense on a straight-line basis over the lease term.

Finance lease payments

Minimum finance lease payments with Ingenico as lessee are apportioned between the financial expense and the reduction of the outstanding liability. The financial expense is allocated to each period during the lease term so as to produce a constant interest rate on the remaining balance of the liability.

Other operating income and expenses

Other operating income and expenses include non-recurring income or expenses, such as gains or losses on disposal of consolidated subsidiaries or businesses, gains or losses on the disposal of property, plant and equipment and intangible assets, restructuring charges approved by management and publicly announced, litigation expenses, transaction costs of business combinations, goodwill and other asset impairment losses, the cost of integrating newly acquired subsidiaries, adjustments to earn-out liabilities related to those acquisitions and the remeasurement to fair value of a prior investment in an entity when the Group acquires control, *i.e.*, a business combination implemented through a step acquisition.

Net finance costs

Net finance costs include interest payable on borrowings calculated using the effective interest method (see above, "Borrowings at amortized cost") and interest receivable on funds invested.

The interest expense component of finance lease payments (where the Group is the lessee) is recognized using the effective interest method.

The interest income component of finance lease payments (where the Group is the lessor) is likewise recognized using the effective interest method.

Other financial income and expenses, net

Other financial income and expenses mainly consist of remeasurements of financial instruments (other than hedging instruments), gains or losses on disposals of financial instruments, costs and returns on defined benefits retirement plan assets, as well as provisions for impairment and impairment losses on financial assets.

Income tax

Income tax expense (credit) includes current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to a business combination or to items recognized directly in "Equity" or in "Other comprehensive income", in which cases it is also recognized respectively in "Equity" or "Other comprehensive income".

Current tax is (i) the expected tax payable on taxable income for the period, using tax rates enacted or substantively enacted at the reporting date; (ii) any adjustment to the amount of current tax payable in respect of previous periods and (iii) all other taxes calculated on a net amount of revenue and expenses.

Deferred tax is determined using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. No deferred tax is recognized for the following: (i) Taxable temporary differences arising on initial recognition of goodwill, (ii) temporary differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future and (iii) the initial recognition of an asset or liability in a transaction which is not a business combination, which affects neither the accounting nor the taxable result. The measurement of deferred tax assets and liabilities depends on the manner in which the Group expects to recover or settle the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available to the Group against which it can be utilized. This assessment is made principally on the basis of the following criteria:

- realization of taxable profits before the expiry of tax losses;
- existence of sufficient temporary differences in the same tax jurisdiction and taxable entity which will result in taxable income against which the tax losses carried forward may be utilized;
- non-recurring nature of the reasons for the existence of the tax losses;
- tax planning measures permitting the entity to generate taxable income before the expiry of the tax losses.

Deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable profits will be available.

Business research and development tax credits

The method used to account for research and development tax credits depends on the tax treatment that applies to them in the various countries:

- if the tax credit is calculated solely on the amount of research and development expenditure, if it does not affect the calculation of taxable income for a subsidiary, if is not limited by that subsidiary's tax liability and if it can be received in cash, it meets the definition of a government grant given in IAS 20, Accounting for Government Grants and Disclosure of Government Assistance, and is recognized in "Profit from operating activities";
- otherwise, it is recognized as a reduction of corporate income tax.

Recent tax regulations in France

The CET has two components: the "Contribution Foncière des Entreprises" (CFE – Levy on Property Rental Value) and the "Cotisation sur la Valeur Ajoutée des Entreprises" (CVAE – Levy on Value Added by Businesses).

The Group has decided to classify the CVAE component as income tax for the following reasons:

- the basis for calculating the CVAE complies with the IFRIC definition of an income tax covered by IAS 12: in that it is calculated on a net amount of revenue and expense, which may be different from the amount shown in "Profit for the period";
- in order to ensure consistency with the treatment of similar foreign taxes.

Cash flow statement

The presentation of the Group's cash flow statement excludes funds held by the Group on behalf of merchants as part of its online payment services. Such funds correspond to cash surpluses that the Group holds on behalf of merchants when the amounts received from credit card issuers or consumers precede the obligation to pay the merchants.

These funds cannot be used by the Group to finance its own cash requirements. Funds held on behalf of merchants are also subject to large periodic fluctuations depending on the day of the week on which the period ends. The cash flows relating to these funds are therefore not included in the Group's cash flow statement, resulting in a better representation of the nature and substance of these transactions and an improved understanding of the Group's independent cash flows (see Note 4.1, "Liquidity and counterparty Risk").

Segment reporting

A segment is a component of the Group that produces revenues and whose results are identified by the Group's internal reporting system.

The Regions and Central Operations profit centers have detailed performance measurements that allow for segment reporting.

Revenue earned and costs incurred in the course of operations by the reportable segments are allocated to the relevant segment.

Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are recognized at the lower of their carrying amount or their fair value less costs to sell.

Impairment losses resulting from the classification of an asset as held for sale are recognized in profit and loss. Gains and losses arising from subsequent measurements are treated the same way. The recognized gain may not exceed the accumulated recognized impairment losses.

A discontinued operation is a component of the Group's economic activity that represents a separate major line of business or geographical area or is a subsidiary acquired exclusively for resale.

Classification as a discontinued operation occurs at the time of disposal or at an earlier date if the operation meets the criteria for classification as held for sale. A disposal group may also meet the criteria for classification as a discontinued operation.

Earnings per share

The Group reports both basic and diluted earnings per share on its ordinary shares. Basic earnings per share are calculated by dividing the net profit or loss attributable to Ingenico SA shareholders by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares held as treasury shares. Diluted earnings per share are calculated by adjusting the net profit or loss attributable to Ingenico SA shareholders and the weighted average number of ordinary shares outstanding, excluding treasury shares, to take into account the effect of all potentially dilutive ordinary shares, including employee stock options and free share awards, as well as shares that may be issued in connection with the conversion of convertible bonds

NOTE 3 FINANCIAL ASSETS AND LIABILITIES CLASSIFIED BY ACCOUNTING CATEGORY

Asset and liability categories *(in thousands of euros)*	2014						
	Assets & liabilities measured at fair value through profit or loss	Loans and receivables	Liabilities at amortized cost	Assets & liabilities measured at fair value through equity	Derivative financial instruments designated for future cash flow hedges	Total net carrying amount	Fair value of the asset or liability category
Financial assets	–	6,938	–	–	–	6,938	6,938
Trade and other current receivables	–	419,575	–	–	–	419,575	419,575
Derivative financial instruments	10,841	–	–	–	92	10,933	10,933
Receivables related to intermediation activities	–	1,943	–	–	–	1,943	1,943
Other non-current assets	–	25,419	–	–	–	25,419	25,419
Funds related to intermediation activities	308,225	–				308,225	308,225
Cash and cash equivalents	426,393	–	–	–	–	426,393	426,393
TOTAL FINANCIAL ASSETS	**745,459**	**453,875**	**–**	**–**	**92**	**1,199,426**	**1,199,426**
Convertible bond issue (OCEANE) (1)	–	–	111,628	–	–	111,628	279,561
Bond issue	–	–	456,702	–	–	456,702	468,360
Long-term loans	–	–	579,422	–	–	579,422	579,422
Other non-current liabilities	–	–	25,679	6,065	–	31,744	31,744
Short-term borrowings	–	–	42,832	–	–	42,832	42,832
Trade payables and other current liabilities	3,653	–	407,008	–	–	410,661	410,661
Payables related to intermediation activities	–	–	310,168	–	–	310,168	310,168
Derivative financial instruments	3,354	–	–	–	247	3,601	3,601
TOTAL FINANCIAL LIABILITIES	**7,007**	**–**	**1,933,439**	**6,065**	**247**	**1,946,758**	**2,126,349**

(1) The fair value of the OCEANE convertible bond encompasses both its liability component and its equity component.

Asset and liability categories *(in thousands of euros)*	2013						
	Assets & liabilities measured at fair value through profit or loss	Loans and receivables	Liabilities at amortized cost	Assets & liabilities measured at fair value through equity	Derivative financial instruments designated for future cash flow hedges	Total net carrying amount	Fair value of the asset or liability category
Financial assets	–	8,902	–	–	–	8,902	8,902
Trade and other current receivables	–	346,607	–	–	–	346,607	346,607
Derivative financial instruments	532	–	–	–	704	1,236	1,236
Other non-current assets	–	23,977	–	–	–	23,977	23,977
Cash and cash equivalents	352,107	–	–	–	–	352,107	352,106
TOTAL FINANCIAL ASSETS	**352,639**	**379,486**	**–**	**–**	**704**	**732,829**	**732,829**
Convertible bond issue (OCEANE) (1)	–	–	227,098	–	–	227,098	408,387
Long-term loans	–	–	333,328	–	–	333,328	333,328
Other non-current liabilities	–	–	20,898	3,415	–	24,313	24,313
Short-term borrowings	–	–	88,062	–	–	88,062	88,062
Trade payables and other current liabilities	5,072	–	323,901	10,513	–	339,486	339,486
Derivative financial instruments	674	–	–	–	3,769	4,443	4,443
TOTAL FINANCIAL LIABILITIES	**5,746**	**–**	**993,287**	**13,928**	**3,769**	**1,016,730**	**1,198,019**

(1) The fair value of the OCEANE convertible bond encompasses both its liability component and its equity component.

Fair value hierarchy

The objective criteria used for analyzing financial instruments by valuation method are based on the definition of fair value levels under IFRS 13.

The asset and liability categories carried at fair value subsequent to their initial recognition are:

- assets and liabilities measured at fair value through profit or loss and equity;
- available-for-sale assets;
- derivative financial instruments designated as cash flow hedges.

The fair value hierarchy is as follows:

- inputs used are (non-adjusted) quoted market prices in active markets for identical assets or liabilities (Level 1);
- inputs used are inputs other than quoted market prices, as in Level 1, that are observable either directly, by reference to market prices for similar assets and liabilities, or indirectly, by reference to inputs derived from quoted markets prices (Level 2);
- valuation techniques based on unobservable inputs are used (Level 3).

These assets and liabilities can correspond to any of the three levels of fair value set out below for 2014 and 2013.

The Group did not make any transfers between levels from 2013 to 2014.

	2014			
(in thousands of euros)	Total	Level 1	Level 2	Level 3
Financial assets	6,938	–	6,938	–
Derivative financial instruments (1)	10,933	–	10,933	–
Funds related to intermediation activities	308,225	308,225		
Cash and cash equivalents	426,393	426,393	–	–
TOTAL FINANCIAL ASSETS	**752,489**	**734,618**	**17,871**	**–**
Convertible bond issue (OCEANE)	279,561	279,561	–	–
Bond issue	468,360	468,360	–	–
Long-term loans	579,422	–	579,422	–
Other non-current liabilities	6,065	–	–	6,065
Short-term borrowings	42,832	–	42,832	–
Other current liabilities	3,653	–	–	3,653
Derivative financial instruments (1)	3,601	–	3,601	–
TOTAL FINANCIAL LIABILITIES	**1,383,494**	**747,921**	**625,855**	**9,718**

(1) Derivative financial instruments are assets and liabilities, measured at fair value through profit or loss, or qualifying cash flow hedges.

	2013			
(in thousands of euros)	Total	Level 1	Level 2	Level 3
Financial assets	8,902	–	8,902	–
Derivative financial instruments (1)	1,236	–	1,236	–
Cash and cash equivalents	352,107	352,107	–	–
TOTAL FINANCIAL ASSETS	**362,245**	**352,107**	**10,138**	**–**
Convertible bond issue (OCEANE)	408,387	408,387	–	–
Long-term loans	333,328	–	333,328	–
Other non-current liabilities	3,415	–	–	3,415
Short-term borrowings	88,062	–	88,062	–
Other current liabilities	15,585	–	–	15,585
Derivative financial instruments (1)	4,443	–	4,443	–
TOTAL FINANCIAL LIABILITIES	**853,220**	**408,387**	**425,833**	**19,000**

(1) Derivative financial instruments are assets and liabilities, measured at fair value through profit or loss, or qualifying cash flow hedges.

Financial assets and liabilities on Level 2 are accounted for by category: derivative financial instruments are measured at fair value, borrowings at amortized costs and all other assets and liabilities at contract value.

Other Level 3 non-current liabilities include a liability in relation to the non-controlling shareholder of Ingenico Holdings Asia Ltd. The latter holds 1.16 percent of this entity's share capital and a put option on all of their shares. This liability has been recognized at fair value.

Other Level 3 current liabilities also include an earn-out liability on the acquisition of Ingenico Systems LLC, which is measured on the basis of discounted future cash flow, as provided for in the Group's agreement with the entity's sellers.

Other Level 3 current liabilities in 2013 include the Group's liability for a put option held by Mr. Will Graylin, a minority shareholder of Roam Data Inc., measured based on expert reports (see Note 6, "Highlights of the period").

NOTE 4 FINANCIAL RISK MANAGEMENT

4.1 Liquidity and counterparty risk

Liquidity risk is managed at Group level by the Treasury Department. This centralized approach makes it possible to use cash surpluses generated in one part of the Group to cover cash needs elsewhere before having to raise funds in the financial market.

The Group's financing policy is always to have sufficient liquidity available to meet the Group's investing and working capital requirements, while maintaining a satisfactory relationship between its assets and resources in terms of maturities, currencies and interest rates.

Financial assets as of December 31, 2014

Counterparty risk is the risk of financial loss for the Group arising from failure by one of its customers or counterparties to a financial instrument to meet its contractual obligations. This risk could arise principally from trade receivables, investments and bank counterparties.

The carrying amount of the Group's financial assets at the end of the period represents the Group's maximum exposure to credit risk. The Group's maximum exposure as of December 31, 2014 was as follows:

(in thousands of euros)	2014	2013
Cash and cash equivalents	426,393	352,107
Funds related to intermediation activities	308,225	–
Financial assets	6,938	8,902
Trade receivables on the sales of goods and services	381,244	300,134
Finance lease receivables	46,480	40,116
Other operating receivables	14,790	12,783
Receivables related to intermediation activities	1,943	–
Other current assets	2,312	17,414
Other non-current assets	168	137
Derivative financial instruments (assets)	10,933	1,236
TOTAL	**1,199,426**	**732,829**

To manage counterparty risk with respect to trade receivables, an impairment loss may be recognized for the entire amount or for a part of the amount of said receivables, reflecting the probability of collection.

Credit risk is monitored at Group level by Group Credit Management. The Group tracks terms of payment at its subsidiaries on a monthly basis and recognizes a provision for any receivables it considers fully or partially uncollectible. To protect against credit risk and reduce its exposure to non-payment, the Group determines the credit risk for each customer, and fixes specific credit limits and payment terms. The Group requires adequate guarantees in sensitive countries, for example in the form of letters of credit, with French banks acting as advising or even confirming banks.

Further information on trade receivables and their impairment can be found in Note 18, "Trade and related receivables".

The growth of transaction services, particularly the acquisition business, exposes the Group to counterparty risk. If a merchant defaults and is unable to meet its service obligations to end customers, the Group might be required to reimburse those customers for certain payments to the merchant, with no guarantee of recovery from the latter.

The Group has developed a methodology for detailed analysis of the risks associated with each type of service it offers in order to improve risk monitoring and be able, if necessary, to calibrate the guarantees demanded of counterparties more effectively. The primary purpose of this approach is to limit the impact of counterparty risk on the Group.

Lastly, as part of its online payment services, the Group, primarily through Global Collect Services, which was acquired in 2014 (see Note 6, "Highlights of the period"), and Ingenico Payment Services GmbH, provides intermediation services between buyers, credit card issuers, and merchants. Funds held on behalf of merchants correspond to the cash surpluses that the Group holds when the amounts received from credit card issuers in respect of purchases made precede the obligation to pay the merchants. Deposits are also made by merchants at the start, or during the course, of the client relationship with the Group.

At GlobalCollect Services, all funds received on behalf of merchants or entrusted to the Group are isolated in a Dutch foundation that ring-fences them and protects buyers from any insolvency of Global Collect Services. Through this mechanism, registered and supervised by the Dutch central bank, the funds may not, under any circumstances, be distributed to founders and are only available for payment to merchants, after being invested if possible in zero- or low-risk financial products for which there is contractual accrual of interest to the Group.

It should also be noted that, on the one hand, the payment cycle for these activities is short term, as credit card issuers or consumers remit funds to the Group and the Group pays merchants within a period of no more than two weeks, and that on the other hand, almost all amounts are collected from credit card issuers and consumers prior to the obligation to pay merchants, which thus entails the recognition of funds collected as assets (receivables associated with intermediation activities and funds associated with intermediation activities), counterbalanced by an equivalent debt included in liabilities (payables associated with intermediation activities) (see Note 32, "Funds, receivables and payables associated with intermediation activities").

Financial liabilities as of December 31, 2014

The Group's ability to service its debt depends on its business performance and on its capacity to generate adequate cash from operations.

If future cash flow proves to be insufficient, the Group might be obliged to:

- reduce or delay new investments;
- dispose of assets;
- issue debt securities or new shares;
- restructure or refinance all or part of its debt.

The Group has performed a specific review of its liquidity risk, and has concluded that it can repay its debt as it falls due. In particular, the Group believes that its future cash flows will be adequate to meet its debt repayment commitments and financing requirements.

It should be noted that the Group:

- is able to generate significant cash flows for its investing requirements (see Consolidated cash flow statements);
- has unused bilateral loan facilities totaling €31.5 million;
- had net debt of €764.2 million as of December 31, 2014 and debt ratios low enough to keep its borrowing capacity unchanged.

The maturities of the Group's financial liabilities as of December 31, 2014 were as follows:

	2014				
(in thousands of euros)	Carrying amount	Contractual cash flow	Less than 1 year	1 to 5 years	More than 5 years
Non-derivative financial liabilities					
Convertible bond issue	111,628	243	243	–	–
Bond issue	456,702	528,750	11,250	45,000	472,500
Bank borrowings	595,384	635,430	28,061	607,368	–
Finance lease obligations	1,578	1,578	751	827	–
Bank overdrafts	14,608	14,608	14,608	–	–
Other financial liabilities	4,732	4,732	1,521	3,211	–
Accrued interests	5,953	5,953	5,953	–	–
Trade payables and other current liabilities	410,661	410,661	410,661	–	–
Payables related to intermediation activities	310,168	310,168	310,168	–	–
Other non-current liabilities	31,744	31,744	–	31,744	–
TOTAL	**1,943,158**	**1,943,867**	**783,216**	**688,150**	**472,500**
Derivative financial liabilities					
Exchange rate instruments	1,628	1,628	1,628	–	–
Interest rate instruments	1,973	1,973	1,973	–	–
TOTAL	**3,601**	**3,601**	**3,601**	**–**	**–**

The Group believes it has only limited exposure to bank counterparty risk, because its banks are of premium standing and have the highest credit ratings.

The Group's financial liabilities and their maturities are described in Note 24, "Net debt".

The maturities of the Group's financial liabilities as of December 31, 2013 were as follows:

	2013				
(in thousands of euros)	Carrying amount	Contractual cash flow	Less than 1 year	1 to 5 years	More than 5 years
Non-derivative financial liabilities					
Bond loans	227,098	270,887	6,875	264,012	–
Bank borrowings	381,522	397,259	58,710	338,549	–
Finance lease obligations	3,992	3,992	1,804	2,188	–
Bank overdrafts	22,991	22,991	22,991	–	–
Other financial liabilities	6,005	6,005	2,900	3,088	17
Accrued interests	6,880	6,880	6,880	–	–
Trade payables and other current liabilities	339,486	339,486	339,486	–	–
Other non-current liabilities	24,313	24,313	–	24,313	–
TOTAL	**1,012,287**	**1,071,813**	**439,646**	**632,150**	**17**
Derivative financial liabilities					
Exchange rate instruments	1,029	1,029	1,029	–	–
Interest rate instruments	3,414	3,414	3,414	–	–
TOTAL	**4,443**	**4,443**	**4,443**	**–**	**–**

4.2 Market risk

Foreign exchange risk

A large share of Ingenico's revenue and expenses is denominated in foreign currencies. The Group is therefore exposed to foreign exchange risk arising from purchases from payment terminal suppliers and on transactions between subsidiaries and the parent company. The main currencies in which that exposure is significant are the US dollar (USD), the Pound sterling (GBP), the Japanese yen (JPY), the Canadian dollar (CAD) and the Australian dollar (AUD).

Foreign-currency denominated purchases and sales for which there is no "natural" hedge may be covered by a hedge instrument.

The Group has implemented a centralized policy for managing its foreign exchange exposure that involves using financial instruments such as swaps, forward purchase or sale contracts and currency options. Monitoring foreign exchange risk is the responsibility of the Treasury Department, which reports to the Chief Financial Officer. In addition, the Group uses specialized software that allows it to track its mark-to-market positions on a daily basis.

	2014				
(in thousands of foreign currencies)	US dollar	Pound sterling	Yen	Canadian dollar	Australian dollar
Trade receivables	174,994	29,570	13,477	10,448	15,458
Trade payables	(177,804)	(16,571)	(534)	(11,999)	(4,329)
Gross balance sheet exposure	**(2,810)**	**12,999**	**12,943**	**(1,551)**	**11,129**
Estimated forecast sales	395,492	56,783	555,000	41,524	27,976
Estimated forecast purchases	(342,031)	(23,750)	–	–	–
Gross exposure	**50,651**	**46,032**	**567,943**	**39,973**	**39,105**
Foreign exchange derivative instruments					
Forward purchases	26,300	–	–	463	–
Forward sales	(4,791)	(19,146)	(555,000)	(14,600)	(2,297)
Options	–	–	–	–	–
Net exposure	**72,160**	**26,886**	**12,943**	**25,836**	**36,808**

	2013				
(in thousands of foreign currencies)	US dollar	Pound sterling	Yen	Canadian dollar	Australian dollar
Trade receivables	122,953	19,662	–	22,520	19,078
Trade payables	(138,357)	(11,679)	–	(15,802)	(6,695)
Gross balance sheet exposure	**(15,404)**	**7,983**	**–**	**6,718**	**12,383**
Estimated forecast sales	232,448	50,608	–	31,606	37,276
Estimated forecast purchases	(259,954)	(22,644)	–	–	–
Gross exposure	**(42,910)**	**35,947**	**–**	**38,324**	**49,659**
Foreign exchange derivative instruments					
Forward purchases	39,550	–	–	–	–
Forward sales	–	(14,268)	–	(16,341)	(13,880)
Options	–	–	–	–	–
Net exposure	**(3,360)**	**21,679**	**–**	**21,983**	**35,779**

Sensitivity to foreign exchange risk

	2014			
	Impact on profit or loss	Impact on reserves of change in fair value	Impact on profit or loss	Impact on reserves of change in fair value
(in thousands of euros)	10% appreciation of the euro		10% appreciation of foreign currency	
Trade receivables	(18,185)	–	22,226	–
Trade payables	16,289	–	(19,908)	–
Derivative financial instruments	525	(2,730)	(186)	2,424
TOTAL	**(1,371)**	**(2,730)**	**2,132**	**2,424**

	2013			
	Impact on profit or loss	Impact on reserves of change in fair value	Impact on profit or loss	Impact on reserves of change in fair value
(in thousands of euros)	10% appreciation of the euro		10% appreciation of foreign currency	
Trade receivables	(12,769)	–	15,606	–
Trade payables	11,768	–	(14,383)	–
Derivative financial instruments	(117)	(699)	(609)	1,483
TOTAL	**(1,118)**	**(699)**	**614**	**1,483**

The above table shows the impact of a 10 percent appreciation or depreciation of the euro against the other currencies on the Group's trade receivables, trade payables and derivative financial hedging instruments. It also shows how those changes would impact the balance sheet and income statement.

The table below sets out the sensitivity of each currency to a change in the euro:

		2014			
(in thousands of euros)		Trade receivables	Trade payables	Derivative financial instruments	Total
Impact on profit or loss of 10% appreciation of the euro	**USD**	(13,103)	13,314	2,145	2,356
	GBP	(3,451)	1,934	(1,119)	(2,636)
	JPY	(8)	–	6	(2)
	CAD	(675)	776	(403)	(302)
	AUD	(948)	265	(104)	(787)
	SUB-TOTAL	**(18,185)**	**16,289**	**525**	**(1,371)**
Impact on profit or loss of 10% depreciation of the euro	**USD**	16,015	(16,272)	(1,398)	(1,655)
	GBP	4,218	(2,364)	578	2,432
	JPY	10	–	6	16
	CAD	825	(948)	423	300
	AUD	1,158	(324)	205	1,039
	SUB-TOTAL	**22,226**	**(19,908)**	**(186)**	**2,132**

(in thousands of euros)		2013 Trade receivables	2013 Trade payables	2013 Derivative financial instruments	2013 Total
Impact on profit or loss of 10% appreciation of the euro	**USD**	(8,105)	9,120	703	1,718
	GBP	(2,144)	1,274	(306)	(1,176)
	CAD	(1,395)	979	(342)	(758)
	AUD	(1,125)	395	(172)	(902)
	SUB-TOTAL	**(12,769)**	**11,768**	**(117)**	**(1,118)**
Impact on profit or loss of 10% depreciation of the euro	**USD**	9,906	(11,147)	(1,765)	(3,006)
	GBP	2,620	(1,557)	262	1,325
	CAD	1,706	(1,197)	569	1,078
	AUD	1,374	(482)	325	1,217
	SUB-TOTAL	**15,606**	**(14,383)**	**(609)**	**614**

Interest rate risk

Interest rate risk is managed at Group level by the Treasury Department. The Group's hedging policy reflects a concern for both security and optimal resource cost management. Based on the trends expected in consolidated debt (new borrowings and repayments) and in interest rates, the Group sets targets for the mix between fixed-rate and variable-rate debt.

Senior management regularly reviews these targets and resets them for upcoming periods after conferring with the Audit and Finance Committee. The targets are subsequently implemented by the Treasury Department. Interest rate swaps are the main instruments used.

During the year, the Group put in place an interest rate swap for 50 percent of the nominal value of the bond issued in 2014, or €225 million, with a 7-year life. This swap turns the Group's fixed-rate exposure into variable-rate exposure.

(in thousands of euros)	**2014**	2013
Fixed-rate instruments		
Convertible bond issue	111,628	227,098
Bond issue	456,702	–
Bank borrowings	–	156,457
Other	6,310	9,997
Fixed-rate financial liabilities	**574,640**	**393,552**
Variable-rate instruments		
Cash and cash equivalents	426,393	352,107
Funds related to intermediation activities	308,225	–
Financial assets	6,938	8,902
Trade receivables on the sales of goods and services	381,244	300,134
Finance lease receivables	46,480	40,116
Trade receivables	14,790	12,783
Receivables related to intermediation activities	1,943	–
Other current assets	2,312	17,414
Other non-current assets	168	137
Derivative financial instruments (assets)	10,933	1,236
Variable-rate financial assets	**1,199,426**	**732,829**
Bank borrowings, finance leases, short-term borrowings	613,592	248,056
Payables related to intermediation activities	310,168	–
Variable-rate financial liabilities	**923,760**	**248,056**
Accrued interest on bank borrowings	**5,953**	**6,880**

Sensitivity to interest rate risk

An increase of +50 basis points in the 1-month and 3-month Euribor would have reduced profit by €1.7 million and had an immaterial impact on equity.

Given the low level of interest rates, a decrease of 50 basis points in 3-month Euribor would have had no material effect on profit or loss for the period as of December 31, 2014.

NOTE 5 CONSOLIDATION SCOPE

The entities that make up the Group are accounted for using either the full consolidation method or the equity method. Entities over which the Group has exclusive control are fully consolidated. The Group has elected to use the equity method for entities under joint control: ZTE Ingenico NV (formerly Mobile Payment Solutions NV) and Fixed & Mobile Pte Ltd.

Corporate name	Location	Country	% interest Ingenico SA	Consolidation method
PARENT COMPANY				
Ingenico SA	Paris	France		
CONSOLIDATED SUBSIDIARIES				
DI Deutsche Ingenico Holding GmbH	Ratingen *as well as the wholly owned subsidiaries Ingenico Payment Services GmbH, Credit & Collections Service GmbH and Ingenico Marketing Solutions GmbH*	Germany	100%	FC
Ingenico GmbH	Ratingen	Germany	100%	FC
Ingenico Healthcare GmbH	Flintbek	Germany	100%	FC
Ingenico International (Pacific) Pty Ltd	Warriewood	Australia	100%	FC
Ingenico E-Commerce Solutions SPRL	Woluwe-Saint-Lambert (Brussels) as well as its wholly owned subsidiaries in Austria, Switzerland, Germany, the United States and United Kingdom, and its 99.99 * owned subsidiary in India	Belgium	100%	FC
GCS Holding BV	Hoofddorp *as well as its wholly owned subsidiaries*	Netherlands	100%	FC
Global Collect BV	Hoofddorp *as well as its wholly owned subsidiaries*	Netherlands	100%	FC
Ingenico E-Commerce Solutions BV	Amsterdam	Netherlands	100%	FC
Ingenico Financial Solutions SA	Brussels	Belgium	100%	FC
Ingenico do Brasil Ltda.	São Paulo *as well as its wholly owned branches and subsidiaries in Colombia, Venezuela, Argentina and Chile*	Brazil	100%	FC
Ingenico Iberia SL	Madrid *as well as its 99.99%* * owned subsidiary in Spain	Spain	100%	FC
Ingenico (Latin America) Inc.	Miami, Florida *as well as its 99.99%* * owned subsidiary in Mexico	US	100%	FC
Ingenico Corp.	Wilmington, Delaware *as well as its wholly owned American and Canadian subsidiaries*	US	100%	FC
Ingenico 1 SA	Paris	France	100%	FC

Corporate name	Location	Country	% interest Ingenico SA	Consolidation method
Ingenico 2 SA	Paris	France	100%	FC
Ingenico Prepaid Services France SAS	Paris	France	100%	FC
Ingenico Ventures SAS	Paris *as well as its wholly owned American subsidiary Roam Data*	France	100%	FC
Ingenico E-Commerce Solutions SAS	Paris	France	100%	FC
Ingenico (UK) Ltd.	Dalgety Bay, Dunfermline *as well as its wholly owned subsidiaries in Ireland and the United Kingdom*	Great Britain	100%	FC
Ingenico Holdings Asia II Limited	Wanchai *as well as its subsidiaries in Thailand, PT Ingenico International Indonesia * and Fixed & Mobile Pte Ltd, held at 100%, 99.75%* and 30% respectively*	Hong Kong	100%	FC
Ingenico Holdings Asia Limited	Wanchai *as well as its subsidiaries Fujian Landi Commercial Equipment Co. Ltd and ZTE Ingenico NV held at 100% and 40% respectively*	Hong Kong	98.84%	FC
Ingenico Hungary Kft.	Budapest	Hungary	100%	FC
Ingenico International India Pvt Ltd	New Delhi	India	100%	FC
Ingenico Italia SpA	Milan	Italy	100%	FC
Ingenico Eastern Europe I SARL	Luxembourg *as well as its wholly owned Polish and Latvian subsidiaries*	Luxembourg	100%	FC
Ingenico Payment Systems Africa SARLAU	Casablanca	Morocco	100%	FC
Ingenico Software Services Philippines Inc.	Makati City, Metro Manila	Philippines	100%	FC
Ingenico CZ S.r.o.	Prague	Czech Republic	100%	FC
Ingenico LLC in liquidation	Moscow	Russia	100%	FC
Ingenico LLC	Saint Petersburg	Russia	100%	FC
Ingenico International (Singapore) Pte Ltd.	Singapore *as well as its 0.25%** owned subsidiary PT Ingenico International Indonesia	Singapore	100%	FC
Ingenico (Switzerland) SA	Granges-Paccot	Switzerland	100%	FC
Ingenico Ödeme Sistem Çözümleri AS	Istanbul	Turkey	100%	FC

* *Wholly owned by the Group.*

NOTE 6 HIGHLIGHTS OF THE PERIOD

6.1 Acquisition of GlobalCollect

Description of transaction

In September 2014, Ingenico gained effective control of GlobalCollect, recognized for its expertise in online payment services, particularly in online cross-border trade, thereby permitting major brands to sell their products over the internet worldwide. This acquisition is a significant step in the execution of the Group's strategy, allowing it to:

- rebalance its geographical coverage towards the North American market throughout the entire payment value chain, while increasing its presence in the high growth markets of Asia-Pacific and Latin America;
- access nearly 600 top-tier international e-merchants, with a strong presence in online goods and services;
- enhance its value proposition with electronic collection and payment activities, considerably strengthening its presence in the ecosystem of card-not-present transactions;
- accelerate the transformation of its business model to payment services.

GlobalCollect is regarded as a cash generating unit in its own right.

Acquisition price

(see Note 12, "Goodwill and other intangible assets")

The acquisition was completed in late September 2014. The cash outflow in 2014 amounted to €830.1 million, including the acquisition of shares for €665.0 million and the repayment of a financial debt of €165.1 million. The acquisition was financed *via* available cash and a syndicated loan contracted for €600 million.

The cash acquired amounted to €35.0 million.

(in millions of euros)	Cash outflows net of cash acquired
GlobalCollect	(795)
TOTAL	**(795)**

Contribution to Group results (from October 1, 2014)

The net contribution of GlobalCollect to Group consolidated results was:

- €94.9 million to revenue;
- €16.7 million to "Profit from ordinary activities";
- €10.9 million to Profit for the Period.

The balance sheet impact of this acquisition and the determination of goodwill are described in Note 12, "Goodwill and other intangible assets".

Consolidation scope

To satisfy financial security rules, a foundation (Stichting Global Collect Trust) and its subsidiaries were created in 2005. Its purpose is to collect, convert and then pay the funds resulting from financial transactions to merchants. No capital link exists between GlobalCollect and the foundation and its subsidiaries. Despite the fact that the Group has no voting rights in Stitching Global Collect Trust, the nature of the agreements between the Group and these companies leads to the conclusion that the Group controls these entities, in accordance with IFRS 10, applicable from January 1, 2014. They are therefore fully consolidated in the Group financial statements.

6.2 Roam Data Inc.

Two events linked to the non-controlling interest in Roam Data Inc. occurred during the year.

- in 2013, Mr. Will Graylin, a non-controlling shareholder in Roam Data Inc., exercised his put option for 9 million of his Roam Data shares. After an initial payment in 2013 of €1.3 million, Roam Data Inc. paid to Mr. Graylin in 2014 the balance owed on this put option, *i.e.*, €8.5 million;
- in connection with its move in 2012 to a controlling interest in Roam Data Inc., the Group obtained a call option on all the shares still held by that company's non-controlling shareholders. On January 20, 2014, the Group exercised its call option, acquiring all the shares and stock options held by non-controlling shareholders as of that date. The valuation process for this call option, which provided for the intervention of three experts, has been completed. On December 31, 2014 the Group paid €6.3 million to the non-controlling shareholders of Roam Data Inc. The Group now wholly owns Roam Data Inc.

In the consolidated cash flow statements for fiscal year 2014, these transactions appear under "Change in the Group's ownership interests in controlled entities" in the amount of €14.8 million.

6.3 Other highlights

The subsidiary Ingenico Latvia SIA was created in Latvia on February 24, 2014 and Ingenico Investment Luxembourg SA was liquidated on March 20, 2014.

NOTE 7 SEGMENT REPORTING

The criteria used to determine reportable segments are set out in Note 2, "Accounting principles and methods". The information presented below is based on the management reporting used by the Executive Committee, the chief operating decision-maker as defined by IFRS 8, to evaluate the performance of the different segments.

On January 1, 2014 the Group modified its operational structure, regrouping existing activities into the geographic regions "Eastern Europe" and "Italy and Central Europe". As a result, the Italian, Polish and Hungarian subsidiaries, previously consolidated in the SEPA region, joined the EMEA region.

At the same time, "Health" activity was transferred from Central Operations to SEPA. Lastly, the entity E-Billing Solutions Private Ltd., located in India, formerly attached to SEPA, is now attached to Asia Pacific.

The reportable segments are therefore now as follows:

- SEPA (France, United Kingdom, Spain, Germany, Benelux, etc.);
- Asia-Pacific (China, Australia, Indonesia, India, etc.);
- North America (the US, Canada, etc.);
- Latin America (Brazil, Mexico, etc.);
- EMEA (Central and Eastern Europe, Italy, Turkey, Russian, Africa, etc.);
- Central Operations, a division which comprises GlobalCollect, the Group's cross-functional and support activities (in particular the distribution of products and services to the regions identified below), and the activities of certain subsidiaries that operate worldwide and whose development is coordinated from the head office (*e.g.* Roam Data Inc.).

The segment information presented for fiscal year 2013 was restated to reflect this new structure.

Review of segment results

(in thousands of euros)	2014						
	SEPA	Asia-Pacific	North America	Latin America	EMEA	Central Operations	Consolidated
External revenue	**580,839**	**290,710**	**177,299**	**204,481**	**246,931**	**107,079**	**1,607,339**
Profit from ordinary activities	32,915	55,107	14,080	(4,057)	43,650	149,792	291,487
Profit from operating activities							273,270
Financial income							48,430
Financial expenses							(67,967)
Share of profits in equity-accounted investees							(1,379)
Income tax							(80,671)
Profit for the period							**171,683**
Attributable to Ingenico SA shareholders							**171,652**

(in thousands of euros)	2013						
	SEPA	Asia-Pacific	North America	Latin America	EMEA	Central Operations	Consolidated
External revenue	**520,780**	**243,499**	**124,052**	**189,432**	**214,651**	**78,520**	**1,370,934**
Profit from ordinary activities	39,653	38,129	2,892	14,976	31,177	81,533	208,360
Profit from operating activities							186,912
Financial income							36,038
Financial expenses							(53,769)
Share of profits in equity-accounted investees							(176)
Income tax							(56,069)
Profit for the period							**112,937**
Attributable to Ingenico SA shareholders							**114,076**

Breakdown of revenue by activity

(in thousands of euros)	2014	2013
Terminals	1,258,719	1,084,387
Transactions	348,620	286,549
TOTAL	**1,607,339**	**1,370,936**

Breakdown of depreciation and amortization expense and expenses with no impact on cash flow

	2014						
(in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	EMEA	Central Operations	Consolidated
Depreciation and amortization expense	40,603	3,187	1,195	1,417	2,201	23,048	71,651
Additions to provisions, net of reversals and share-based payments	661	4,486	727	2,340	9	9,402	17,625

	2013						
(in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	EMEA	Central Operations	Consolidated
Depreciation and amortization expense	39,098	3,486	919	205	2,447	25,589	71,744
Additions to provisions, net of reversals and share-based payments	(1,030)	800	154	1,443	(887)	5,812	6,292

Breakdown of segment assets and liabilities

	2014						
(in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	EMEA	Central Operations	Consolidated
Goodwill	554,989	65,961	18,382	4,789	22,611	676,027	1,342,759
Other non-group segment assets	398,612	293,568	90,181	107,342	111,362	953,062	1,954,127
Deferred tax assets							40,812
Current tax receivables							9,319
Finance receivables							6,938
Derivative financial instruments							10,933
Assets classified as held for sale							
TOTAL ASSETS	**953,601**	**359,529**	**108,563**	**112,131**	**133,973**	**1,629,089**	**3,364,888**
Other non-group segment liabilities	195,669	177,245	50,695	68,261	40,929	414,506	947,305
Total equity							1,075,939
Deferred tax liabilities							118,938
Current tax payable							28,521
Financial liabilities							1,190,584
Derivative financial instruments							3,601
Liabilities classified as held for sale							0
TOTAL LIABILITIES	**195,669**	**177,245**	**50,695**	**68,261**	**40,929**	**414,506**	**3,364,888**

(in thousands of euros)	2013						
	SEPA	Asia-Pacific	North America	Latin America	EMEA	Central Operations	Consolidated
Goodwill	554,989	59,523	18,382	4,734	19,828	191,865	849,321
Other non-group segment assets	366,688	222,269	62,984	77,359	105,650	255,645	1,090,595
Deferred tax assets							34,123
Current tax receivables							6,771
Finance receivables							8,902
Derivative financial instruments							1,236
TOTAL ASSETS	**911,535**	**281,792**	**81,366**	**82,093**	**139,599**	**443,531**	**1,990,948**
Other non-group segment liabilities	165,919	124,817	32,852	44,410	43,537	93,394	504,929
Total equity							766,694
Deferred tax liabilities							48,507
Current tax payable							17,887
Financial liabilities							648,488
Derivative financial instruments							4,443
TOTAL LIABILITIES	**165,919**	**124,817**	**32,852**	**44,410**	**43,537**	**93,394**	**1,990,948**

Breakdown of acquisition costs for property, plant and equipment and for intangible assets

(in thousands of euros)	2014						
	SEPA	Asia-Pacific	North America	Latin America	EMEA	Central Operations	Consolidated
Acquisitions of intangible assets and property, plant and equipment – at cost	(13,068)	(1,810)	(2,523)	(2,265)	(2,954)	(29,094)	(51,714)

(in thousands of euros)	2013						
	SEPA	Asia-Pacific	North America	Latin America	EMEA	Central Operations	Consolidated
Acquisitions of intangible assets and property, plant and equipment - at cost	(13,388)	(1,442)	(486)	(3,091)	(2,938)	(18,825)	(40,170)

NOTE 8 COSTS AND EXPENSES BY NATURE

Because Ingenico presents its profit or loss by function, this note shows the main operating costs and expenses by nature.

In 2014, the acquisition of GlobalCollect Group was the main reason for the increase in payroll costs, depreciation and amortization expenses and cost of sales. In addition, the Group reallocated the generic R&D costs of certain subsidiaries in 2014. These are now recognized in current operating expenses, instead of cost of sales. The impact of this reclassification is an additional operating expense of €9.7 million in 2014. The comparative information for fiscal year 2013 has not been changed. Finally, the growth in Group activity also contributed to this rise.

Payroll costs are broken down as follows:

(in thousands of euros)	2014	2013
Wages and salaries	269,375	233,389
Social security contributions	73,411	62,500
Service cost (operating component of retirement expenses)	863	682
Share-based payment	10,463	6,730
TOTAL	**354,112**	**303,301**

Depreciation and amortization expense and impairment break down as follows:

(in thousands of euros)	2014	2013
Provisions/(reversals)		
Amortization and impairment for intangible assets	53,322	47,593
Amortization and impairment for property, plant and equipment	18,267	15,998
Goodwill impairment	–	7,879
Impairment of inventories	2,050	1,692
Impairment of trade receivables	8,549	1,791
Impairment of financial assets	–	(1,829)
TOTAL	**82,188**	**73,124**

Cost of sales breaks down as follows:

(in thousands of euros)	2014	2013
Cost of terminals	(667,578)	(584,549)
Cost of services and software	(209,818)	(186,649)
TOTAL COST OF SALES	**(877,396)**	**(771,198)**

The capitalized portion of development costs is as follows:

(in thousands of euros)	2014	2013
Amount of development capitalized	14,877	9,229
Total R&D expenditure (costs and investment) *	129,517	111,571
Share of capitalized R&D expenditure *(as %)*	**11%**	**8%**

* *Net of a €3.7 million research tax credit and €9.9 million in tax credits of a similar nature received outside of France (respectively €2.9 million and €9.6 million in 2013).*

NOTE 9 OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses are as follows:

(in thousands of euros)	2014	2013
Restructuring and business combination costs	(13,596)	(8,781)
Disputes	(2,000)	–
Goodwill impairment	–	(7,879)
Gains/losses on disposal of assets or subsidiaries	–	(2,564)
Revaluation of earn-out payables	(2,057)	(2,899)
Other	(564)	675
TOTAL	**(18,217)**	**(21,448)**

In 2014, other operating income and expenses mainly comprise the following:

- restructuring costs of €13.6 million, including the following significant expenses:
  - a cost of €5.1 million incurred in connection with the reorganization of the Group,
  - costs of €8.5 million incurred in connection with acquisitions and divestitures;
- an expense of €2.1 million for the revalued earn-out liability on the acquisition of Ingenico Payment Systems LLC;
- other costs amounting to €2.6 million.

In 2013, other operating income and expenses mainly comprised the following:

- restructuring costs of €8.8 million including the following significant expenses:
  - a cost of €2.6 million incurred in connection with the reorganization of the Group,
  - costs of €6.2 million incurred in connection with external growth transactions (€3.7 million for business combinations, €2.2 million for integration of new subsidiaries and €0.3 million in other expenses);
- a €7.9 million impairment loss on the goodwill allocated to the Fixed & Mobile Pte Ltd CGU;
- the sale of 70 percent of the Group's interest in Fixed & Mobile Ltd, which generated a loss on disposal of €2.6 million;
- an expense of €2.9 million for the revalued earn-out liability on the acquisition of Ingenico Payment Systems LLC.

NOTE 10 NET FINANCE COSTS

(in thousands of euros)	2014	2013
Interest expense on financial liabilities at amortized cost and bond loan	(27,826)	(23,668)
Interest rate hedge gains (cap)	–	210
Interest expense on finance lease contracts	(169)	(426)
Total interest expense	**(27,995)**	**(23,884)**
Income from cash and cash equivalents	6,314	3,877
Interest income on finance lease contracts	3,805	3,429
Net interest expense	**(17,876)**	**(16,578)**
Foreign exchange gains	37,651	28,372
Foreign exchange losses	(39,295)	(28,711)
Foreign exchange gains and losses, net	**(1,644)**	**(339)**
Financial component of retirement expenses and the cost of other post-employment benefits	(332)	(329)
Gains/(losses) on equity interests	–	58
Gains on discounting of non-current debts and receivables	466	–
Loss on discounting of non-current debts and receivables	(324)	(594)
Other financial income	194	92
Other financial expenses, net	(21)	(41)
Other financial income and expenses, net	**(17)**	**(814)**
Net finance costs	**(19,537)**	**(17,731)**
TOTAL FINANCIAL INCOME	**48,430**	**36,038**
TOTAL FINANCIAL EXPENSES	**(67,967)**	**(53,769)**

Net finance costs in 2014 are broken down as follows:

Interest expense was related to the borrowings described in Note 24, "Net debt". Interest expense on the OCEANE convertible bond was €7.7 million in 2014 (including a €0.5 million coupon).

Interest expense on the OCEANE convertible bond set up in 2014 was €6.3 million.

Interest expense on bank loans and drawdowns totaled €11.8 million. These borrowings are described in Note 24, "Net debt".

In 2014, the Group repaid the bank loans outstanding at December 31, 2013. An interest rate swap designated as a cash flow hedge was applied to the syndicated loan of August 2011. In the absence of underlying assets, this hedge was no longer considered effective and lost its classification as a cash flow hedge. The impact of the loss of effectiveness was the recycling of inventories at fair value from equity to profit or loss. It generated a net expense of €2.0 million in profit or loss.

Interest income on finance lease contracts (where the Group is the lessor) mainly involved Ingenico Payment Services GmbH (formerly Easycash GmbH), Ingenico SA and Ingenico Italia Spa.

Ingenico posted a net foreign exchange loss of €1.6 million for the period. This was the result of foreign exchange gains and losses on revaluation of loans and borrowings as well as on revaluations of the related hedging instruments.

Other financial income and expenses mainly comprised post-employment benefit obligations (see Note 26, "Provisions for retirement benefit obligations") and the cost of unwinding the discount on non-current receivables and payables, corresponding to earn-outs on acquisitions and disposals.

Net finance costs in 2013 are broken down as follows:

Interest expense was related to the borrowings described in Note 24, "Net debt", as well as to finance lease contracts (where the Group is the lessee). Interest expense on the OCEANE convertible bond was €13.7 million (including a €6.9 million coupon). Interest expense on other borrowings and drawdowns totaled €9.8 million.

Interest income on finance lease contracts (where the Group is the lessor) mainly involved Ingenico Payment Services GmbH (formerly Easycash GmbH), Ingenico SA and Ingenico Italia Spa.

Ingenico posted a net foreign exchange loss of €0.3 million for the period. This was the result of gains and losses on revaluation of loans and borrowings as well as on remeasurement of the related hedging instruments.

Other financial income and expenses mainly comprised post-employment benefit obligations (see Note 26, "Provisions for retirement benefit obligations") and the cost of discounting non-current receivables and payables.

NOTE 11 INCOME TAX

Income tax charged on the earnings of consolidated companies

(in thousands of euros)	2014	2013
Current income tax France	(67,077)	(32,173)
Current income tax foreign	(34,350)	(44,000)
Current income tax	**(101,427)**	**(76,173)**
Deferred income tax France	9,574	4,328
Deferred income tax foreign	11,182	15,776
Deferred income tax	**20,756**	**20,104**
TOTAL	**(80,671)**	**(56,069)**

In 2014, income tax expense for the period consisted primarily of:

- current tax payable in France, China, the United Kingdom, the Netherlands and Russia;
- a credit to deferred tax expense from the recognition of deferred tax assets – mainly in France, the United States and Belgium – to account for temporary differences between the carrying amounts of assets and liabilities and their tax bases.

In 2013, income tax expense for the period consisted primarily of:

- current tax payable in Germany, Brazil, the United Kingdom, China, Italy, Belgium, Russia and France;
- a credit to deferred tax expense from the recognition of deferred tax assets – mainly in France, China, Brazil and Germany – to account for temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Current tax payable by the Group increased significantly in 2014, mainly reflecting the profit growth in France.

Deferred tax assets are recognized by the Group based on the particular situation of the entity, or group of entities in the case of a tax group, in each country, and on the expiry dates of deferrable tax losses and tax credits.

Deferred tax assets are therefore recognized for the carry-forward of tax losses and tax credits only if it is probable that taxable profits of the relevant tax entities will be available against which the unused tax losses and tax credits can be utilized in the short term.

In accordance with Article 235 ter ZCA of the French Tax Code, the Group paid an additional tax of €0.6 million (€0.4 million in 2013) equal to 3 percent of the amount distributed, on dividend distributions to Ingenico SA shareholders other than stock dividends.

Group tax reconciliation

In accordance with the provisions of the 2014 Finance Act, the current tax rate for French companies in the Group is now 38 percent in respect of 2014. As of December 31, 2014, the deferred tax rate in France was 38 percent for all temporary differences, which is the current tax rate applicable in 2015.

The following table shows a reconciliation of the theoretical tax expense calculated at the applicable rate and the recognized income tax expense.

(in thousands of euros)	2014	2013
Profit for the period (excl. Share of profits in equity-accounted investees)	**173,062**	**113,113**
Income tax	**(80,671)**	**(56,069)**
Profit before income tax	**253,733**	**169,182**
Tax rate in France	38.00%	38.00%
Theoretical tax expense	(96,419)	(64,289)
Difference between the French tax rate and that of foreign subsidiaries	25,553	19,591
Tax losses and temporary differences for the period not recognized as deferred tax assets	(6,206)	(6,147)
Prior period temporary differences and tax losses recognized as deferred tax assets in the period	5,450	2,904
Use of prior period tax losses not recognized as deferred tax assets	1,176	2,177
Tax credits	2,710	3,279
Effect of permanent differences and other	(12,935)	(13,584)
TOTAL	**(80,671)**	**(56,069)**
Effective tax rate	31.8%	33.1%

The reconciling items reflect the effect of tax rate differentials and changes as well as the tax effects of non-taxable income or non-deductible expenses arising from permanent differences between local tax bases and the financial statements presented under IFRS.

The difference between the French tax rate and the tax rates for non-French subsidiaries has sharply reduced income tax expense for the Group. The main countries involved, along with the relevant tax rates, are China (10%), Singapore (17%), the United Kingdom (23%) and Russia (20%).

Permanent and other differences in 2014 were principally the following:

- tax deductibility of a loss on liquidation of a foreign subsidiary;
- the impact of the additional tax on dividend payments made in France;
- the effect of classifying the French CVAE tax as an income tax (see Note 2, "Accounting principles and methods");
- the non-deductibility of the payroll expense arising from the award of stock options and free shares;
- change in temporary differences previously recognized as deferred tax assets.

Permanent and other differences in 2013 included:

- the impact of the additional tax on dividend payments made in France;
- the non-deductibility of an impairment on the goodwill allocated to the Fixed & Mobile Pte Ltd CGU;
- the effect of classifying the French CVAE tax as an income tax (see Note 2, "Accounting principles and methods");
- the non-deductibility of the payroll expense arising from the award of stock options and free shares.

Change in deferred tax assets and liabilities

(in thousands of euros)	Deferred tax assets from tax losses	Deferred tax assets from temporary differences	Total deferred tax assets	Total deferred tax liabilities	Total deferred tax, net
At December 31, 2012	**5,478**	**21,287**	**26,766**	**(38,666)**	**(11,900)**
Deferred tax recognized in profit or loss	1,846	9,824	11,670	8,434	20,104
Deferred tax recognized in “Equity” and on “Business combinations”	–	34	34	(19,613)	(19,579)
Translation differences	(201)	(2,752)	(2,953)	205	(2,748)
Other movements	(200)	(1,194)	(1,394)	1,133	(261)
At December 31, 2013	**6,923**	**27,199**	**34,123**	**(48,507)**	**(14,384)**
Deferred tax recognized in profit or loss	2,085	(737)	1,348	19,408	20,756
Deferred tax recognized in “Equity” and on “Business combinations”	18	3,504	3,522	(90,646)	(87,124)
Translation differences	453	1,441	1,894	722	2,616
Other movements	897	(971)	(75)	85	11
At December 31, 2014	**10,376**	**30,436**	**40,812**	**(118,938)**	**(78,125)**

As of December 31, 2014, the change in deferred tax recognized on business combinations included a €90.7 million deferred tax liability resulting from the allocation of the acquisition price for GlobalCollect Group (see Note 12, “Goodwill and other intangible assets”).

As of December 31, 2013, the change in deferred tax recognized on business combinations included a €17.5 million deferred tax liability resulting from the allocation of the acquisition price for Ogone.

In 2014, the change in deferred tax recognized in equity included a -€1.0 million decrease in deferred tax liabilities related to hedging instruments. Furthermore, the OCEANE conversions generated a net €2.9 million increase in deferred taxes, relating to the equity component of the bond (see Note 24, “Net Debt”).

In 2013, the change in deferred tax recognized in equity included a -€1.0 million decrease in deferred tax liabilities related to hedging instruments.

Breakdown by type

(in thousands of euros)	2014	2013
Deferred tax assets by type of temporary difference		
Property, plant and equipment and intangible assets	7,824	6,303
Employee benefits	7,708	4,768
Inventories, receivables, payables and provisions	45,866	32,650
Unutilized tax losses and credits	10,376	6,923
Other (including financial instruments)	688	2,748
Deferred tax assets	**72,462**	**53,392**
Netting effect	(31,650)	(19,269)
TOTAL DEFERRED TAX ASSETS	**40,812**	**34,123**
Deferred tax liabilities by type of temporary difference		
Property, plant and equipment and intangible assets	(120,294)	(41,042)
Employee benefits	(147)	(60)
Inventories, receivables, payables and provisions	(29,967)	(26,064)
Other (including financial instruments)	(180)	(610)
Deferred tax liabilities	**(150,588)**	**(67,776)**
Netting effect	31,650	19,269
TOTAL DEFERRED TAX LIABILITIES	**(118,938)**	**(48,507)**
NET TOTAL	**(78,125)**	**(14,384)**

Breakdown of unrecognized deferred tax assets

(in thousands of euros)	2014	2013
Deferred tax from tax losses and tax credits	24,537	19,487
Deferred tax from temporary differences	12,662	6,621
TOTAL	**37,199**	**26,108**

2014 *(in thousands of euros)*	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Over 5 years	Indefinite	Total
Tax losses and credits by expiry date	1,190	106	24	520	944	16,964	4,789	24,537

NOTE 12 GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

(in thousands of euros)	2014	2013
At January 1	**849,321**	**551,176**
Investments	478,450	327,468
Impairment losses	–	(7,879)
Translation differences	14,988	(8,635)
Divestitures	–	(12,809)
At December 31	**1,342,759**	**849,321**

The Group conducts its business and structures its reporting on the basis of six operating segments considered its cash-generating units (CGUs), with the exception of the Central Operations segment which is divided into two CGUs. Operating segments are the level at which Group management monitors goodwill, particularly with respect to long-range strategic planning, resource allocation and performance tracking.

It should be noted that in 2014 the Group modified its operational structure, as explained in Note 7, “Segment Reporting”.

The CGUs identified by the Group are now as follows:

- Central Operations, a division responsible for distributing products and services to the Regions identified below, for the business of certain subsidiaries operating worldwide and whose development is coordinated by the head office and for cross-functional and support services, such as Roam Data Inc.;
- SEPA (France, United Kingdom, Spain, Germany, Benelux, etc.);
- Asia-Pacific (Australia, China, Indonesia, India, etc.);
- North America (the US and Canada);
- Latin America (Brazil and Mexico, etc.);
- EMEA (Central Europe, Italy, Turkey, Russia, Africa, etc.);
- GlobalCollect, world leader in integrated online payment services.

Impairment tests are performed for each CGU or for groups of CGUs as defined above.

Breakdown of goodwill

The following tables reflect the breakdown of goodwill among CGUs:

Cash generating units *(in thousands of euros)*	2014 Gross amount	Total impairment losses	Net carrying amount
SEPA	557,229	(2,240)	554,989
Asia-Pacific	65,961	–	65,961
North America	39,774	(21,392)	18,382
Latin America	4,789	–	4,789
Central Europe / Middle East / Africa	22,707	(96)	22,611
GlobalCollect	478,450	–	478,450
Central Operations	197,577	–	197,577
TOTAL	**1,366,487**	**(23,728)**	**1,342,759**

To take into account the changes in the Group operational structure, the information concerning 2013 has been restated as follows:

Cash generating units *(in thousands of euros)*	2013 restated Gross amount	Total impairment losses	Net carrying amount
SEPA	557,157	(2,168)	554,989
Asia-Pacific	59,523	–	59,523
North America	39,774	(21,392)	18,382
Latin America	4,734	–	4,734
Central Europe / Middle East / Africa	19,924	(96)	19,828
Central Operations	191,865	–	191,865
TOTAL	**872,977**	**(23,656)**	**849,321**

In 2014

The increase in goodwill results mainly from the acquisition of GlobalCollect.

› Acquisition of GlobalCollect

TRANSACTION PRICE

The acquisition was completed in September 2014, for a total transaction price of €665 million.

GOODWILL

A provisional allocation of the purchase price of GlobalCollect was made at the end of 2014 and will be finalized within 12 months of the takeover of the company.

In accordance with the revised IFRS 3 and IAS 38 standards, the Group measured all identifiable assets and liabilities at fair value and accounted for them separately from goodwill:

- customer portfolio: valued at €295.0 million, to be amortized over 20 years;
- platform: valued at €96.2 million, to be amortized over 10 years;
- Deferred tax liabilities: €90.5 million.

The fair value at the acquisition date of other identifiable net assets was €114.1 million.

Goodwill therefore amounts to €478.4 million. The primary grounds for recognition of this goodwill were expected synergies with the Group, human capital and barriers to market entry.

GlobalCollect is a cash generating unit in its own right and is now part of the operating segment Central Operations.

The cost of acquisitions and purchases of assets totaled €8.5 million and were recognized in Other Operating Income and Expenses.

Impairment tests conducted in the fourth quarter of 2014 did not lead the Group to recognize any goodwill impairment as of December 31, 2014.

In 2013

The increase in goodwill was due primarily to acquisitions carried out in 2013: Ogone for €320.2 million and PT Integra for €7.3 million.

The impairment tests conducted in 2013 led the Group to recognize a €7.9 million goodwill impairment in respect of the CGU Fixed & Mobile Pte Ltd. The subsidiary was then partially sold, leading to a €12.8 million goodwill reduction.

Goodwill impairment tests

Ingenico tested the carrying amounts of goodwill for impairment. This procedure, chiefly based on the after-tax discounted future cash flow method, consists of measuring the recoverable amount of each cash-generating unit (CGU) that generates independent cash flows. These CGUs reflect the Group's current organizational structure as described in Note 7, "Segment reporting". Impairment tests are performed every year on November 30 and whenever there is any indication that an asset may be impaired. In accordance with IAS 36, the recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Only in those rare cases in which a recent transaction involving the assets under consideration provides relevant and reliable information does the Group opt for calculating fair value less costs to sell. In most other cases, the Group calculates value in use by estimating cash flow projections based on existing business forecasts for a five-year period, including growth and profitability rates based on reasonable assumptions. Discount rates (based on the weighted average cost of capital) are determined for each CGU based on an analysis of the business segment in which the Group operates. Existing forecasts are based on both past experience and market growth outlook.

The main assumptions used to calculate the recoverable amount of goodwill are as follows:

	2014							
Segments	**SEPA**	**Asia-Pacific**	**North America**	**Latin America**	**EMEA**	**Central Operations**		**Total**
Cash-generating units	**SEPA**	**Asia-Pacific**	**North America**	**Latin America**	**EMEA**	**Global Collect**	**Central Operations**	**Total**
Net carrying amount of goodwill *(in thousands of euros)*	554,989	65,961	18,382	4,789	22,611	478,450	197,577	1,342,759
Valuation method for the cash generating unit	Value in use	Value in use	Value in use	Value in use	Value in use	Value in use	Value in use *	
Number of years over which cash flows are estimated	5 years	5 years	5 years	5 years	5 years	5 years	5 years	
Long-term growth rate	2.20%	1.00%	1.00%	1.00%	1.00%	2.50%	1.00%	
Weighted average cost of capital used at Dec. 31, 2014	7.87%	9.46%	7.78%	15.47%	11.14%	8.02%	8.02%	

* *Roam Data activities were valued using fair value less cost to sell.*

	2013						
Segments	**SEPA**	**Asia-Pacific**	**North America**	**Latin America**	**EMEA**	**Central Operations**	**Total**
Cash-generating units	**SEPA**	**Asia-Pacific**	**North America**	**Latin America**	**EMEA**	**Central Operations**	**Total**
Net carrying amount of goodwill *(in thousands of euros)*	522,956	59,523	18,382	4,734	15,657	228,069	849,321
Valuation method for the cash generating unit	Value in use	Value in use	Value in use	Value in use	Value in use	Value in use	
Number of years over which cash flows are estimated	5 years	5 years	5 years	5 years	5 years	5 years	
Long-term growth rate	1.65%	1.00%	1.00%	1.00%	1.00%	1.00%	
Weighted average cost of capital used at Dec. 31, 2013	9.01%	10.01%	9.22%	12.80%	18.92%	10.31%	

The net carrying amount for goodwill have not been restated to reflect organizational changes.

The assumptions concerning growth rates and weighted average cost of capital (WACC) used in the determination of the recoverable amounts of all CGUs have been reassessed in the light of changes in global market information. The weighted average cost of capital is a medium-term rate.

The changes in discount rate come from changes in the three underlying components: the risk-free rate, the risk premium, and the volatility of Ingenico's share price in relation to the sectoral index (Beta). The long-term growth rate used by the Group does not exceed that of its business sector. Applying a discount rate before tax to before-tax cash flows would have led to a similar assessment of the cash-generating units.

The Group uses discount rates based on market data for impairment testing. Sensitivity tests show that a 100 basis-point increase in the discount rate would not lead to impairment.

Finally, a sensitivity analysis regrouping key parameters, namely the discount rate and the long-term growth rate, has shown that, under all reasonable changes in assumptions, there is no probable scenario in which the recoverable amount of a CGU would be less than its carrying amount. In the SEPA CGU, a 100 basis-point increase in the discount rate or a 100 basis-point decrease in the long-term growth rate would give the cash generating unit greater value than the sum of the assets of which it is composed. The Group remains highly optimistic about the medium-term outlook in Europe, taking into account an assumption of an annual average business growth of 7 percent in the coming years.

Sensitivity of recoverable amounts

	2014				
	Discount rate		Perpetuity growth rate		Cash flow
	Rate applied (%)	Discount rate increase required for recoverable amount to equal carrying amount (%)	Rate applied (%)	Perpetuity growth rate decrease required for recoverable amount to equal carrying amount (%)	Cash flow decrease required for recoverable amount to equal carrying amount (%)
SEPA	7.87%	5.90%	2.20%	(11.4)%	(54)%
Asia-Pacific	9.46%	*	1.00%	*	*
North America	7.78%	*	1.00%	*	*
Latin America	15.47%	*	1.00%	*	*
EMEA	11.14%	*	1.00%	*	*
GlobalCollect	8.02%	2.90%	2.50%	(3.6)%	(36)%
Central Operations	8.02%	*	1.00%	*	*

* *As of December 31, 2014, the recoverable amounts for Asia-Pacific, North America, Latin America, EMEA and Central Operations were significantly greater than the carrying amounts. This precluded the need to increase the discount rate, decrease the perpetuity growth rate or reduce cash flow, which would have been necessary to ensure that the recoverable amounts for Asia-Pacific, North America, Latin America, EMEA and Central Operations equaled their carrying amounts.*

Business forecasts are based on the business plans developed by the CFOs of the various cash generating units. Group financial management has reviewed these plans, performing stress tests on the assumptions as to long-term growth and discount rates.

	2013				
	Discount rate		Perpetuity growth rate		Cash flow
	Rate applied (%)	Discount rate increase required for recoverable amount to equal carrying amount (%)	Rate applied (%)	Perpetuity growth rate decrease required for recoverable amount to equal carrying amount (%)	Cash flow decrease required for recoverable amount to equal carrying amount (%)
SEPA	9.01%	4.27%	1.65%	(8.04)%	(38.37)%
Pacific	10.01%	*	1.00%	*	*
North America	9.22%	*	1.00%	*	*
Latin America	12.80%	*	1.00%	*	*
EMEA	18.92%	*	1.00%	*	*
Central Operations	10.31%	*	1.00%	*	*

* *As of December 31, 2013, the recoverable amounts for Asia-Pacific, North America, Latin America, EMEA and Central Operations were significantly greater than the carrying amounts. This precluded the need to increase the discount rate, decrease the perpetuity growth rate or reduce cash flow, which would have been necessary to ensure that the recoverable amounts for Asia-Pacific, North America, Latin America, EMEA and Central Operations equaled their carrying amounts.*

Other intangible assets

(in thousands of euros)	2014			
	Licenses, trademarks, technology	Development expenses (incurred internally)	Other intangible assets	Total
GROSS AMOUNT				
At January 1	**63,427**	**116,388**	**199,218**	**379,033**
Investments	6,175	14,877	6,081	27,133
Divestitures	(1,236)	–	(109)	(1,345)
Changes in consolidation scope	96,887	–	295,000	391,887
Translation differences	1,230	783	(1,307)	706
Reclassifications and others	5,871	(22,353)	120	(16,361)
At December 31	**172,354**	**109,695**	**499,003**	**781,053**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES				
At January 1	**(40,613)**	**(84,519)**	**(74,363)**	**(199,495)**
Depreciation and amortization	(16,669)	(9,750)	(25,813)	(52,232)
Divestitures and impairment losses	43	–	27	70
Changes in consolidation scope	–	–	–	–
Translation differences	(1,151)	(720)	(119)	(1,990)
Reclassifications and others	(621)	17,717	51	17,147
At December 31	**(59,011)**	**(77,272)**	**(100,217)**	**(236,500)**
NET CARRYING AMOUNT				
At January 1	**22,814**	**31,869**	**124,855**	**179,538**
At December 31	**113,343**	**32,423**	**398,786**	**544,553**

Amortization expense on intangible assets identified during the allocation of the acquisition price for GlobalCollect acquired in 2014 was €6,093,00.

(in thousands of euros)	GlobalCollect				Ogone			Sagem		
	Carrying amount at Dec. 31, 2013	Acquisitions	Amortization 2014	Carrying amount at Dec. 31, 2014	Carrying amount at Dec. 31, 2013	Amortization 2014	Carrying amount at Dec. 31, 2014	Carrying amount at Dec. 31, 2013	Amortization 2014	Carrying amount at Dec. 31, 2014
Intangible assets										
Concessions, patents & similar rights										
Hardware and software technology under development					–	–	–	–	–	–
Existing hardware and software technology	–	96,200	(2,405)	93,795	10,080	(2,520)	7,560	–	–	–
Software applications	–	–	–	–	–	–	–	–	–	–
Brand name	–	–	–	–	–	–	–	–	–	–
Other intangible assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Long-term customer contracts	–	295,000	(3,688)	291,313	34,950	(4,050)	30,900	15,573	(3,664)	11,909
TOTAL INTANGIBLE ASSETS	**–**	**391,200**	**(6,093)**	**385,108**	**45,030**	**(6,570)**	**38,460**	**15,573**	**(3,664)**	**11,909**
Inventories	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL IDENTIFIED AND ALLOCATED ASSETS	**–**	**391,200**	**(6,093)**	**385,108**	**45,030**	**(6,570)**	**38,460**	**15,573**	**(3,664)**	**11,909**

As of December 31, 2014, there was no indication of impairment of intangible assets. The main indications of impairment taken into consideration were the following:

- sales prospects for products whose development costs have been capitalized;
- changes in customer portfolio;
- obsolescence or abandonment of internally developed software.

(in thousands of euros)	2013			
	Licenses, trademarks, technology	Development expenses (incurred internally)	Other intangible assets	Total
GROSS AMOUNT				
At January 1	**65,875**	**80,493**	**201,819**	**348,187**
Investments	9,878	9,229	5,382	24,489
Divestitures	(823)	(99)	(575)	(1,497)
Changes in consolidation scope	2,372	11,824	39,185	53,381
Translation differences	(1,117)	(307)	(1,495)	(2,919)
Reclassifications and others	(12,758)	15,248	(45,098)	(42,608)
At December 31	**63,427**	**116,388**	**199,218**	**379,033**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES				
At January 1	**(45,225)**	**(63,084)**	**(91,449)**	**(199,758)**
Depreciation and amortization	(7,765)	(16,561)	(23,130)	(47,456)
Divestitures and impairment losses	806	99	332	1,237
Changes in consolidation scope	–	903	1,317	2,220
Translation differences	721	251	442	1,414
Reclassifications and others	10,850	(6,127)	38,125	42,848
At December 31	**(40,613)**	**(84,519)**	**(74,363)**	**(199,495)**
NET CARRYING AMOUNT				
At January 1	**20,650**	**17,409**	**110,370**	**148,429**
At December 31	**22,814**	**31,869**	**124,855**	**179,538**

	Easycash			OTHERS (Moneyline, Turkey, Landi, Ingenico Prepaid Services, Fixed & Mobile, Ingenico Services Iberia, Xiring, Roam Data, Russia Distribution, PT Payment Solutions Indonesia)						
	Carrying amount at Dec. 31, 2013	Amortization 2014	Carrying amount at Dec. 31, 2014	Carrying amount at Dec. 31, 2013	Acquisitions	Amortization 2014	Translation differences and other movements	Disposals	Carrying amount at Dec. 31, 2014	Total amortization for the period
	–	–	–	–	–	–	–	–	–	–
	475	(279)	196	3,241	–	(1,287)	10	–	1,964	(6,491)
	–	–	–	–	–	–	–	–	–	–
	–	–	–	1,170	–	(1,198)	36	–	8	(1,198)
	–	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	38,458	(7,751)	30,707	24,892	–	(5,510)	(1,500)	–	17,882	(24,663)
	38,933	**(8,030)**	**30,903**	**29,303**	**–**	**(7,995)**	**(1,454)**	**–**	**19,854**	**(32,352)**
	–	**–**	**–**	**62**	**–**	**(65)**	**3**	**–**	**–**	**(65)**
	38,933	**(8,030)**	**30,903**	**29,365**	**–**	**(8,060)**	**(1,451)**	**–**	**19,854**	**(32,417)**

Amortization expense on intangible assets identified during the allocation of the acquisition price for the 2013 business combinations was as follows:

- an expense of €6.6 million on Ogone for the period from January 1, 2013 to December 31, 2013;
- an expense of €1.0 million on PT Payment Solutions Indonesia for the period from March 1, 2013 to December 31, 2013.

(in thousands of euros)	Ogone				SAGEM		
	Carrying amount at Dec.31, 2012	Acqui-sitions	Amor-tization 2013	Carrying amount at Dec.31, 2013	Carrying amount at Dec.31, 2012	Amor-tization 2013	Carrying amount at Dec.31, 2013
Intangible assets							
Concessions, patents & similar rights							
Hardware and software technology under development	–	–	–	–	3,430	(3,430)	–
Existing hardware and software technology	–	12,600	(2,520)	10,080	–	–	–
Software applications	–	–	–	–	567	(567)	–
Brand name	–	–	–	–	–	–	–
Other intangible assets							
Long-term customer contracts	–	39,000	(4,050)	34,950	19,237	(3,664)	15,573
TOTAL INTANGIBLE ASSETS	**–**	**51,600**	**(6,570)**	**45,030**	**23,234**	**(7,661)**	**15,573**
Inventories	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL IDENTIFIED AND ALLOCATED ASSETS	**–**	**51,600**	**(6,570)**	**45,030**	**23,234**	**(7,661)**	**15,573**

As of December 31, 2013, there was no indication of impairment of other intangible assets. The main indications of impairment taken into consideration were the following:

- sales prospects for products whose development costs have been capitalized;
- changes in customer portfolio;
- obsolescence or abandonment of internally developed software.

	Easycash			OTHERS (Moneyline, Turkey, Landi, Ingenico Prepaid Services, Fixed & Mobile, Ingenico Services Iberia, Xiring, Roam Data, Russia Distribution, PT Payment Solutions Indonesia)						
	Carrying amount at Dec.31, 2012	Amor-tization 2013	Carrying amount at Dec.31, 2013	Carrying amount at Dec.31, 2012	Acqui-sitions	Amor-tization 2013	Translation differences and other movements	Disposals	Carrying amount at Dec.31, 2013	Total amortization for the period
	–	–	–	–	–	–	–	–	–	(3,430)
	770	(296)	474	5,899	–	(1,537)	(41)	(1,080)	3,241	(4,353)
	–	–	–	–	–	–	–	–	–	(567)
	–	–	–	1,365	–	(157)	(38)	–	1,170	(157)
										–
	46,235	(7,777)	38,458	29,079	3,313	(5,910)	(1,061)	(529)	24,892	(21,401)
	47,005	**(8,073)**	**38,932**	**36,343**	**3,313**	**(7,604)**	**(1,140)**	**(1,609)**	**29,303**	**(29,908)**
	–	**–**	**–**	**–**	**391**	**(324)**	**(5)**	**–**	**62**	**(324)**
	47,005	**(8,073)**	**38,932**	**36,343**	**3,704**	**(7,928)**	**(1,145)**	**(1,609)**	**29,365**	**(30,232)**

NOTE 13 PROPERTY, PLANT AND EQUIPMENT

(in thousands of euros)	2014				
	Land and buildings	Plant and equipment	Other	Assets in progress	Total
GROSS AMOUNT					
At January 1	**11,414**	**26,328**	**47,917**	**816**	**86,475**
Investments	1,872	5,478	13,498	1,347	22,195
Divestitures	(738)	(2,512)	(6,982)	(92)	(10,324)
Changes in consolidation scope *	890	–	6,637	2,091	9,618
Translation differences	612	371	1,144	19	2,146
Other	73	310	714	(2,038)	(941)
At December 31	**14,123**	**29,975**	**62,928**	**2,143**	**109,169**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES					
At January 1	**(5,666)**	**(19,169)**	**(22,438)**	**(1)**	**(47,274)**
Depreciation and amortization	(1,770)	(3,880)	(12,378)	–	(18,028)
Divestitures and impairment losses	640	2,444	6,021	–	9,105
Changes in consolidation scope	–	–	–	–	–
Translation differences	(385)	(240)	(817)	–	(1,442)
Other	1	(12)	191	1	181
At December 31	**(7,180)**	**(20,857)**	**(29,421)**	**–**	**(57,458)**
NET CARRYING AMOUNT					
At January 1	**5,748**	**7,159**	**25,479**	**815**	**39,201**
At December 31	**6,943**	**9,118**	**33,507**	**2,143**	**51,711**

* *Pertains to the GlobalCollect acquisition.*

(in thousands of euros)	2013				
	Land and buildings	Plant and equipment	Other	Assets in progress	Total
GROSS AMOUNT					
At January 1	**9,844**	**38,653**	**38,785**	**511**	**87,793**
Investments	1,387	3,620	9,469	1,157	15,633
Divestitures	(251)	(11,576)	(4,561)	(587)	(16,975)
Changes in consolidation scope *	817	8	2,992	–	3,817
Translation differences	(499)	(1,190)	(1,276)	(75)	(3,040)
Other	116	(3,187)	2,508	(190)	(753)
At December 31	**11,414**	**26,328**	**47,917**	**816**	**86,475**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES					
At January 1	**(4,842)**	**(31,360)**	**(13,978)**	**(13)**	**(50,193)**
Depreciation and amortization	(1,295)	(4,096)	(11,553)	11	(16,933)
Divestitures and impairment losses	229	12,472	4,411	–	17,112
Changes in consolidation scope	–	–	119	–	119
Translation differences	241	920	892	1	2,054
Other	1	2,895	(2,328)	–	568
At December 31	**(5,666)**	**(19,169)**	**(22,438)**	**(1)**	**(47,274)**
NET CARRYING AMOUNT					
At January 1	**5,002**	**7,293**	**24,807**	**498**	**37,600**
At December 31	**5,748**	**7,159**	**25,479**	**815**	**39,201**

* *Pertains to the Ogone acquisition.*

NOTE 14 INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES

Breakdown of investments in equity-accounted investees

(in thousands of euros)	Mobile Payment Solutions NV	Fixed & Mobile Pte Ltd	Total
% interest at January 1, 2013	40.00%	100.00%	
% interest at December 31, 2013	39.54%	30.00%	
% interest at December 31, 2014	39.54%	30.00%	
At January 1, 2013	**9,000**	**–**	**9,000**
Investment	**–**	**–**	**–**
Share of profit or loss	(239)	63	(176)
Translation differences	(33)	(109)	(142)
Change in consolidation method (1)	–	5,684	5,684
Sale	–	–	–
At December 31, 2013	**8,728**	**5,638**	**14,366**
Share of profit or loss	(1,740)	361	(1,379)
Translation differences	171	769	940
Change in consolidation method	–	–	–
At December 31, 2014	**7,159**	**6,768**	**13,927**

(1) Change in consolidation method following the loss of control in 2013. Now consolidated using the equity method.

2014

The Group holds 39.54 percent of its interests in Mobile Payment Solutions N.V. and 30 percent in Fixed & Mobile Pte Ltd.

Accounting method

As the Group's governance structure leads it to exercise significant influence over these companies, the equity method of consolidation was applied.

Impairment loss

As of December 31, 2014, no impairment loss on these investments was recognized in the Group's consolidated financial statements.

2013

During the second half of the year, the Group sold 70 percent of its interest in the Singapore-based company Fixed & Mobile Pte Ltd. The Group has retained the remaining 30 percent of its holding.

Accounting method

As the Group's governance structure leads it to exercise significant influence over these companies, the equity method of consolidation was applied.

Impairment loss

As of December 31, 2013, no impairment loss on these investments was recognized in the Group's consolidated financial statements.

NOTE 15 FINANCIAL ASSETS

As of December 31, 2014 and 2013, financial assets included security deposits and guarantees, equity interests in non-consolidated companies and related receivables.

(in thousands of euros)	2014	2013
Loans and advances to subsidiaries and associates	4,118	6,163
Other non-current financial assets	2,820	2,739
TOTAL	**6,938**	**8,902**

In 2013, in connection with the partial sale of its interest in its subsidiary Fixed & Mobile Pte Ltd, the Group granted a USD 8.5 million loan.

In 2014, the Group was repaid USD 3.5 million.

NOTE 16 OTHER NON-CURRENT ASSETS

As of December 31, 2014 and 2013, Other Non-Current Assets were as follows:

(in thousands of euros)	2014	2013
Trade receivables and related accounts	387	142
Finance lease receivables	25,252	23,840
Tax receivables other than current income tax	8	16
Income tax receivables	1,225	438
Accrued income	744	214
TOTAL	**27,616**	**24,650**

Other non-current assets are all due in over 12 months.

NOTE 17 INVENTORIES

(in thousands of euros)	2014	2013
Raw materials and consumables	31,927	23,429
Finished products	107,952	97,757
Write-downs on raw materials and consumables	(11,033)	(8,039)
Write-downs on finished products	(10,715)	(11,164)
CARRYING AMOUNT	**118,131**	**101,983**

The increase in the Group's inventories is consistent with the growth in its business.

NOTE 18 TRADE AND RELATED RECEIVABLES

Trade and related receivables break down as follows:

(in thousands of euros)	2014	2013
Suppliers: advances and down-payments	3,169	4,298
Trade receivables on the sales of goods and services	414,520	329,988
Finance lease receivables	22,749	17,215
Employee-related receivables	449	194
Tax receivables other than current income tax	14,388	18,974
Other receivables	9,151	3,420
Write-downs for bad debt	(29,578)	(24,635)
Write-downs for finance lease receivables	(1,520)	(939)
Write-downs for other receivables	(6,855)	(5)
TOTAL	**426,473**	**348,510**

The increase in trade receivables is explained by the integration of GlobalCollect and the increase in business activity.

The aging schedule of trade receivables is as follows:

			2014		
	Close	Not due	Overdue		
(in thousands of euros)			<120 days	120-180 days	>180 days
Trade receivables	414,520	322,278	75,901	5,236	11,105
Impairment for trade receivables and related accounts	(29,578)	(525)	(18,602)	(2,180)	(8,271)
NET	**384,942**	**321,753**	**57,299**	**3,056**	**2,834**

Receivables more than 180 days overdue without write-downs (amounting to €2.8 million) are primarily attributable to Ingenico Payment Services GmbH (formerly Easycash) (€1.1 million) and Fujian Landi (€1.2 million). None of these receivables are contentious, and the Group does not expect any difficulty in recovering the amounts due.

			2013		
	Close	Not due	Overdue		
(in thousands of euros)			<120 days	120-180 days	>180 days
Trade receivables	329,988	243,898	72,154	2,512	11,425
Impairment for trade receivables and related accounts	(24,635)	(10,349)	(7,532)	(234)	(6,520)
NET	**305,353**	**233,549**	**64,622**	**2,278**	**4,905**

Receivables more than 180 days overdue without write-downs (amounting to €4.9 million) are primarily attributable to Ingenico Payment Services GmbH (former Easycash) (€2.4 million), Fujian Landi (€1.0 million) and Ingenico SA (€0.7 million). None of these receivables are contentious, and the Group does not expect any difficulty in recovering the amounts due.

NOTE 19 RECONCILIATION OF WORKING CAPITAL ITEMS PRESENTED IN THE BALANCE SHEET AND THE CASH FLOW STATEMENT

Balance sheet data *(in thousands of euros)*		January 1	2014 Changes in consolidation scope	2014 Net Change in working capital	2014 Translation differences and other movements	December 31
Inventories		**101,983**				**118,131**
Working capital items		101,983	–	9,915	6,233	118,131
Changes in inventories in the cash flow statement	**(1)**	**101,983**	**–**	**9,915**	**6,233**	**118,131**
Other non-current assets		**24,650**				**27,616**
Working capital items	**Other non-current assets**	24,212	158	1,804	217	26,391
Non-WC items	*Other non-operating receivables*	438				1,225
Trade and related receivables		**348,510**				**426,473**
Working capital items	**Trade receivables**	295,379	31,959	21,134	26,795	375,267
Working capital items	**Other operating receivables**	53,131	2,860	7,125	(11,910)	51,206
Non-WC items	*Other non-operating receivables*					
Other current assets		**30,240**				**35,155**
Working capital items	**Other operating receivables**	12,825	8,770	(2,480)	(93)	19,022
Non-WC items	*Other non-operating receivables*	*17,415*				*16,133*
Change in receivables in the cash flow statement	**(2)**	**385,547**	**43,747**	**27,583**	**15,009**	**471,886**
Other non-current liabilities		**24,568**				**36,084**
Working capital items	**Trade payables**	21,153	158	3,657	5,050	30,018
Non-WC items	*Other non-operating liabilities*	*3,415*				*6,065*
Trade and related payables		**327,859**				**413,498**
Working capital items	**Trade payables**	222,903	19,321	36,739	(5,028)	273,935
Working capital items	**Other current liabilities**	104,956	18,953	6,190	8,551	138,650
Non-WC items	*Other non-operating liabilities*					*913*
Other liabilities		**110,511**				**126,214**
Working capital items	**Other liabilities**	93,842	59	30,832	(2,176)	122,557
Non-WC items	*Other non-operating liabilities*	16,669				3,657 (1)
Change in liabilities in the cash flow statement	**(3)**	**442,854**	**38,490**	**77,419**	**6,397**	**565,160**
Change in net working capital	**-(1)-(2)+(3)**	**(44,676)**	**(5,257)**	**39,921**	**(14,845)**	**(24,857)**

(1) Pertains mainly to the earn-out related to the acquisition of Ingenico Payment System LLC (see Note 31, "Other Liabilities").

Balance sheet data *(in thousands of euros)*			2013 January 1	Changes in consolidation scope	Net Change in working capital	Translation differences and other movements	December 31
Inventories			**105,229**				**101,983**
Working capital items			105,229	(3,266)	5,385	(5,365)	101,983
Changes in inventories in the cash flow statement		**(1)**	**105,229**	**(3,266)**	**5,385**	**(5,365)**	**101,983**
Other non-current assets			**21,157**				**24,650**
Working capital items	**Other non-current assets**		20,081	–	4,289	(158)	24,212
Non-WC items	*Other non-operating receivables*		1,075				438
Trade and related receivables			**332,224**				**348,510**
Working capital items	**Trade receivables**		303,176	1,115	25,647	(34,559)	295,379
Working capital items	**Other operating receivables**		29,048	294	2,391	21,398	53,131
Non-WC items	*Other non-operating receivables*						
Other current assets			**20,111**				**30,240**
Working capital items	**Other operating receivables**		12,123	593	4,878	(4,769)	12,825
Non-WC items	*Other non-operating receivables*		*7,975*				*17,415*
Change in receivables in the cash flow statement		**(2)**	**364,428**	**2,002**	**37,205**	**(18,088)**	**385,547**
Other non-current liabilities			**20,622**				**24,568**
Working capital items	**Trade payables**		20,082	–	3,584	(2,513)	21,153
Non-WC items	*Other non-operating liabilities*		*541*				*3,415*
Trade and related payables			**280,559**				**327,859**
Working capital items	**Trade payables**		206,998	1,025	32,706	(17,826)	222,903
Working capital items	**Other current liabilities**		73,561	3,002	24,703	3,736	104,956
Non-WC items	*Other non-operating liabilities*		*50*				
Other liabilities			**85,808**				**110,511**
Working capital items	**Other liabilities**		66,901	11,413	19,763	(4,235)	93,842
Non-WC items	*Other non-operating liabilities*		18,909				16,669 (1)
Change in liabilities in the cash flow statement		**(3)**	**367,542**	**15,440**	**80,756**	**(20,838)**	**442,854**
Change in net working capital		**-(1)-(2)+(3)**	**(102,116)**	**16,704**	**38,166**	**2,615**	**(44,676)**

(1) Represents the put option related to the acquisition of Roam Data Inc. and earn-out payments related to the acquisition of Ingenico Payment System LLC and the acquisition of the assets of PT Integra (see Note 31, "Other Liabilities").

NOTE 20 CURRENT TAX RECEIVABLES AND OTHER CURRENT ASSETS

(in thousands of euros)	2014	2013
Prepayments	13,337	12,826
Loans, guarantee instruments and other receivables	21,818	17,414
TOTAL	**35,155**	**30,240**
CURRENT TAX RECEIVABLES	**9,319**	**6,771**

As of December 31, 2014, loans, guarantee instruments and other receivables no longer included cash and equivalents related to the business of the subsidiary Tunz (see Note 32, “Funds Held on Behalf of Merchants”).

In 2014, they included an escrow account in the amount of €13.7 million relating to the acquisition of GlobalCollect. These funds are expected to be paid out during the first quarter of 2015.

As of December 31, 2013, loans, guarantee instruments and other receivables included a receivable of €5.0 million related to the partial sale of Fixed & Mobile Pte Ltd. This receivable was settled in 2014.

They also included €10.3 million in liquid investments related to the business activities of the subsidiary Tunz that do not meet the definition of cash or cash equivalents.

NOTE 21 ASSETS HELD FOR SALE AND LIABILITIES IN DISPOSAL GROUPS

As of December 31, 2014, there were no assets held for sale or liabilities in disposal groups.

NOTE 22 TOTAL EQUITY

Number of outstanding shares

	2014	2013
Shares issued at January 1	**53,086,309**	**52,487,658**
Shares issued in connection with dividend distributions (1)	398,304	581,967
Shares issued in connection with the conversion of OCEANE bonds into shares (2)	3,554,336	–
Shares issued in connection with options exercised and shares acquired	397,832	16,684
Shares issued at the end of the period	**57,436,781**	**53,086,309**
Treasury shares at the end of the period	280,794	280,794
Shares outstanding at the end of the period	**57,155,987**	**52,805,515**

(1) See section 5.5, “Consolidated statements of changes in equity”.
(2) Conversion of 3,501,821 Ingenico 2011/2017 OCEANE bonds to 3,554,336 shares.

As of December 31, 2014, Ingenico SA’s authorized share capital consisted of 57,436,781 shares with a par value of €1 each.

On May 7, 2014, the Board of Directors approved the payment of stock dividends through incorporation of reserves into the share capital. This distribution was carried out on June 10, 2014. A total of 398,304 shares were subscribed for.

On February 27, 2013, the Board of Directors approved the payment of stock dividends through incorporation of reserves into the share capital. This distribution was carried out on May 29, 2013. A total of 581,967 shares were subscribed for.

In accordance with the contractual provisions of the OCEANE convertible bond issue, every dividend distribution changes the bond-to-share conversion ratio. The ratio in effect for conversions requested in 2014 is 1.015 shares per bond.

Treasury shares

(in euros)	2013	Acquisitions	Divestitures	Other	2014
Number of shares	280,794	1,686,323	(1,686,323)	–	280,794
Average purchase price	25.53	71.41	71.41	–	25.53
TOTAL	**7,167,308**	**120,425,660**	**(120,425,660)**	**–**	**7,167,308**

(in euros)	2012	Acquisitions	Divestitures	Other	2013
Number of shares	252,637	2,166,112	(2,137,955)	–	280,794
Average purchase price	23.35	51.76	51.85	–	25.53
TOTAL	**5,899,664**	**112,122,657**	**(110,855,013)**	**–**	**7,167,308**

Shares repurchased to be awarded or retired

In 2014, the Board used two delegations granted by the shareholders:

- the delegation of May 7, 2014, which replaced the delegation of April 29, 2013 (with implementation authorized by the Board on May 7, 2014);
- the delegation of April 29, 2013, which replaced the delegation of May 3, 2012 (with implementation authorized by the Board on April 29, 2011).

The portfolio of treasury shares held to be awarded under free share award plans or to reduce the share capital totaled 280,794 shares as of December 31, 2013. As of December 31, 2014, there were 280,794 treasury shares at an average purchase price of €25.53.

As of December 31, 2013, the portfolio of treasury shares was 280,794 at an average purchase price of €25.53, reflecting the buyback of 37,000 shares during the year and the use of 447 shares to meet obligations to beneficiaries of free share awards.

Treasury shares repurchased under the liquidity contract

In 2014, 1,686,323 shares were repurchased at an average price of €71.41 and 1,686,323 shares were sold at an average price of €71.41.

In 2013, 2,129,112 shares were repurchased at an average price of €51.89 and 2,137,508 shares were sold at an average price of €51.86.

Ingenico held no treasury shares under its liquidity contract as of December 31, 2014 or December 31, 2013.

Plans in force as of December 31, 2014

The main features of the plans applicable as of December 31, 2014 are as follows:

A. Stock subscription option plans

On May 4, 2000 and October 18, 2004, the shareholders authorized the Board of Directors to grant a certain number of employees share subscription options during periods of five years and 24 months, respectively. Six tranches of stock subscription options were allocated from April 15, 2003 to September 20, 2005.

No new stock option subscription plans were set up in 2014.

As all tranches were fully subscribed at the end of 2013, there were no further options outstanding as of December 31, 2014.

B. Free share awards

The Annual General Shareholders' Meeting of May 11, 2010 authorized the Board of Directors to make a free award of existing or new shares to Group employees and executive officers, up to a maximum of 2 percent of the Company's share capital as of the date of the Board's decision.

The shares vest after a two-year period, provided that on that date, the beneficiaries are still employed by the Ingenico Group. The shares must be held by the beneficiaries for an additional two-year period following vesting.

On June 22, 2012, the Board resolved to grant a further 73,000 free shares (the maximum that may be awarded, subject to continued presence and the achievement of a specified level of consolidated EBITDA as of December 31, 2013). The purchase period for this plan expired on June 22, 2014 and 63,000 shares were created for the 68 remaining beneficiaries.

As of December 31, 2014, there were 5,500 free shares outstanding that were awarded for 2013 in connection with the plan adopted in October 2013, affecting 6 beneficiaries.

On October 29, 2014, the Board resolved to grant 31,200 free shares (the maximum that may be awarded, subject to continued presence and to intrinsic performance linked to consolidated EBITDA as of December 31, 2015 and the relative stock market performance.)

A total of 68,500 free share awards were outstanding as of December 31, 2013. During the period, 31,200 free shares were awarded and 63,000 were vested. As a result, a total of 36,700 free shares were outstanding as of December 31, 2014.

C. Joint investment plans

First plan

On May 21, 2012, the Board of Directors resolved to set up a new joint investment plan intended for the 47 key managers in the Group. Like the preceding plan, the new plan consisted of an agreement with the beneficiaries, under which a variable number of free shares would be granted, subject to a number of conditions, namely, the decision to subscribe, continued presence within the Group and the achievement of a specified level of external performance (how well the Ingenico share performs in relation to the SBF120 index) and internal performance (consolidated EBITDA as of December 31, 2013). A maximum of eight shares could be issued and awarded for each share invested.

The purchase period for this plan expired on June 22, 2014 and 334,832 shares were thus created for the 41 remaining beneficiaries.

Second plan

On October 29, 2014, the Board of Directors also decided to set up a joint investment plan, intended for the 51 key managers in the Group.

The plan consisted of an agreement with the beneficiaries, under which a maximum of 199,470 free shares would be granted, subject to certain conditions; namely, the decision to subscribe, continued presence within the Group, and the achievement of a specified level of performance (internal and external).

With regard to the joint investment plan, Ingenico measured the fair value on the basis of the likelihood of achieving internal results and external performance conditions. The IFRS 2 expense is revalued on the basis of changes in internal performance and the condition of presence within the Group on the reporting date for each period.

Change in option and share award plans in the period

	2014						
	Options/ free shares outstanding at Jan. 1	Options/shares granted during the year	Options/ shares exercised during the year	Options/shares canceled or expired, other movements	Options/ free shares outstanding at Dec. 31	Weighted average life *(in years)*	Weighted average exercise price *(in €)*
Tranche H	–	–	–	–	–	–	–
Free share awards	68,500	31,200	63,000	–	36,700	–	–
Joint investment plan	317,384	199,470	334,832	17,448	199,470	–	–
TOTAL	**385,884**	**230,670**	**397,832**	**17,448**	**236,170**		

	2013						
	Options/ free shares outstanding at Jan. 1	Options/shares granted during the year	Options/ shares exercised during the year	Options/shares canceled or expired, other movements	Options/ free shares outstanding at Dec. 31	Weighted average life *(in years)*	Weighted average exercise price *(in €)*
Tranche H	16,684	–	16,684	–	–	8	10.97
Free share awards	72,000	5,500	–	9,000	68,500	–	–
Joint investment plan	357,488	–	–	40,104	317,384	–	–
TOTAL	**446,172**	**5,500**	**16,684**	**49,104**	**385,884**		

Fair value of stock options and free shares granted

Ingenico has measured the fair value of the goods and services received during the year based on the fair value of the equity instruments granted.

For stock options

The starting value is equal to the share price at the date of grant.

The relevant measure of volatility here is historical volatility, calculated over a one-year period prior to the date of grant.

The yield curve has been derived from Bloomberg money market and swap rates.

For free share awards

Fair value is equal to the share price at the grant date.

Impact on financial statements

In fiscal year 2014

On the basis of the parameters used to calculate the fair value of free shares awarded under free share and joint investment plans, and after estimating the internal and external valuation criteria (fulfillment of service conditions and possibly performance conditions), Ingenico recognized an expense of €4,432,000 in Profit from Ordinary Activities for 2014. This included a €247,000 expense related to stock-option plans put in place by the new Group subsidiary Roam Data Inc.

In fiscal year 2013

On the basis of the parameters used to calculate the fair value of free shares awarded under free share and joint investment plans, and after estimating the internal and external valuation criteria (fulfillment of service conditions and possibly performance conditions), Ingenico recognized an expense of €6,730,000 in Profit from Ordinary Activities for 2013. This included a €257,000 expense related to stock-option plans put in place by the new Group subsidiary Roam Data Inc.

NOTE 23 EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to Ingenico SA shareholders by the average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Group and held as treasury shares. The average number of ordinary shares is a weighted annual average calculated by adjusting the shares in issue at the beginning of the period for the number of shares bought back or issued during the period, prorated on the basis of the transaction dates.

	2014	2013
Net profit or loss attributable to Ingenico SA shareholders *(in thousands of euros)*	171,652	114,074
Weighted average number of ordinary shares	54,257,111	52,534,237
Basic earnings per share ***(in euros)***	**3.16**	**2.17**

Diluted earnings per share

To calculate diluted earnings per share, the weighted average number of ordinary shares is adjusted to take into account the impact of the potential conversion of all dilutive instruments.

As of December 31, 2014, dilutive instruments comprised free share awards, and OCEANE-type bonds (convertible into or exchangeable for new or existing shares).

(in thousands of euros)	2014	2013
Net profit or loss attributable to Ingenico SA shareholders	**171,652**	**114,074**
Interest expense related to OCEANE bond loan (net of income tax)	4,542	9,127
Diluted net profit or loss attributable to Ingenico SA shareholders	**176,194**	**123,201**
Weighted average number of existing shares	**54,257,111**	**52,534,237**
Impact of dilutive instruments:		
free shares granted	78,987	321,775
conversion of convertible bonds	5,664,997	6,677,350
Diluted weighted average number of ordinary shares	**60,001,095**	**59,533,362**
Diluted earnings per share ***(in euros)***	**2.94**	**2.07**

NOTE 24 NET DEBT

Net debt of the Group consists of current and non-current borrowings and other financial liabilities, less other current investments and cash and cash equivalents.

Financial liabilities may be broken down into long-term and short-term liabilities. The latter include the portion of less than one year of long-term debt as well as financial liabilities with a term of less than one year.

(in thousands of euros)	2014	2013
"OCEANE" convertible bond issue	–	227,098
Bond issue	456,702	–
Bank borrowings	575,385	328,035
Finance lease obligations	827	2,188
Other financial liabilities	3,210	3,105
Non-current borrowings and long-term debt	**1,036,124**	**560,426**
"OCEANE" convertible bond issue	111,628	–
Bank and similar borrowings	20,000	53,487
Finance lease obligations	751	1,804
Bank overdrafts and other financial liabilities	16,128	25,891
Interest accrued but not due	5,953	6,880
Short-term financial liabilities	**154,460**	**88,062**
TOTAL FINANCIAL BORROWINGS AND DEBT	**1,190,584**	**648,488**
Cash	359,318	265,083
Marketable securities and short-term deposits	67,075	87,024
Cash and cash equivalents	**426,393**	**352,107**
Net debt	**764,191**	**296,381**

Breakdown of borrowings and other financial liabilities

As of December 31, 2014, long- and short-term bank borrowings and bond debt amounted to €1,169.7 million, including:

- €111.6 million in respect of an OCEANE convertible bond issued in March 2011;
- €456.7 million corresponding to the new bond issue in May 2014 (see the Bond section);
- €595.4 million corresponding to the syndicated loan signed in July 2014 and described below (see the paragraph "Bank borrowings");
- €6.0 million in interest accrued but not due on the convertible bond issued in 2014.

As of December 31, 2013, long- and short-term bank borrowings amounted to €615.5 million, including €227.1 million relating to an OCEANE convertible bond issued, €381.5 million corresponding to the bank loans described above, now repayable, and €6.9 million in interest accrued but not due.

1) Bond issue

On May 20, 2014, Ingenico SA issued a bond maturing on May 20, 2021. The nominal amount of the bond was €450 million representing 4,500 bonds each with a nominal value of €100,000. The bonds pay an annual coupon of 2.5 percent. The debt is recognized at amortized cost, issuance costs and issue premium are amortized in profit or loss over the life of the bond.

This transaction was accompanied by an information memorandum approved by the Autorité des Marchés Financiers under visa number 14-210 on May 16, 2014.

Redemption at maturity

The bonds will be redeemed in full on May 20, 2021, at face value.

Early redemption at the option of the Company

The Company may redeem all of some of the bonds early at any time before May 20, 2021, either by repaying the entire loan at a compensatory redemption price described in the prospectus of the transaction, or by buying the bonds on the stock market and canceling them.

A clause providing for the redemption of the entire bond issue at their face value plus accrued interest, exists should French tax laws change significantly. These conditions are described in the prospectus of the transaction.

Early redemption at the option of the bondholders

In the event of a change of control of the Company, any bondholder may request the redemption of all or a portion of their bonds at face value plus interest accrued from the last interest payment date until the early redemption date.

2) Convertible bond issue

The Group issued "OCEANE" bonds, *i.e.* convertible into and/or exchangeable for new or existing shares with their issue date on March 11, 2011 that mature on January 1, 2017. The total principal amount of the issue is €250 million, or 6,677,350 bonds with a face value of €37.44 each. The bonds pay an annual coupon of 2.75 percent. After deduction of issuance costs and reclassification of the equity component of the bonds, the interest rate is 6.22 percent.

This transaction was accompanied by an information memorandum approved by the Autorité des Marchés Financiers under visa number 11-062 on March 3, 2011.

Conversion and/or exchange of bonds into shares

Bondholders may request that the bonds be converted into and/or exchanged for ordinary shares of the Company at any time from the issue date, which was March 11, 2011, until the seventh business day preceding the maturity or early redemption date at a ratio of 1.015 shares per bond, subject to adjustments.

The Company may, at its discretion, deliver new shares or existing shares or a combination of both.

Redemption at maturity

Bonds will be redeemed in full on January 1, 2017, at face value.

Early redemption at the option of the Company

Early redemption is possible, at the option of the Company:

- for all or a portion of the bonds, at any time and without any limit on price or quantity, by repurchasing bonds either on or off the stock market or by public offers of repurchase or exchange;
- for all outstanding bonds at any time from January 15, 2015 until the maturity date, subject to at least 30 calendar days' notice, at face value plus accrued interest if the arithmetic average, calculated over 20 consecutive trading days among the 30 days preceding the publication of the early redemption notice, of the opening prices of the Company's share on Euronext Paris multiplied by the conversion/exchange ratio on those dates is greater than 130 percent of the face value of bonds;
- for all outstanding bonds at any time, subject to at least 30 calendar days' notice, at face value plus accrued interest if the number of outstanding bonds is lower than 10 percent of the number of bonds issued.

On December 15, 2014, the Group announced the exercise of the early redemption option on January 15, 2015, on all OCEANE bonds convertible and/or exchangeable into new or existing shares outstanding on January 7, 2015. OCEANE bondholders had the option until January 6, 2015, to exercise their stock option rights at a conversion rate of 1.015 Ingenico shares per OCEANE bond. For bondholders who did not exercise their stock option rights, the early redemption would be transacted at face value plus accrued coupon, or €37.479492 per OCEANE bond. As of the date of unwinding, almost all bondholders had exercised their conversion options and the amount repaid amounted to €0.2 million.

Early redemption at the option of the bondholders

In the event of a change of control of the Company, any bondholder may request the redemption of all or a portion of their bonds at face value plus interest accrued from the last interest payment date until the early redemption date.

Accelerated repayment at the option of the bondholders

The OCEANE information memorandum contains the usual provisions for accelerated repayment at the option of the representative of all bondholders: if the Company fails to pay any interest due on the bonds when due; if the Company fails to repay, beyond a minimum threshold, any loans taken out or guaranteed by the Company or a major subsidiary; if the Company fails to perform any other obligation related to the bonds; in the event of liquidation or dissolution of the Company or the sale of all of its assets; or if the Company's ordinary shares are no longer admitted for trading on Euronext Paris or another regulated market in the European Union.

Equity and liability components of the OCEANE bond

In accordance with the accounting principle set forth in the paragraph on Compound financial instruments under Accounting principles and methods, the fair values of the bond's liability and equity components were calculated on the issue date of the OCEANE bond, which was March 11, 2011.

The fair value of the liability classified as long-term debt was calculated on the issue date using the average market interest rate for a similar bond with no conversion option. The difference between the nominal value and the fair value of the bond was recognized in equity under Retained Earnings and Other Reserves, net of deferred tax.

Given that the OCEANE bond was issued with a nominal interest rate of 2.75 percent, which was lower than the market interest rate (the comparable rate for the period, based on an interpolated mid-swap rate of 3.14 percent, was 5.89 percent), the fair value of the liability component at the issue date was €208.83 million and that of the equity component was €37.02 million, after deduction of the cost of the bondholders' put option and issuance costs (€4.14 million, prorated between the liability and equity components).

As of December 31, 2014, the carrying amount of the OCEANE's liability component was €111.6 million.

During full year 2014, 3,501,821 bonds were converted to Ingenico shares at bondholders' request. The reduction in debt recognized amounted to €122.7 million over the period with a corresponding entry in equity (see Note 35 "Subsequent events").

3) Bank borrowings

Syndicated loan 2011 (repaid)

In March 2013, in connection with the Ogone acquisition, an add-on to the syndicated loan facility set up in August 2011 was negociated. The facility is now structured as follows:

- a tranche of €210 million, repayable over a 4-year period, with a principal of €157.5 million as of December 31, 2013;
- a tranche of €140 million, repayable in full in August 2016, fully drawn down as of December 31, 2013;
- a revolving tranche of €150 million, repayable at maturity, of which €49.5 million was drawn down as of December 31, 2013.

In March 2013, Ingenico SA also put in place a five-year €35 million bilateral revolving credit facility with a bank, fully drawn down as of December 31, 2013.

In June and July 2014, the Group repaid these debts in full as part of its comprehensive bank debt restructuring prior to drawing on the new syndicated facility.

Syndicated loan 2014

In July 2014, the Group signed a syndicated loan facility for a total €600 million, which was used primarily to acquire Global Collect and was broken down as follows:

- a €500 million revolving tranche with an initial term of 5 years. This tranche is renewable for two years at the Group's request. It was fully drawn down as of December 31, 2014;
- a €100 million tranche, repayable over 5 years, fully drawn down as of December 31, 2014.

In connection with the syndicated loan facility signed in 2014, the Group is committed to satisfying certain financial ratios which are tested annually, based on pro forma consolidated accounts. Net debt on December 31, 2014 must be less than 3.5 times EBITDA. After that date, and at every financial publication, net debt must be less than 3 times EBITDA.

There are also a number of standard legal covenants.

The ratios had been met as of December 31, 2014.

Early redemption is possible at the initiative of Ingenico, or of the lenders in certain usual circumstances.

4) Bank overdrafts

As of December 31, 2014, bank overdrafts totaled €14.6 million, mainly for Ingenico Payment Services GmbH (formerly Easycash GmbH).

As of December 31, 2013, bank overdrafts totaled €23.0 million, mainly for Ingenico Payment Services GmbH (formerly Easycash GmbH).

5) Finance lease obligations

As of December 31, 2014, finance lease obligations mainly involved Ingenico Italia (€1.2 million).

As of December 31, 2013, finance lease obligations mainly involved Ingenico Payment Services GmbH (formerly Easycash GmbH) (€1.7 million) and Ingenico Italia (€1.9 million).

Principal features of financial liabilities

Interest rates and maturities

	2014				
(in thousands of euros)	Carrying amount	Average annual rate	Less than 1 year	1-5 years	More than 5 years
"OCEANE" convertible bond issue	111,628	2.75%	111,628	–	–
Bond issue	456,702	2.50%	–	–	456,702
Bank borrowings	595,384	1.38%	20,000	575,384	–
Finance lease obligations	1,578	3.70%	751	827	–
Bank overdrafts	14,607		14,607	–	–
Other financial liabilities	4,732		1,521	3,211	–
Accrued interest on borrowings	5,953		5,953	–	–
TOTAL FINANCIAL BORROWINGS AND DEBT	**1,190,584**		**154,460**	**579,422**	**456,702**

	2013				
(in thousands of euros)	Carrying amount	Average annual rate	Less than 1 year	1-5 years	More than 5 years
"OCEANE" convertible bond issue	227,098	2.75%	–	227,098	–
Bank borrowings	381,522	1.67%	53,487	328,035	–
Finance lease obligations	3,992	2.52%	1,804	2,188	–
Bank overdrafts	22,991		22,991	–	–
Other financial liabilities	6,005		2,900	3,088	17
Accrued interest on borrowings	6,880		6,880	–	–
TOTAL FINANCIAL BORROWINGS AND DEBT	**648,488**		**88,062**	**560,409**	**17**

Breakdown by currency

The following table shows the breakdown of borrowings and other financial liabilities by currency:

(in thousands of euros)	2014	2013
Euro	1,190,167	648,331
US Dollar	328	111
Other currencies	89	46
TOTAL FINANCIAL BORROWINGS AND DEBT	**1,190,584**	**648,488**

All amounts shown at their euro equivalent.

Change in financial borrowings and debt

The change in financial borrowings and debt is broken down follows (in thousands of euros):

BALANCE AT DECEMBER 31, 2012	**459,028**
New borrowings	276,509
Capitalized interest	7,804
Repayments	(108,404)
Net change on drawdowns of lines of credit	9,673
Translation differences	(11)
Other movements	(9)
Changes in consolidation scope	3,898
BALANCE AT DECEMBER 31, 2013	**648,488**
New borrowings	1,042,810
Capitalized interest	10,567
Bond conversions	(122,731)
Repayments	(388,524)
Net change on drawdowns of lines of credit	(8,416)
Interest accrued but not due	(928)
Translation differences	37
Change in fair value	8,947
Other movements	24
Changes in consolidation scope	310
BALANCE AT DECEMBER 31, 2014	**1,190,584**

2014

In 2014, the Group:

- repaid: €157.5 million (repayable tranche) of the 2011 syndicated loan facility, including €140 million (tranche repayable in full) and €49.5 million (renewable tranche);
- issued: €450 million bond issue;
- signed: a new €600 million bank loan.

Conversions of OCEANE bonds reduced debt by €122.7 million.

Capitalized interest relates to the bond issue, the convertible bond issue, and the bank loans described above.

Changes in fair value relate to the recognition of the bond issued in 2014.

2013

In 2013, the Group:

- drew down €100 million on the revolving tranche of the syndicated loan facility set up in 2011;
- repaid €50.5 million of that drawdown;
- repaid €52.5 million, representing the amortizing portion of the syndicated loan;
- set up new borrowings described earlier in this note.

Capitalized interest pertained to the convertible bond issue, the syndicated loan and the other borrowings set up in 2013.

New borrowings reported in changes in consolidation scope pertained to the acquisition of Ogone. They were partly repaid in 2013.

Undrawn credit facilities as of December 31, 2014

The Group has unused bilateral loan facilities totaling €31.5 million.

NOTE 25 DERIVATIVE FINANCIAL INSTRUMENTS

Fair value of derivative instruments at the reporting date

(in thousands of euros)	2014	2013
Interest rate derivative instruments		
Current assets	9,681	–
Current liabilities	(1,973)	(3,414)
Foreign exchange derivative instruments		
Current assets	1,252	1,236
Current liabilities	(1,628)	(1,029)
TOTAL	**7,332**	**(3,207)**

Breakdown of instruments by hedging policy

(in thousands of euros)	Balance at January 1, 2014 Fair value of the derivative financial instruments	Variation through net income	Variation through equity	Balance at December 31, 2014 Fair value of the derivative financial instruments
Instruments designated as cash flow hedges				
Foreign exchange forward contracts	349	41	(545)	(155)
Foreign exchange options	–	–	–	–
Foreign exchange swaps	–	–	–	–
Interest rate swaps	(3,414)	–	3,414	–
Interest rate options (cap)	–	–	–	–
Instruments not designated as cash flow hedges				
Foreign exchange forward contracts	(317)	491	–	174
Foreign exchange options	–	–	–	–
Foreign exchange swaps	175	(570)	–	(395)
Interest rate swaps	–	7,708	–	7,708
Interest rate options (cap)	–	–	–	–
TOTAL	**(3,207)**	**7,670**	**2,869**	**7,332**

Changes in the fair value of ineffective hedging instruments or the ineffective portions of effective hedging instruments are directly recognized in net financial income and expenses. For foreign exchange hedges, they mainly reflect the effect of interest rate differentials between the currency of the hedged items and the euro.

In accordance with IFRS 13, which came into effect on January 1, 2013, the Group takes default risk into account in measuring its hedging derivatives. At the reporting date, the impact of own and counterparty credit risk on the valuation of financial instruments held by the Group was immaterial.

During the year, the Group put in place an interest rate swap for 50 percent of the nominal value of the bond issued in 2014, or €225 million, with a 7-year life. This swap turns part of the Group's fixed-rate exposure into variable-rate exposure.

This hedge is recognized as a fair value hedge, changes in the fair value of the derivative are recognized in profit and loss, as are changes in the fair value of its underlying asset.

Moreover, in 2014, the Group repaid the bank loans outstanding at December 31, 2013. An interest rate swap designated as a cash flow hedge was applied to the syndicated loan of August 2011. In the absence of underlying liabilities, this hedge was no longer considered effective and lost its classification as a cash flow hedge. The impact of this loss of effectiveness was the recycling of an expense of €2.6 million from equity to profit or loss.

The Group's derivatives contracts contain compensation clauses for each bank. In accordance with IFRS 7, a presentation of derivative assets and liabilities that includes such compensations would be as follows:

(in thousands of euros)	2014 Amounts in the balance sheet	Impact of compensation	Net amounts
FV of derivative financial instruments (assets)	10,933	(2,214)	8,718
FV of derivative financial instruments (liabilities)	(3,601)	2,214	(1,387)
NET POSITION	**7,332**	**0**	**7,332**

(in thousands of euros)	2013 Amounts in the balance sheet	Impact of compensation	Net amounts
FV of derivative financial instruments (assets)	1,236	(1,182)	54
FV of derivative financial instruments (liabilities)	(4,443)	1,182	(3,261)
NET POSITION	**(3,207)**	**0**	**(3,207)**

NOTE 26 PROVISIONS FOR RETIREMENT BENEFIT OBLIGATIONS

The Group has defined benefit pension plan obligations in the following countries:

- in France, retiring employees receive retirement indemnities (an end-of-career bonus) calculated on the basis of final pay, number of years with the Company and provisions in the various collective bargaining agreements;
- in the United Kingdom, the Group has a pension plan, but it is closed;
- in Germany, benefits under the Group's pension plan are calculated on the basis of the employee's final pay;
- in Italy, the Group pays retiring employees lump-sum termination indemnities (TFR) that are calculated as a fixed percentage of the salaries they earned throughout their careers;
- in Turkey, retirement indemnities are based on final pay;
- in the Netherlands, there is a pension plan in addition to a system of benefits based on length of service (or service milestones).

These benefit obligations have been measured by independent actuaries.

There are no long-term healthcare commitments within the Group.

There are two categories of retirement benefit plans described as follows:

- **Defined contribution plans**

  These plans exist in most European countries in which the Group operates (France, Benelux, Germany, Italy and Spain), and in the United States and Asia-Pacific countries. Under these plans, Group entities make payments, expensed as incurred, on a regular basis to organizations authorized to manage the retirement plans;

- **Defined benefits plans**

  There are two types of defined benefit plans recognized in provisions for retirement benefit obligations:
  - unfunded defined benefit plans. Under these plans, provisions for termination benefits are recognized as a liability in the balance sheet under Provisions for retirement benefit obligations. The main countries involved are France, Germany, Italy, Turkey and the Netherlands,
  - funded defined benefit plans: this system exists in the United Kingdom. Provisions for retirement benefits are also recognized as a liability in the balance sheet, minus the value of the assets.

Movements in the provisions for funded and unfunded defined benefit obligations were as follows:

	2014								
	Funded plans	Unfunded plans							
(in thousands of euros)	United Kingdom	France	Germany	Italy	Turkey	Netherlands	Other	Total	Total
At January 1	**(583)**	**5,362**	**4,289**	**2,214**	**141**	**–**	**–**	**12,006**	**11,423**
Business combination	–	–	–	–	–	473	–	473	473
Translation differences and other movements	25	–	(121)	–	11	–	8	(102)	(77)
Expense of the period	(49)	732	43	216	38	10	202	1,241	1,192
Benefits paid	–	(189)	(121)	(123)	–	–	–	(433)	(433)
Contributions to pension funds	(992)	–	–	–	–	–	–	–	(992)
Revaluation of the net defined benefit liability	2,913	1,893	1,133	423	107	35	14	3,605	6,518
At December 31	**1,314**	**7,798**	**5,223**	**2,730**	**297**	**518**	**224**	**16,790**	**18,104**

	2013								
	Funded plans	Unfunded plans							Total
(in thousands of euros)	United Kingdom	France	Germany	Italy	Turkey	Netherlands	Other	Total	Total
At January 1	**500**	**4,414**	**4,512**	**1,978**	**270**	**–**	**–**	**11,174**	**11,674**
Business combination	–	29	–	–	–	–	–	29	29
Translation differences and other movements	(30)	–	–	–	(46)	–	–	(46)	(76)
Expense of the period	1	561	176	213	61	–	–	1,011	1,012
Benefits paid	–	(265)	(245)	(79)	–	–	–	(589)	(589)
Contributions to pension funds	(942)	–	–	–	–	–	–	–	(942)
Revaluation of the net defined benefit liability	(112)	623	(154)	102	(144)	–	–	427	315
At December 31	**(583)**	**5,362**	**4,289**	**2,214**	**141**	**–**	**–**	**12,006**	**11,423**

Movements in the present value of defined benefit obligations

Present value of the defined benefit obligation *(in thousands of euros)*	2014		
	Total	Funded plan	Unfunded plan
At January 1	**34,918**	**22,912**	**12,006**
Current service cost	863	–	863
Interest on obligation	1,439	1,061	378
Revaluation of the net defined benefit liability	7,065	3,460	3,605
Translation differences	1,658	1,760	(102)
Disbursements paid by the employer	(433)	–	(433)
Disbursements from plan assets	(330)	(330)	–
Business combination	473	–	473
At December 31	**45,653**	**28,863**	**16,790**

Present value of the defined benefit obligation *(in thousands of euros)*	2013		
	Total	Funded plan	Unfunded plan
At January 1	**33,239**	**22,065**	**11,174**
Current service cost	682	–	682
Interest on obligation	1,234	905	329
Revaluation of the net defined benefit liability	1,110	683	427
Translation differences	(488)	(442)	(46)
Disbursements paid by the employer	(589)	–	(589)
Disbursements from plan assets	(299)	(299)	–
Business combination	29	–	29
At December 31	**34,918**	**22,912**	**12,006**

Movements in the fair value of plan assets

Fair value of plan assets *(in thousands of euros)*	2014	2013
At January 1	**23,496**	**21,565**
Return on plan assets	1,107	904
Revaluation of the net defined benefit liability	547	795
Translation differences	1,735	(411)
Employer contributions	992	942
Benefits paid from funded plans	(328)	(299)
At December 31	**27,549**	**23,496**

Breakdown of recognized assets and liabilities

(in thousands of euros)	2014	2013
Assets and liabilities		
Present value of obligations	45,653	34,918
Fair value of plan assets	27,549	23,496
Surplus/(deficit)	**(18,104)**	**(11,422)**
Unrecognized past service cost	–	–
Assets not recognized (limitation effect)	–	–
Net liability	**(18,104)**	**(11,422)**

Expense recognized in profit or loss

Expense recognized in profit or loss *(in thousands of euros)*	Fiscal year 2014	(Forecast) Fiscal year 2015
Current service cost	863	1,121
Interest on obligation	1,439	1,331
Return on plan assets	(1,107)	(1,032)
At December 31	**1,195**	**1,420**

Impact on statement of comprehensive income

Historical information on amounts recognized in the statement of comprehensive income is as follows:

(in thousands of euros)	2014	2013
At January 1	**7,476**	**7,235**
Revaluation of the net defined benefit liability	6,518	315
Translation differences	(35)	(74)
At December 31	**13,959**	**7,476**

Actuarial gains/losses recognized in 2014 are as follows:

	In thousands of euros	In % *
Obligations		
Experience	755	1.62%
Change in financial assumptions	6,310	13.82%
Plan assets		
Experience	(547)	(1.99)%
TOTAL	**6,518**	

* *As percentage of the value of the provision or of the assets.*

Breakdown of fair value of plan assets

Plan investments	In thousands of euros	In %	Yield
Shares	18,960	68.82%	3.70%
Bonds	8,169	29.65%	3.70%
Other	420	1.52%	3.70%
TOTAL	**27,549**	**100.00%**	**3.70%**

Plan assets do not include any land or buildings occupied by Group entities or any other assets used by the Group. There are no separately identifiable assets.

Fair values of plan assets relate only to the UK plan.

Actuarial assumptions

	France	Germany	Italy	Turkey	United Kingdom	Netherlands	Other	Average rate, weighted by the DBO amount
Discount rate	1.50%	1.50%	1.50%	8.10%	3.70%	1.50%	n.a.	2.93%
Expected future salary increases	2.50%	1.50%	2.50%	7.00%	n.a.	3.00%	n.a.	2.54%

Sensitivity to changes in medical care trend rates

No plan benefits.

Best estimate of plan contributions payable in 2015

Expected contributions for the fiscal year ended December 31, 2015:

(in thousands of euros)	2015
Employer contributions	1,027
Plan participants' contributions	–

Sensitivity of assets and liabilities to the main assumptions as of December 31, 2014

A one percentage-point increase or decrease in the discount rate affecting all plans would result in the following net liabilities:

Assets and liabilities *(in thousands of euros)*	Discount rate +1%			Discount rate -1%		
	Total	Funded plan	Unfunded plan	Total	Funded plan	Unfunded plan
Present value of obligations	38,000	23,320	14,680	55,168	35,774	19,394
Fair value of plan assets	27,549	27,549	–	27,549	27,549	–
Surplus/(deficit)	**(10,451)**	**4,229**	**(14,680)**	**(27,619)**	**(8,225)**	**(19,394)**
Unrecognized past service cost	–	–	–	–	–	–
Assets not recognized (limitation effect)	–	–	–	–	–	–
NET LIABILITY	**(10,451)**	**4,229**	**(14,680)**	**(27,619)**	**(8,225)**	**(19,394)**

A one percentage-point increase or decrease in the inflation rate affecting all plans would result in the following net liabilities:

Assets and liabilities *(in thousands of euros)*	Inflation rate +1%			Inflation rate -1%		
	Total	Funded plan	Unfunded plan	Total	Funded plan	Unfunded plan
Present value of obligations	52,706	33,867	18,839	39,724	24,632	15,092
Fair value of plan assets	27,549	27,549	–	27,549	27,549	–
Surplus/(deficit)	**(25,157)**	**(6,318)**	**(18,839)**	**(12,175)**	**2,917**	**(15,092)**
Unrecognized past service cost	–	–	–	–	–	–
Assets not recognized (limitation effect)	–	–	–	–	–	–
NET LIABILITY	**(25,157)**	**(6,318)**	**(18,839)**	**(12,175)**	**2,917**	**(15,092)**

According to a report by the UK actuary, IFRIC 14 had no impact on the consolidated financial statements as of December 31, 2014.

A one percentage-point increase or decrease in the discount rate affecting all plans would result in the following movements in other comprehensive income as of December 31, 2014:

(in thousands of euros)	Discount rate +1%	Discount rate -1%
At January 1	**7,476**	**7,476**
Revaluation of the net defined benefit liability	(1,174)	15,994
Translation differences	(155)	273
AT DECEMBER 31	**6,147**	**23,743**

NOTE 27 OTHER PROVISIONS

(in thousands of euros)	Balance at January 1, 2014	Translation differences	Changes in consolidation scope	Additions	Reversals of amounts used	Reversal of unused amounts	Other movements	Balance at December 31, 2014
Provisions for warranties	12,455	1,010	–	14,003	(12,273)	(85)	(37)	15,073
Provisions for litigation and claims	8,017	107	1,028	3,354	(2,064)	(420)	274	10,296
Provisions for restructuring	1,207	(3)	–	504	(1,125)	–	1	584
Other provisions	8,891	(563)	–	12,181	(4,131)	(2,565)	3,471	17,284
TOTAL OTHER PROVISIONS	**30,570**	**551**	**1,028**	**30,042**	**(19,593)**	**(3,070)**	**3,709**	**43,237**

(in thousands of euros)	Balance at January 1, 2013	Translation differences	Changes in consolidation scope	Additions	Reversals of amounts used	Reversal of unused amounts	Other movements	Balance at December 31, 2013
Provisions for warranties	12,130	(759)	–	13,156	(12,219)	32	115	12,455
Provisions for litigation and claims	7,350	(283)	–	3,762	(2,706)	(307)	201	8,017
Provisions for restructuring	762	(5)	–	810	(360)	–	–	1,207
Other provisions	11,062	(141)	1	7,919	(5,408)	(4,588)	46	8,891
TOTAL OTHER PROVISIONS	**31,304**	**(1,188)**	**1**	**25,647**	**(20,693)**	**(4,863)**	**362**	**30,570**

1. Warranties

The provision for warranties reflects the estimated foreseeable costs related to the one-year product warranty given at the time of sale.

2. Litigation and claims

Ingenico is engaged in a number of claims and arbitration proceedings arising in connection with its business.

› Commercial disputes

Commercial disputes are regularly reviewed by the Legal Department and are covered by provisions if the Group considers that it is probable that an outflow of resources will be necessary to cover the risk incurred and that such an outflow can be reliably estimated. Reversals of unused amounts chiefly reflect the resolution of such disputes that were settled in the Group's favor, or in which the amount of the damages awarded proved to be lower than originally estimated.

› Tax disputes

During fiscal year 2014 and prior years, Group companies were subject to tax audits and occasionally proposals for adjustments. The financial consequences of these income tax adjustments and other taxes are recorded as provisions for any reported amounts that are accepted or deemed to present a probable outflow of resources and may be reliably estimated.

The Group periodically reviews the assessment of this risk as audits or litigations progress, and is of the opinion that there are no ongoing audits that will have a material impact on its financial position or liquidity.

The tax assessment procedures in respect of a Brazilian subsidiary are still in progress. They relate to the ICMS tax, where the amount in question was approximately €67 million as of December 31, 2014 (covering principal, interest and penalties from 2004 to 2009). The "Tax War" currently pitting Brazilian States against each other may affect Ingenico as well as a large number of foreign and domestic companies. Against this background, the tax authorities of the State of Sao Paulo have contested the deduction by Ingenico do Brasil of a portion of the ICMS tax on the sales invoices of a supplier, on the grounds that the State of Minas Gerais, in which the supplier operates, had granted the supplier a tax concession that violates federal law. All notified ICMS-related assessments are still being contested in the administrative courts in Brazil. As of December 31, 2014, Ingenico had not been notified of any final decision by the Brazilian administrative courts and consequently had not received any demand for payment. In addition, the subsidiary, on the advice of tax experts, believes it has serious grounds for contesting the claims of the authorities.

Based on an analysis of the risks involved and on the criteria set out in IAS 37, no provision has been recognized in the consolidated financial statements as of December 31, 2014.

› Other disputes

A settlement agreement signed in November 2014 closed the dispute with Mr. Will Graylin, minority shareholder of Roam Data Inc.

3. Other provisions

Other provisions include provisions for expenses incurred in the course of business (commitments made to suppliers to purchase inventories, customer quality risks, customers' sales indemnities and other).

The €2.6 million of unused amounts reversed mainly relate to commitments to suppliers to purchase inventories and customer quality risks.

Other changes include in particular a €3.1 million provision for quality-related risks at Ingenico Do Brazil.

(in thousands of euros)	2014	2013
Supplier inventory buyback commitments	2,355	1,720
Product quality risk	10,777	4,390
Employee indemnities and benefits	837	773
Customer sales indemnities	721	93
Other expenses	2,593	1,915
TOTAL OTHER PROVISIONS	**17,284**	**8,891**

NOTE 28 OTHER NON-CURRENT LIABILITIES

(in thousands of euros)	2014	2013
Trade payables	–	79
Tax, personnel and social security liabilities	4,340	234
Deferred income	25,513	20,789
Other liabilities	6,231	3,466
TOTAL	**36,084**	**24,568**

The increase in other non-current liabilities is principally due to:

- the increase in social security liabilities, in connection with the long-term compensation plans in various Group subsidiaries;
- the increase in deferred income, mainly at the subsidiary Ingenico Do Brazil, in connection with the increase in sales with extended warranties;
- the revaluation of the put option on Ingenico Asia Holding Ltd. shares, recognized in other liabilities.

In 2013, the Group increased the share capital of its subsidiary Ingenico Asia Holdings Ltd, issuing shares to an outside shareholder. This minority shareholder has a put option to sell the shares it subscribed for in 2013 to the Group. Accordingly, the Group recognized a liability in connection with this put option, classified in Other Non-Current Liabilities. The valuation method used for this liability is described in Note 3, "Financial Assets and Liabilities Classified by Accounting Category".

NOTE 29 TRADE PAYABLES AND RELATED ACCOUNTS

(in thousands of euros)	2014	2013
Trade payables	274,850	222,904
Other operating liabilities	138,648	104,955
Customer advances	*9,963*	*6,038*
Other tax liabilities	*13,844*	*22,739*
Employee-related liabilities	*114,565*	*76,164*
TOTAL	**413,498**	**327,859**

The increase in trade payables is consistent with the increase in business.

NOTE 30 CURRENT TAX PAYABLE

As of December 31, 2014, current tax payable in under one year was composed chiefly of income tax payable on taxable profit at Group subsidiaries.

(in thousands of euros)	2014	2013
Germany	2,584	1,724
China	3,649	2,726
France	16,552	7,122
Italy	–	2,220
United Kingdom	2,523	2,344
Other countries	3,213	1,751
TOTAL	**28,521**	**17,887**

NOTE 31 OTHER CURRENT LIABILITIES

Other current liabilities are broken down as follows:

(in thousands of euros)	2014	2013
Deferred income	120,658	81,160
Other liabilities	5,556	29,349
TOTAL	**126,214**	**110,509**

The increase in deferred income recorded was due mainly to amounts invoiced by the subsidiary Fujian Landi.

The reduction in other liabilities is due to:

- earn-out payments on the purchase of PT Ingenico International Indonesia assets;
- partial earn-out payment in connection with the acquisition of Ingenico Payment System LLC;
- payment of the put option on Roam Data Inc. shares;
- the transfer to special accounts of the liquid investments related to the business of the subsidiary Tunz (see Note 32, "Funds, receivables and payables related to intermediation activities").

As of December 31, 2014, other liabilities included mainly the earn-out connected with the acquisition of Ingenico Payment System LLC.

NOTE 32 FUNDS, RECEIVABLES AND PAYABLES RELATED TO INTERMEDIATION ACTIVITIES

(in thousands of euros)	2014
Receivables related to intermediation activities	1,943
Funds related to intermediation activities	308,225
TOTAL ASSETS	**310,168**
Payables related to intermediation activities	310,168
TOTAL LIABILITIES	**310,168**

NOTE 33 OFF-BALANCE SHEET COMMITMENTS

(in thousands of euros)	2014	2013
Commitments received		
Various guarantees	3,770	4,215
Net asset warranty as part of the acquisition of an 83.86% interest in Roam Data Inc.: unlimited duration (commitment: USD 700,000).	577	508
Net asset warranty as part of Ingeserve Co. Ltd acquisition, expiring on May 21, 2015.	unlimited	unlimited
Net asset warranty as part of TNET acquisition. Unlimited duration and amount.	unlimited	unlimited
Net asset warranty as part of Paycom acquisition. With the following durations: on July 1, 2021 for corporate warranties, on December 31, 2015 for tax warranties.	12,381	12,381
Net asset warranty as part of PT Payment Indonesia acquisition. Total net asset warranties amount to USD 4.5 million. expiry dates as follows:	3,706	3,263
• tax until January 2018;		
• corporate: unlimited duration;		
• other warranties: until July 2014.		
Net asset warranty as part of Ogone acquisition. The net asset warranty (not including the special warranty) totaled €89.3 million, expiry dates as follows:	89,325	89,325
• tax until December 31, 2016;		
• corporate: unlimited duration;		
• other warranties until September 2014;		
• an additional special warranty for tax losses on the acquisition of the holding company in Luxembourg, expiring on December 31, 2016.	750	750
Net asset warranty received as part of GlobalCollect acquisition. The net asset warranty for a maximum of €20 million expires on September 30, 2015.	20,000	
Other commitments received		
As part of the disposal of Fixed & Mobile Pte Ltd, 16,650 shares in the company were provided to the Group as security for its receivable and the loan granted to the acquirers. The security interest will terminate when both amounts have been paid in full.		
Commitments given		
Various guarantees	20,631	18,816
Net asset warranty as part of Sagem Denmark disposal in 2009:		
• tax warranty valid until expiration of time limit for tax claims (May 2015).	20,254	20,254
Other commitments given		
The Group has committed to contributing €14 million to an investment fund. The first cash call was subscribed in the amount of €112,000 and is recorded in the balance sheet.		

In 2014, the Group had the following commitments in connection with its business activities:

- approximately €137.4 million in firm price orders placed by the Group with its manufacturers as of December 31, 2014;
- future payments under non-cancelable operating leases.

The following table shows future minimum lease payments due at year-end under non-cancelable operating leases.

(in thousands of euros)	2014	2013
Commitments given on non-cancelable leases	94,950	72,341
TOTAL	**94,950**	**72,341**

The following table presents the breakdown by maturity and segment of commitments given by the Group under non-cancelable operating leases as of December 31, 2014:

(in thousands of euros)	2014						
	Central Operations	SEPA	Asia-Pacific	North America	Latin America	EMEA	Total
Y+1	12,461	4,649	2,181	402	264	–	19,957
Y+2	9,851	3,112	1,119	404	–	–	14,487
Y+3	9,222	2,378	390	310	–	–	12,300
Y+4	9,060	1,493	17	275	–	–	10,845
Y+5 and following	24,952	8,996	14	3,398	–	–	37,361
TOTAL	**65,547**	**20,628**	**3,723**	**4,790**	**264**	**–**	**94,950**

The following table presents the breakdown by maturity and segment of commitments given by the Group under non-cancelable operating leases as of December 31, 2013:

(in thousands of euros)	2013						
	Central Operations	SEPA	Asia-Pacific	North America	Latin America	EMEA	Total
Y+1	7,743	6,043	918	994	757	–	16,455
Y+2	6,690	3,058	479	756	194	–	11,176
Y+3	6,534	1,640	135	701	196	–	9,207
Y+4	6,248	1,184	–	3,659	166	–	11,257
Y+5 and following	23,591	469	–	19	166	–	24,245
TOTAL	**50,807**	**12,394**	**1,533**	**6,129**	**1,479**	**–**	**72,341**

Ingenico is entitled, in connection with its business activities, to receive future minimum rental income in respect of non-cancelable operating leases amounting to €3.5 million in 2014 and €5.9 million in 2013.

NOTE 34 RELATED PARTY TRANSACTIONS

Total compensation and benefits paid to the Executive Committee in 2014 and 2013 break down as follows:

(in thousands of euros)	2014 Amounts due for the period	2014 Amounts paid during fiscal year	2013 Amounts due for the period	2013 Amounts paid during fiscal year
Fixed compensation	3,858	3,860	4,570	4,539
Variable compensation	3,885	3,116	2,975	3,128
Benefits	208	208	211	211
Free share awards (service cost recognized)	1,379		2,768	
TOTAL	**9,330**	**7,184**	**10,524**	**7,877**

As recommended by the AMF (Autorité des marchés financiers), the note on executive compensation had been recast in 2013 to provide disclosures that are both more detailed and more indicative of how the Company operates. Accordingly, it shows only the compensation and benefits paid to members of the Executive Committee, whose role is to set Group strategy, create the conditions for implementation of that strategy and ensure that objectives are met. The Executive Committee is chaired by the Chairman & Chief Executive Officer.

As of December 31, 2014, the Executive Committee has been reduced to 12 members, which explains the reduction in total compensation.

NOTE 35 SUBSEQUENT EVENTS

On December 15, 2014, the Group announced the exercise of the early redemption option on January 15, 2015, on all OCEANE bonds convertible and/or exchangeable into new or existing shares outstanding on January 7, 2015. OCEANE bondholders had the option until January 6, 2015, to exercise their stock option rights at a conversion rate of 1.015 Ingenico shares per OCEANE bond. For bondholders who had not exercised their stock option rights, the early redemption was transacted at face value plus accrued coupon, or €37.48 per OCEANE bond.

Bonds converted prior to December 31, 2014 will not detach the coupon for that year, but the shares resulting from conversion will be entitled to a dividend paid in 2015 for fiscal year 2014. Bonds converted after January 1, 2015 will detach the coupon for fiscal year 2014, but the shares resulting from conversion will not be entitled to the dividend paid in 2015.

The convertible bond liability which amounted to €111.6 million as of December 31, 2014 consequently totally disappeared as of January 15, 2015, leading to an issuance of 3,216,566 shares and a €0.2 million redemption in cash relating to the 6,489 OCEANE bonds that had not been converted as of January 7, 2015.

After this transaction, Group net debt amounted to €652.6 million.

On January 15, 2015, the Group announced new appointments to its Executive Committee, intended to address the changes in scope. The changes in the structure of the Group that will be introduced in the first quarter of 2015, will focus on the following:

- the creation of a new global operational unit dedicated to online payments;
- the grouping of all technological solutions and platforms under a single structure;
- refocusing four geographic regions: Europe, Africa; Asia Pacific, Middle East; Latin America, North America;
- the creation of Ingenico Labs to support Group-wide innovation;
- the retirement of Patrice Durand, EVP Finance & Operations, after the publication of the 2014 fiscal year results. He will be replaced by Pierre-Antoine Vacheron, EVP Strategy, Performance & Finance.

NOTE 36 PRO FORMA FINANCIAL INFORMATION

The pro forma consolidated income statement for the fiscal year ended December 31, 2014 takes into account only the consolidation of GlobalCollect. It was prepared in order to present the consolidated income statement for the Ingenico Group for the fiscal year ended December 31, 2014 as if the acquisition of GlobalCollect had taken place on January 1, 2014. It was published for illustration purposes only. As such, it is not necessarily representative of the Ingenico Group's financial position or performance in the event that the acquisition of GlobalCollect had taken place at a date prior to its effective implementation. Nor does it presuppose the Group's financial position or performance in future fiscal years.

(in thousands of euros)	2014
Revenue	**1,846,424**
Cost of sales	(1,051,937)
Gross profit	**794,487**
Distribution and marketing costs	(181,841)
Research and development expenses	(117,013)
Administrative expenses	(186,049)
Profit from ordinary activities	**309,584**
Other operating income/(expenses)	(19,798)
Profit from operating activities	**289,786**
Net financial expenses	(28,005)
Financial income	**(28,005)**
Share of profits in equity-accounted investees	(1,379)
Profit before income tax	**260,402**

The pro forma income statement has been drawn up on the basis of the Ingenico Group's consolidated financial statements to which the following restatements have been applied:

- inclusion of the various interim balances of GlobalCollect for the period between January 1, 2014 and the acquisition date (September 30, 2014). The accounting principles and methods adopted are identical to those adopted for the preparation of the Group's consolidated financial statements for the fiscal year ended December 31, 2014;
- inclusion of the additional depreciation charge on identified intangible assets measured at fair value when allocating the acquisition price;
- inclusion of the IFRS 2 expense corresponding to share plans whose right vesting period falls in the first quarter of 2015;
- inclusion of the theoretical additional financial expense and cancellation of financing costs for a debt with the former GlobalCollect shareholder;
- cancellation of transaction costs borne by GlobalCollect.

5.7 Statutory auditors' report on the consolidated financial statements

Fiscal year ended December 31, 2014

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general shareholders' meeting, we hereby report to you, for the fiscal year ended December 31, 2014, on the following:

- our audit of the attached consolidated financial statements of Ingenico SA;
- the justification of our assessments;
- the specific verifications required by law.

These consolidated financial statements have been adopted by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

1 Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis or through other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the consolidated group of entities in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the European Union.

Without qualifying the opinion expressed above, we draw your attention to Note 27 "Other provisions" of the notes to consolidated financial statements, which presents the situation as of December 31, 2014 on the ongoing tax disputes concerning the Brazilian subsidiary of Ingenico SA.

2 Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

- At each reporting date, the company tests goodwill and intangible assets that have indefinite useful lives for impairment, as described in the section "Impairment of assets" included in Note 2, "Accounting principles and methods", to the consolidated financial statements. We have reviewed the impairment testing methodology and the assumptions used, and we have verified that Notes 2 and 12, "Goodwill and other intangible assets", to the consolidated financial statements provide adequate disclosure. The underlying estimates retained for this test used assumptions that are uncertain by nature, the realizations may differ significantly from the forward-looking statements used.
- Provisions for litigation and claims are recognized in accordance with the accounting principles and methods described in the section "Provisions" included in Note 2, "Accounting principles and methods", to the consolidated financial statements. On the basis of information currently available, we have reviewed how the provisions have been estimated and we have verified that Notes 2 and 27, "Other provisions", to the consolidated financial statements, provide adequate disclosure.

These assessments were made as part of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the opinion we formed, which is expressed in the first part of this report.

3 Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law on information given in the management report of the Board of Directors.

We have no matters to report as to the fair presentation and the consistency with the consolidated financial statements.

The statutory auditors

Paris - La Défense, February 19, 2015

KPMG Audit IS	Mazars	Mazars
Jean-Pierre Valensi	Thierry Blanchetier	Ariane Mignon
Partner	*Partner*	*Partner*

6

PARENT COMPANY FINANCIAL STATEMENT AT DECEMBER 31, 2014

6.1 Assets

(in thousands of euros)	Notes	2014 Gross	2014 D&A and impairment	2014 Net	2013 Net
Non-current assets					
Intangible assets	**4**				
Research and development expenses		89,139	58,685	30,453	19,322
Licenses, patents and similar rights		32,997	24,098	8,899	11,086
Goodwill		223,160	1,571	221,589	221,589
Other intangible assets		3,308	686	2,622	1,872
Property, plant and equipment	**4**				
Buildings on leasehold land		1,388	376	1,012	978
Facilities and equipment		35,002	26,249	8,753	6,922
Other property, plant and equipment		20,875	12,355	8,521	8,249
Financial assets	**4**				
Equity interests	5, 9, 19	1,897,047	8,926	1,888,121	938,299
Loans and advances to subsidiaries and associates	5, 6, 9, 19	18,516	–	18,516	102,017
Other financial assets	6	7,661	–	7,661	7,685
TOTAL I		**2,329,091**	**132,946**	**2,196,146**	**1,318,018**
Current assets					
Inventories	**9**				
Raw materials and consumables		6,705	3,028	3,677	4,450
Finished and semi-finished goods		10,014	2,958	7,056	7,771
Purchased goods held for sale		40	40	0	4
Total inventories		**16,759**	**6,026**	**10,733**	**12,225**
Trade receivables	**5, 6, 9, 12, 19**				
Advances and down-payments		369	–	369	503
Trade receivables and related accounts		131,667	9,252	122,415	104,276
Other receivables		52,097	177	51,920	53,421
Short-term investments	**7, 9**	**40,000**	**–**	**40,000**	**84,748**
Cash and cash equivalents	**12**	**109,874**	**–**	**109,874**	**85,284**
Accrued income	**6**	**6,551**	**–**	**6,551**	**5,371**
TOTAL II		**357,317**	**15,455**	**341,862**	**345,828**
Deferred bond issuance costs	4	1,067	–	1,067	–
Deferred charges	4	7,558	–	7,558	4,794
Translation gains		2,863	–	2,863	1,207
TOTAL ASSETS		**2,697,897**	**148,401**	**2,549,496**	**1,669,848**

6.2 Shareholders' equity and liabilities

(in thousands of euros)	Notes	2014	2013
Equity	**8**		
Share capital		57,437	53,086
Share premium		676,212	526,768
Reserves	**8**		
Legal reserve		5,310	5,250
Other reserves			
Retained earnings	**8**	**95,574**	**56,550**
Profit for the year	**8**	**174,214**	**81,309**
Regulated provisions	**8, 9**	**12,219**	**12,629**
TOTAL I (EQUITY)		**1,020,966**	**735,592**
Provisions for liabilities and charges			
Provisions for liabilities and charges	9	24,336	17,628
TOTAL II (PROVISIONS)		**24,336**	**17,628**
Liabilities	**11**		
Bond issues	10, 12	574,844	256,875
Bank borrowings and debt	10, 12	600,005	382,321
Cash-flow instruments	10, 12	–	0
Other borrowings and liabilities	5, 19	123,330	102,903
Advances and down-payments received on outstanding orders		34	79
Trade payables and related accounts	12, 19	100,544	90,641
Tax and social security liabilities	12	79,911	56,406
Payables to non-current asset suppliers and related accounts		–	0
Other liabilities	12, 19	3,293	9,636
Deferred income		18,835	15,608
TOTAL III (LIABILITIES)		**1,500,796**	**914,468**
Translation losses		3,397	2,160
TOTAL LIABILITIES AND EQUITY		**2,549,496**	**1,669,848**

6.3 Profit or loss

(in thousands of euros)	Notes	2014	2013
Resale of purchased goods		72,245	45,697
Sales of goods produced		534,412	431,565
Sales of services		69,980	59,123
Revenue	**13,19**	**676,637**	**536,385**
Inventories of finished goods and work in progress	19	(949)	(10,354)
Production for own use	19	19,539	13,023
Grants	19	–	9
Other income	19	372	297
Reversal of provisions and account transfers	9,19,4	23,016	24,801
TOTAL OPERATING INCOME		**718,616**	**564,161**
Purchases (incl. customs duties)	19	54	74
Cost of inventories consumed	19	269,298	222,160
Changes in inventories (raw materials and other supplies)	19	696	1,190
Other purchases and external charges	15,19	121,192	102,724
Income taxes, taxes other than on income and related expenses	19	8,928	9,265
Wages and salaries	14,20	77,582	69,686
Social security contributions		45,099	33,455
D&A on non-current assets	4	22,890	23,625
Provisions and impairment	9,19	21,907	19,923
Other expenses		1,011	1,816
TOTAL OPERATING EXPENSES		**568,656**	**483,918**
Profit from operations		**149,960**	**80,243**
Financial income	16	116,622	88,883
Financial expenses		(56,278)	(50,597)
Reversals of provisions	16	28,689	4,490
Provisions	16	(2,966)	(9,214)
Net financial income and expenses	**16**	**86,067**	**33,561**
Profit before income taxes and non-recurring items		**236,027**	**113,804**
Non-recurring income		6,808	189
Non-recurring expenses		(8,103)	(3,090)
Non-recurring reversals of provisions	17	4,049	3,073
Non recurring provisions	17	(3,639)	(5,794)
Non-recurring income and expenses	**17**	**(885)**	**(5,622)**
Employee profit-sharing		4,341	1,530
Income tax	18	56,587	25,344
Profit for the year		**174,214**	**81,309**

6.4 Notes to the parent company financial statements

INDEX FOR THE NOTES TO THE PARENT COMPAGNY FINANCIAL STATEMENTS

NOTE 1 HIGHLIGHTS OF THE PERIOD

Acquisitions – divestitures – mergers

Acquisition of GlobalCollect Group

On September 30, 2014, Ingenico SA acquired GlobalCollect Group (GCS Holding BV), the world leader in integrated online payment services, for €830,110,000, paying €665,010,000 in capital and €165,100,000 to assume the entity's liabilities. This acquisition was financed *via* a €600,000,000 loan from a banking pool, with the balance taken from available cash.

Upon completion of this external growth operation, Ingenico SA was the sole owner of GlobalCollect Group.

Structuring of Payment Services business in Europe

As part of the streamlining plan for the Ogone Group, acquired in 2013, and the pooling of the financing for online payment services at Ingenico E-Commerce solutions SPRL (Belgium), the following transactions impacting Ingenico SA's accounts were completed during the period:

- On August 25, 2014, Ingenico SA, the sole shareholder of Ogone France SAS, decided to dissolve Ogone France SAS without liquidating it, transferring all its assets in accordance with Article 1844-5, Paragraph 3, of the French Civil Code. With the completion of this transaction, Ingenico SA directly held 100 percent of Ingenico E-Commerce Solutions SAS (France). In terms of accounting principles, the transaction is subject to Regulation 2004-01 of the Accounting Regulatory Committee; assets and liabilities are recognized in the financial statements of Ingenico SA on the transaction date of the universal transfer of assets. The surplus from the merger resulting from this transaction was €1,255,000 and was recognized in accordance with Regulation 2004-01 of the Accounting Regulatory Committee. In tax terms, the dissolution without liquidation takes effect for tax purposes on January 1, 2014. The transaction falls under the merger-friendly terms of Article 210-0 A of the French Tax Code.
- On September 24, 2014, the dissolution of the intermediate holding company Ogone Nederland BV (Netherlands) was announced. Ogone Nederland BV (Netherlands) was 67.79 percent owned by Ingenico E-Commerce Solutions SPRL (Belgium) and 32.21 percent by Ingenico SA. With the completion of this transaction, Ingenico SA directly held 32.22 percent of Ingenico E-Commerce Solutions BV (Netherlands). As a result of this translation Ingenico SA reported a loss on liquidation in the amount of €502,000.
- On October 31, 2014, Ingenico SA acquired from its subsidiary Ingenico E-Commerce Solutions SPRL (Belgium) its 67.79 percent stake in Ingenico E-Commerce Solutions BV (Netherlands) for €13,555,000. In payment for this acquisition, Ingenico SA transferred to Ingenico E-Commerce Solutions SPRL (Belgium) a portion of its €75,000,000 receivable against its subsidiary DI Deutsche Ingenico Holding GmbH. With the completion of this transaction, Ingenico SA held 100 percent of Ingenico E-Commerce Solutions BV (Netherlands).

- On October 31, 2014, Ingenico SA subscribed in full to the €69,495,000 capital increase of its subsidiary Ingenico E-Commerce Solutions SPRL (Belgium) *via* transfer of its receivables against DI Deutsche Ingenico.
- On December 29, 2014, Ingenico SA subscribed in full to the €165,100,000 capital increase of its subsidiary Ingenico E-Commerce Solutions SPRL (Belgium) *via* transfer of all its receivables against its subsidiary GCS Holding B.V.

Other transactions

- On March 20, 2014, the dissolution of Ingenico Luxembourg, a dormant company wholly owned by Ingenico SA, was announced, entailing a €32,000 loss on liquidation in Ingenico SA's accounts.
- On March 31, 2014, Ingenico SA subscribed to the capital increase of its subsidiary Ingenico Holding Asia 2 by capitalizing its long-term receivable in the amount of €3,278,000 (USD 4,519,000).
- On June 10, 2014, Ingenico India proceeded with a capital increase in cash in the amount of €3,572,000 (300,000,000 Indian rupees) subscribed in full by Ingenico SA.
- On July 21, 2014, Ingenico SA made an earn-out payment as part of the acquisition of the assets of its subsidiary in Russia (Ingenico LLC) in the amount of €3,800,000, in accordance with the agreement to acquire Arcom assets dated April 12, 2012, providing for an acquisition price adjustment based on future performance criteria.
- Ingenico SA, having found that its subsidiary Ingenico Corp. in the United States had regained independent profitability, consequently reversed the entire provision on that company's equity securities in the amount of €26,842,000.

Development financing for Ingenico.

The following financing transactions were conducted in 2014:

Bond issue

On May 20, 2014, Ingenico SA issued a bond maturing on May 20, 2021, to improve its financial flexibility for its growth strategy. The total principal amount of the issue is €450,000,000, or 4,500 bonds with a face value of €100,000 each. The bonds pay a nominal coupon of 2.50 percent. Bond issue expenses of €2,443,000 and issue premium of €1,170,000 are amortized on a straight-line basis over the life of the bond.

Early repayment of loans

In 2014, Ingenico SA repaid early an amount of €382,000,000, representing the balance of its loans at December 31, 2013.

Issuance of a new loan

On July 31, 2014, Ingenico SA obtained, from a banking pool, a new term loan in the amount of €100,000,000 (maturing on July 31, 2019 and repayable in installments of €20,000,000) and a €500,000,000 revolving credit facility maturing on July 31, 2019. This loan was used specifically to finance the acquisition of GlobalCollect. The total loan issuance costs amounted to €5,045,000. These costs are recorded on the asset side of the balance sheet and amortized on a straight-line basis over the life of loans.

Convertible bond issue

Over the course of the year, holders of OCEANE bonds issued in 2011 exercised the share conversion option on 3,501,821 of the total 6,677,350 bonds, corresponding to €131,108,000 of the total €249,999,000 nominal value. With a conversion rate of 1 OCEANE bond to 1.015 Ingenico SA shares, this resulted in the creation of 3,554,348 new Ingenico SA shares over the course of the year.

At December 31, 2014, 3,175,529 OCEANE bonds remained outstanding, with a total nominal value of €118,892,000.

On December 15, 2014, Ingenico SA announced the early redemption of all bonds convertible and/or exchangeable into new or existing (OCEANE) bonds maturing in 2017, which are outstanding on January 7, 2015 and for which the stock options had not been exercised. After December 1, 2014, a total of 2,738,278 new conversion requests were received with a total nominal value of €102,521,000.

Tax audit

During fiscal year 2014 and previous years, Ingenico SA was subject to tax audits and, on occasion, correction proposals. The financial consequences of such additional tax assessments and taxes are recognized through provisions for the amounts that have been notified and accepted or are considered as presenting a probable outflow of resources which can be reliably estimated.

Ingenico SA periodically reviews the estimate of this risk with regard to changes in auditing procedures and disputes and believes that current audits will not have a significant impact on its financial situation or its liquidity.

Based on an analysis of the risks involved, no significant provision has been recognized in the consolidated financial statements as of December 31, 2014.

NOTE 2 SUBSEQUENT EVENTS

Ingenico SA confirms that on January 15, 2015, it proceeded with the early redemption of the remaining outstanding 6,489 OCEANE bonds of the total 6,677,350 bonds, for a total nominal value of €243,000. The final proportion of bonds converted was 99.90 percent of the number issued.

NOTE 3 ACCOUNTING PRINCIPLES AND METHODS

The accounting principles and methods used were applied in compliance with the conservatism principle and these basic assumptions:

- going concern;
- consistency principle;
- time period concept;

and according to the generally-accepted rules governing the preparation and presentation of annual financial statements.

Items in the accounts are generally valued at historical cost.

The main accounting principles applied by the Group are follows:

Research and development

Research costs are expensed as incurred.

The costs of development activities, *i.e.* costs related to the application of research findings to a plan or design for the production of new or substantially improved products or processes, are capitalized if the Company can demonstrate, in particular, that the product or process is technically and commercially feasible and that sufficient resources are available to complete the development.

Such capitalized costs include the cost of materials and direct labor, plus an appropriate share of production overhead costs. To arrive at reliable estimates for the costs attributable to specific assets, Ingenico SA has introduced tools for managing time per project and an appropriate cost accounting system.

Other development costs are expensed as incurred. Capitalized development costs are stated at cost less accumulated amortization and impairment losses.

The estimated useful lives range from 3 to 5 years.

Other intangible assets

Other intangible assets acquired by the Company are stated at cost less accumulated amortization and impairment losses. Amortization is computed using the straight-line method.

The estimated useful lives are as follows:

- software and licenses: 1 to 5 years, versus 1 to 3 years previously;
- other intangible assets: 5 years.

Goodwill

The "Goodwill" line item in the balance sheet in a net amount of €221,589,000 pertains primarily to the following:

- a merger deficit of €24,616,000 recognized on the merger in 2006 of MoneyLine with and into Ingenico;
- a merger deficit of €149,238,000 recognized on the dissolution and merger in 2010 of Ingenico France (formerly Sagem Monetel) through transfer of all of the entity's assets and liabilities;
- a merger deficit of €46,576,000 recognized on the 2012 merger with Xiring;
- THE net assets of Xiring included goodwill totaling €750,000.

In compliance with Regulation CRC 2004-01, these deficits are not amortized; they are tested for impairment. When the recoverable amount of one or more underlying assets to which a share of deficit has been allocated falls below the carrying amount of said asset(s), plus the allocated share of deficit, an impairment loss is recognized for the difference.

Property, plant and equipment

Property, plant, and equipment is carried at cost (purchase price and related expenses).

The cost of a self-constructed asset includes the cost of raw materials and direct labor, along with an appropriate share of production overhead costs. When components of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The replacement cost of a component is immediately capitalized under property, plant and equipment if it is probable that the future economic benefits arising from the asset will flow to the Company and its cost can be reliably measured.

All routine maintenance and repair costs are expensed as incurred.

Depreciation is calculated based on the following depreciation methods and useful lives:

- building fixtures and improvements: 5 years, straight-line depreciation;
- technical equipment (R&D department information systems): 4 years, accelerated depreciation;
- other machinery and equipment: 4 years, straight-line depreciation;
- other property, plant and equipment: 3 to 10 years, straight-line or accelerated depreciation.

Financial assets

Equity interests and loans and advances to subsidiaries and associates recorded on the balance sheet are stated at cost, with acquisition expenses included until December 31, 2009. As of 2010, acquisition expenses are expensed.

When the recoverable amount of equity interests and loans and advances to subsidiaries is less than the carrying amount, an impairment loss is recognized for the difference. The recoverable amount is equal to value in use. Ingenico SA assesses the value in use of equity interests and loans and advances to subsidiaries and associates using the discounted cash flow method, net of subsidiary debt, or at fair value when an expert appraisal is available. The discount rates used are based on the average cost of capital and the risk associated with the business.

To determine the value in use of equity securities, Ingenico has applied the discounted cash flow method to each entity, less net debt or plus net cash, with a 5-year forecast period and discounted terminal value.

The main assumptions used to determine the recoverable value of equity securities are as follows:

- value in use valuation;
- a 5-year forecast period;
- after-tax discount rate and perpetuity growth rate:

	12/31/2014	12/31/2013
Average after-tax discount rate	8.31%	10.10%
Perpetuity growth rate	1.74%	1.27%

The assumptions as to growth rate and weighted average cost of capital used in valuing equity securities have been reviewed against all available global market data.

The weighted average cost of capital is a medium-term rate.

The discount rates have been determined using market data on risk-free rates and risk premiums specific to the regions in which various entities operate.

After-tax discount rate weighted by region	SEPA	NAR	LAR	EMEA	APAC	Central OPS.	Group
2014	7.90%	7.80%	15.50%	11.10%	9.40%	8.00%	8.30%
2013	9.00%	9.20%	12.80%	18.90%	10.00%	10.30%	10.10%

To reflect the growth prospects specific to the various businesses, Ingenico assumes the following long-term growth rates:

- 2.20 percent for the SEPA region;
- 2.50 percent for GlobalCollect;
- 1.00 percent for businesses in other regions.

Furthermore, at previously troubled subsidiaries on the path to recovery, the impairment losses recognized historically on equity securities can be temporarily maintained until such time as the subsidiary has demonstrated an independent ability to generate profits.

Impairment tests take into account the extent to which an equity investment is strategic and how resilient the entity's business and finances are.

Tax-accelerated depreciation and amortization

For tax purposes, purchased software is amortized over 12 months.

Development costs arising on the merger with Xiring are amortized over 3 years.

Expenses related to the acquisition of Ingenico Holdings Asia and Easycash, which took place prior to 2010, are amortized over 5 years.

Tax-accelerated depreciation and amortization of acquisition expenses is calculated in accordance with current French tax regulations. It is equal to the difference between:

- accelerated depreciation/amortization on the useful lives recorded until December 31, 2009;
- depreciation/amortization recognized on the asset side of the balance sheet.

Tax-accelerated depreciation and amortization expenses and reversals are recognized in non-recurring income for the year.

Inventories

Cost of inventories is determined using the weighted average cost method. Finished goods are valued at production cost, which corresponds to the subcontractor's manufacturing cost. If the net realizable value of inventory on the balance sheet date is less than cost, an impairment loss is recognized for the difference.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Trade receivables and related accounts

Trade receivables and related accounts are stated at their nominal value. An impairment loss is recognized when the recoverable amount is less than the carrying amount.

Expenses incurred in relation to several-year contracts for the supply of applications are accounted for as accrued receivables, with margin recognized on a percentage-of-completion basis. The percentage of completion is determined through budgetary review of the stage of project completion (actual expenses versus projected expenses) and on the basis of attainment of contractually stipulated milestones. A provision for losses on completion of the contract may be recognized, based on the estimated outcome of the transaction.

Transactions in foreign currency

Revenues and expenses denominated in foreign currency are recorded at the euro equivalent on the date of transaction. The differences resulting from the translation of payables and receivables at the closing exchange rate are recorded on the balance sheet under "Translation differences". Hedged foreign-currency receivables and payables are recognized at their hedged rate. A provision is recorded for unrealized foreign exchange losses.

Foreign exchange hedges

Ingenico SA manages foreign exchange risk for all entities in the Group. The purpose of Ingenico SA's foreign exchange risk management policy is to hedge against the risk of currency depreciation against the euro for all invoices issued in foreign currencies. The policy therefore covers foreign exchange transaction risk to hedge trade receivables, trade payables and current accounts, as well as future cash flows from budgets. To hedge against the foreign exchange risk associated with its overseas operations, Ingenico SA mainly uses spots, forwards, options and foreign exchange hedging instruments. These instruments qualify as hedges and are recorded as off-balance sheet commitments.

Retirement benefit obligations

Upon retirement, Company employees receive benefits as per the provisions of the collective bargaining agreement by which they are covered. The Company recognizes provisions for retirement benefit obligations. As of December 31, 2014, those obligations were estimated at €7,507,000.

The Company measures and recognizes its retirement benefit obligations in accordance with the ANC 2013-02 recommendation, using the retrospective method and the following assumptions:

- social security contribution rates estimated on the basis of actual contribution rates for the various categories of employees;
- voluntary departure at age 62 for former Xiring employees, and at 63 for all other Ingenico employees;
- a 1.90 percent inflation rate;
- a 1.50 percent discount rate as of December 31, 2014, versus a 3.05 percent discount rate as of December 31, 2013;
- an annual wage adjustment rate of 0.50 percent, exclusive of inflation.

Any differences in valuation due to a change in the discount rate are recognized in profit or loss.

Provisions for litigation and claims

Provisions for litigation and claims are recognized when the Company has a present obligation in respect of litigation in progress, administrative inquiries, disputed proceedings and other claims arising from past events not yet settled, and that it is probable that an outflow of economic benefits, which can be reliably estimated, will be required to settle the obligation. Ingenico SA obtains expert legal advice to assess the probability of the outcomes and to measure the provisions for litigation and claims.

Short-term investments

Financial instruments classified as short-term investments are carried at cost. When their recoverable amount, which is their fair value, is less than cost, an impairment loss is recognized for the difference. Losses are not offset against unrealized gains.

Deferred charges

This item pertains to bond issue expenses, which are amortized on a straight-line basis over the life of the bond.

Business Research Tax Credit, Competitiveness and Employment Tax Credit

The Business Research Tax Credit and the Competitiveness and Employment Tax Credit (CICE) are accounted for as a reduction of corporate income tax.

The CICE for fiscal year 2013 in the amount of €209,000 was allocated to fund improvements to the company's competitiveness.

Free share awards

When the Company buys back its own free shares in the market and holds them in treasury to award them under free share award plans, the cost of any buybacks carried out or to be carried out to meet obligations to beneficiaries of such plans is covered by a provision allocated on a pro rata basis over the free share vesting period, as specified in each plan (2 to 4 years, depending on the beneficiary). At the end of the vesting period, the award of the treasury shares to the plan beneficiaries becomes final. The loss on disposal recognized at that point must be offset by a reversal of the previously recognized provision for impairment of treasury shares.

The net expense related to award plans for free shares purchased on the market, not including expenses rebilled to Group subsidiaries, is reclassified under "Payroll and related expenses" by way of a non-recurring expense transfer account. Treasury shares meant to be allocated to employees are recognized in "Short-term investments".

When the Company issues new shares to be used in free share award plans, no provision is recognized.

Treasury shares

Treasury shares that are not allocated to a free share award plan are recognized as financial assets.

Treasury shares allocated to a free share award plan or held under a liquidity contract are recognized as short-term investments.

Tax consolidation

The tax consolidation agreements between Ingenico SA, the head of the tax consolidation group, and the other companies in the tax consolidation group specify that each subsidiary pays the parent an amount equal to the income tax the subsidiary would have been required to pay if it had been taxed as a separate entity, net of any loss carry-forwards and carry-backs that the subsidiary would have been entitled to in the absence of tax consolidation.

At the end of a loss-making year for a subsidiary, that subsidiary will have no claim against the parent, even if the parent has established a claim against the French Treasury by electing to carry back the entire loss of the tax consolidation group.

If a subsidiary withdraws from the tax consolidation group, the parent and the subsidiary are to determine by mutual agreement whether the subsidiary has incurred additional costs as a result of tax consolidation, and if so, whether this entitles the subsidiary to compensation from the parent.

Revenue recognition

Revenue from the sale of goods is recognized in profit or loss when the significant risks and rewards of ownership of the goods have been transferred to the buyer. In practice, revenue is recognized when those risks have effectively been transferred according to the Incoterms that apply to the transaction.

Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the service at the reporting date.

When an invoice for services covers a future period, deferred income is recognized on a pro rata basis.

OCEANE Convertible Bonds

The decrease in financial liability and increase in capital resulting from the OCEANE conversions are recognized on share delivery date.

OCEANE conversion requests received but not yet converted at reporting date are not recognized.

NOTE 4 CHANGES IN NON-CURRENT ASSETS AND DEPRECIATION AND AMORTIZATION

Non-current assets

Items *(in thousands of euros)*	Carrying amount at Jan. 1, 2014	Increase	Transfers between items	Decrease	Carrying amount at Dec. 31, 2014
Intangible assets					
R&D, services & applications expenses	73,186	15,844 (1)	136	28	89,139
Patents, licenses and trademarks	29,760	1,999	1,238	–	32,997
Goodwill	223,160	–	–	–	223,160
Other intangible assets					
– Miscellaneous	686	–	–	–	686
– Assets and R&D in progress	–	–	–	–	–
– Other assets in progress	1,872	2,124 (2)	(1,374)		2,622
Property, plant and equipment					
Building fixtures	1,223	170	–	6	1,388
Equipment and machinery	32,108	6,037	–	3,144	35,002
Other property, plant and equipment	16,702	4,192		19	20,875
Financial assets					
Equity interests	974,676	953,252 (3)		30,881 (4)	1,897,047
Loans and advances to subsidiaries & associates	102,017	166,744 (5)		250,245 (6)	18,516
Other financial assets	7,685	112 (7)		136	7,661
TOTAL	**1,463,074**	**1,150,475**	**0**	**284,458**	**2,329,091**

(1) Includes €14,877,000 in capitalized research and development costs in the Hardware business.
(2) Includes €396,000 in capitalized Applications Services development costs.
(3) Includes Ingenico India shares (€3,572,000) following the capital increase in cash.
Includes Ingenico LLC shares for €3,800,000 as an earn-out payment.
Includes Ingenico E-Commerce Solutions BV shares for €19,998,000 from the liquidation of Ogone Netherland BV.
Includes Ingenico E-Commerce Solutions SPRL shares (€234,595,000), following capital increase through offsetting of receivables.
Includes Ingenico E-Commerce Solutions SAS France shares in the amount of €23,000,000 following the universal transfer of assets and liabilities from Ogone France SAS.
Includes Ingenico Holdings Asia II shares (€3,278,000), following capital increase through offsetting of receivables.
Includes acquisition of Global Collect Services Holding BV shares for €665,010,000.
(4) Includes Ingenico Investissement Luxembourg shares for €508,000 following the dissolution of that company.
Includes Ogone Netherland BV shares for €7,248,000 following the dissolution of that company.
Includes Ogone France SAS shares for €23,125,000 following the universal transfer of that company's assets and liabilities.
(5) Includes €165,100,000 loan to Global Collect Services.
Includes €40,000 loan to Ingenico Payment System Africa.
(6) Includes repayment of Ingenico Switzerland loan (€232,000).
Includes capitalization of a loan to Ingenico DI Deutsche (€75,000,000).
Includes capitalization of a loan to Ingenico Holdings Asia (€3,266,000).
Includes repayment of Ingenico Iberia loan (€2,000,000).
Includes capitalization of a loan to Global Collect Services (€165,100,000).
Includes repayment of Fixed & Mobile loan (€2,849,000).
Includes dividends received from Brazil (€1,774,000).
(7) Includes holdings in Partech Growth FCPI investment fund (€112,000).

Depreciation and amortization

Items *(in thousands of euros)*	Accumulated at Jan. 1, 2014	Increase	Transfers between items	Decrease	Accumulated at Dec. 31, 2014
Intangible assets					
Research and development expenses	53,865	4,821	–	–	58,685
Patents, licenses and trademarks	18,674	5,424	–		24,098
Goodwill	1,571	–	–	–	1,571
Other intangible assets					
Miscellaneous	686	–	–	–	686
Property, plant and equipment					
Building fixtures	245	132	–	1	376
Equipment and machinery	25,186	3,870	–	2,807	26,249
Other property, plant and equipment	8,453	3,919	–	17	12,355
TOTAL	**108,679**	**18,166**	**–**	**2,825**	**124,019**

Breakdown of additions to D&A

Straight-line	Diminishing-balance	Non-recurring items
11,810	6,355	–

Changes in deferred charges

(in thousands of euros)	Amount at Jan. 1, 2014	Increase during the year	Provisions during the year	Amount at Dec. 31, 2014
Deferred charges	4,794	8,658 (1)	4,827 (2)	8,625

(1) Includes issue premium of €1,170,000 and the issuance costs of the €450,000,000 bond issue and the issuance costs of the €600,000,000 syndicated loan in the amount of €7,488,000, recognized via an account transfer.

(2) Includes €1,068,000 in deferred charges on the 2011 €360,000,000 loan.
Includes €1,491,000 in deferred charges on the 2013 €175,000,000 loan.
Includes €1,523,000 in deferred charges on the 2011 OCEANE €250,000,000 bond issue.
Includes €214,000 in deferred charges on the 2014 €450,000,000 bond issue.
Includes €103,000 in deferred charges on the 2014 €450,000,000 bond issue.
Includes €428,000 in deferred charges on the 2014 €600,000,000 syndicated loan.

NOTE 5 EQUITY INTERESTS

	Currency Capital and equity	Share capital	Reserves, retained earnings and profit for the year (before appropriation)	% held	Book value of shares held		Loans and advances granted by the Company outstanding at Dec. 31, 2014	Loans and advances received by the Company at Dec. 31, 2014	Net revenue for the year	Profit/ (loss) for the year	Dividends received by the Company in FY 2014
					Gross	Net					
Subsidiaries [1]	*In thousands of currency units*						*In thousands of euros*				
INGENICO VENTURES SAS 28-32, boulevard de Grenelle 75015 Paris	EUR	42,942	10,997	100.00%	42,942	42,942	1,285	–	–	197	–
INGENICO HEALTHCARE GMBH Konrad-Zuse-Ring 1 24220 Flintbeck, Germany	EUR	500	1,113	100.00%	1,850	1,850	–	654	3,470	(423)	–
NATURAL SECURITY SAS [3] 165, avenue de Bretagne Euratechnologie 59044 Lille	EUR	14,893	(12,690)	5.19%	774	–	–	–	23	(3,157)	–
INGENICO GMBH Am Gierath 20 40885 Ratingen, Germany	EUR	3,607	4,246	100.00%	3,611	3,611	–	4,991	38,535	3,210	
DI DEUTSCHE INGENICO HOLDING GMBH Am Gierath 20 40885 Ratingen, Germany	EUR	212,874	(128,755)	100.00%	220,063	220,063	–	–	–	2,453	4,000
INGENICO (UK) LIMITED [2] 17 Ridge Way, Donibristle Industrial Park Dalgety Bay, Dunfermline Fife JY11 9 JU Scotland	GBP	1,000	31,834	100.00%	1,544	1,544	13	36,945	123,672	18,774	13,461
INGENICO ITALIA SPA [2] Via Giorgio Stephenson 43/A 20157 Milano (MI), Italy	EUR	2,000	21,768	100.00%	2,588	2,588	12,529	–	103,803	7,854	4,000
INGENICO IBERIA SL [2] Avenida del Partenón 16-18, 4a Planta Campo de las Naciones 28042 Madrid, Spain	EUR	8,115	22,739	100.00%	87,191	87,191	6,796	–	50,967	1,256	–
INGENICO HUNGARY Big U. 3-5 1022 Budapest, Hungary	HUF	3,000	501,842	100.00%	12	12	8	–	7,412	1,286	–
INGENICO EASTERN EUROPE I SARL [2] 1, rue Joseph-Hackin L - 1746 Luxembourg	EUR	13	147	99.00%	905	905	–	–	–	228	–
INGENICO SWITZERLAND Impasse des Écureuils 2 Case postale 56 CH-1763 Granges-Paccot, Switzerland	CHF	140	1,743	100.00%	1,810	1,810	–	–	4,003	1,319	2,255
INGENICO CORP. [2] Corporation Trust Center 1209 Orange Street Wilmington, Delaware 19801, United States	USD	–	82,506	100.00%	86,229	86,229	7,046	31,786	–	5,453	–
INGENICO LATIN AMERICA INC. [2] 9155 South Dadeland Blvd., Suite 1500 Miami, Florida 33156, United States	USD	1	1,773	100.00%	418	418	15,004	–	22,888	(103)	1,479
INGENICO DO BRASIL LTDA [2] Alameda Araguaia, nº 2190 Edificio North Tower Condominio CEA II Centre Empresarial Araguaia II, Alphaville CEP 06455-906 Barueri, Brazil	BRL	39,292	69,878	99.88%	18,484	18,484	–	–	157,520	1,734	–
INGENICO PREPAID SERVICES FRANCE SAS 28-32, boulevard de Grenelle 75015 PARIS	EUR	500	694	100.00%	8,731	8,731	–	–	9,119	814	426
INGENICO HOLDINGS ASIA LIMITED [2] 3806 Central Plaza 18 Harbor Road, Wanchai, Hong Kong	USD	114,847	25,205	98.84%	87,958	87,958		27,074	–	18,969	

Subsidiaries [(1)]	Currency	Capital and equity: Share capital	Reserves, retained earnings and profit for the year (before appropriation)	% held	Book value of shares held: Gross	Book value of shares held: Net	Loans and advances granted by the Company outstanding at Dec. 31, 2014	Loans and advances received by the Company at Dec. 31, 2014	Net revenue for the year	Profit/ (loss) for the year	Dividends received by the Company in FY 2014
	In thousands of currency units						*In thousands of euros*				
INGENICO INTERNATIONAL (PACIFIC) PTY Ltd [(2)] 6 Prosperity Parade Warriewood NSW 2102, Australia	AUD	407	11,303	100.00%	692	692	–	5,898	42,983	3,264	5,777
INGENICO INTERNATIONAL(SINGAPORE) PTE LTD. 152 Beach Road # 12-05-08 Gateway East Singapore 189721, Singapore	SGD	200	11,177	100.00%	101	101	2,822	–	62,903	4,169	–
INGENICO SOFTWARE SERVICES PHILIPPINES INC. 17th Floors Pearlbank Center 146 Valero Street Salcedo village – Makati city – Philippines	PHP	9,200	(15,070)	100.00%	118	–	95	–	–	–	–
INGENICO ÖDEME SISTEM ÇÖZÜMLERI AŞ [(2)] ITU Ayazaga Kampüsü Teknokent ARI 3 Binası Kat: 8 No: 802 – 804 34469 Maslak, Sariyer – Istanbul Turkey	TRY	19,613	13,939	100.00%	18,170	18,170	1,000	–	37,164	3,554	–
INGENICO LLC Godovikova Street, 9, bld. 16 Moscow 119085 Russia	RUB	10	155	100.00%	0	0	–	–	–	10	–
INGENICO CZ s. r. o. Myslíkova 25 110 00 Praha 1, Czech Republic	CZK	3,750	87,194	100.00%	142	142	–	1,477	13,266	2,552	2,003
INGENICO INTERNATIONAL INDIA PRIVATE LIMITED Ground Floor 8-12, World Trade Centre Babar Road, Connaught Place New Delhi 110001, India	INR	325,702	(657)	100.00%	3,902	3,902	–	–	15,802	2,949	–
INGENICO 1 SA 28-32, boulevard de Grenelle 75015 Paris	EUR	37	(8)	100.00%	37	37	–	–	–	(3)	–
INGENICO 2 SA 28-32, boulevard de Grenelle 75015 Paris	EUR	37	(8)	100.00%	37	37	–	–	–	(3)	–
INGENICO BARCELONA SA Avenida Vía Augusta, 15-25, planta 5º Edificio B1, Parc Empresarial Sant Cugat del Vallés (Barcelona) Spain	EUR	7,302	(222)	0.01%	3	–	–	–	–	(126)	–
INGENICO LLC Ul. Shpalernaya 51 191015 Saint Petersburg, Russia	RUB	3,448	412,196	100.00%	11,480	11,480	–	2,239	52,734	14,467	14,789
M2M APPLICATIONS CARTES A MEMOIRES SA 20, rue Moussa-Bnou Noussair Quartier Gauthier 20000 Casablanca, Morocco	MAD	2,250	–	31.00%	152	–	–	–	–	–	–
INGENICO HOLDINGS ASIA II LIMITED 3806 Central Plaza 18 Harbor Road, Wanchai, Hong Kong	USD	33,594	(10,571)	100.00%	25,180	25,180	7,470	–	–	44	16,025
INGENICO E-COMMERCE SOLUTIONS SPRL 102 Bld de la Woluwe Woluwe-Saint-Lambert 1200 Bruxelles	EUR	75,000	203,371	100.00%	556,832	556,832	–	9,253	45,831	(10,764)	–
INGENICO FINANCIAL SOLUTIONS SA	EUR	3,303	(2,475)	99.99%	7,038	7,038	–	–	5,282	(1,655)	–
INGENICO E-COMMERCE SOLUTIONS BV Claude-Debussylaan 18. 1082 MD Amsterdam	EUR	18	2,132	100.00%	19,998	19,998	–	–	12,555	1,104	–
INGENICO E-COMMERCE SOLUTIONS SPRL France	EUR	40	1,334	100.00%	23,000	23,000	–	–	12,674	1,359	–

Subsidiaries (1)	Currency Capital and equity	Share capital	Reserves, retained earnings and profit for the year (before appropriation)	% held	Book value of shares held Gross	Book value of shares held Net	Loans and advances granted by the Company outstanding at Dec. 31, 2014	Loans and advances received by the Company at Dec. 31, 2014	Net revenue for the year	Profit/(loss) for the year	Dividends received by the Company in FY 2014
	In thousands of currency units					*In thousands of euros*					
GCS HOLDING BV Planetenweg 43-59 2132 HM Hoofddorp – The Netherlands	EUR	19	275,973	100.00%	665,010	665,010	–	–	94,945	12,136	–
INGENICO PAYMENT SYSTEMS AFRICA SARLAU 22, rue Cadi-Ayas Maarif 20330 Casablanca-Anfa Morocco	MAD	500	105	100.00%	45	45	40	–	69	0	–
TOTAL					**1,897,047**	**1,888,121**	**54,110**	**120,319**	**917,622**	**92,921**	**64,214**

(1) Profit or loss data for foreign subsidiaries are translated into euros at the average exchange rate for the year, balance sheet data at the closing rate.
(2) Sub-group.
(3) 2013 data.

NOTE 6 RECEIVABLES

Items *(in thousands of euros)*	Carrying amount	Less than 1 year	More than 1 year
Receivables on non-current assets			
Loans and advances to subsidiaries and associates	18,516	7,347	11,169
Other financial assets	7,661	–	7,661
Receivables on current assets			
Doubtful or disputed accounts	2,174	–	2,174
Other trade receivables	129,493	129,493	–
Income tax receivables	3,939	3,939	–
VAT receivables	6,796	6,796	–
GROUP	39,743	39,743	–
Other receivables	1,619	1,619	–
Accrued income	6,551	4,606	1,945
TOTAL	**216,492**	**193,542**	**22,950**
Prior-year data	**279,458**	**168,101**	**111,356**

NOTE 7 SHORT-TERM INVESTMENTS

Type of assets *(in thousands of euros)*	Cost	Fair value	Impairment
Treasury shares	–	–	–
UCITS and other instruments classified as short-term investments	40,000	40,000	–
TOTAL SHORT-TERM INVESTMENTS	**40,000**	**40,000**	

NOTE 8 CHANGES IN SHAREHOLDERS' EQUITY AND TREASURY SHARES

At the reporting date, Ingenico's share capital consisted of 57,436,781 shares with a par value of €1 each: 7,888,113 of them with double voting rights and 49,548,668 of them with single voting rights. During the year, 4,350,472 new shares were issued: 3,554,336 of them on conversion of OCEANE bonds, 397,832 of them under free share award plans and joint investment plans, and 398,304 in the form of stock dividends.

Changes in shareholders' equity

(in thousands of euros)	Balance at Jan. 1, 2014	Allocation of net profit in 2013	Movements in 2014	Balance at Dec. 31, 2014
Share capital	53,086		4,350 (1)	57,436
Share premium	526,768		149,444 (2)	676,212
Legal reserve	5,250	60		5,310
Retained earnings	56,550	38,780	244	95,574
Profit for the year	0	(81,309)		–
Regulated provisions	12,629		(410)	12,219
2013 dividends paid in 2014	–	42,469		–
TOTAL	**654,282**	**0**	**153,629**	**846,751**

(1) Includes OCEANE conversions: €3,554,000.
Includes stock dividends: €398,000.
Includes stock granted under free share award and joint investment plans: €398,000.
(2) Includes OCEANE conversions: €127,552,000.
Includes stock dividends: €22,289,000.
Includes stock granted under free share award and joint investment plans: €(398,000).

Treasury shares

(in thousands of euros)	2014		2013	
	Quantity	Net amount *(in € '000)*	Quantity	Net amount *(in € '000)*
Unallocated treasury shares	280,794	7,167	280,794	7,167
Treasury shares held under the liquidity contract	0	0	0	0
TOTAL	**280,794**	**7,167**	**280,794**	**7,167**

Free share award plan and stock option plans

	2014				
	Shares outstanding at Jan.1	Shares granted during the year	Share awards exercised during the year	Shares cancelled or expired; other movements	Existing shares at Dec. 31
Free share awards	68,500	31,200	63,000	-	36,700
Joint investment plan	317,384	199,470	334,832	17,448	199,470
TOTAL	**385,884**	**230,670**	**397,832**	**17,448**	**236,170**

As the free share award plans and joint investment plans have been serviced by the issuance of new shares, no expense has been recognized in the parent company financial statements.

At the end of the vesting period for the free share award plans introduced in 2012 and expired in June 2014, 397,832 new shares had been created by drawing on the "share premium" item.

The Board of Directors, using the authorization granted by the shareholders on April 29, 2013, decided on October 29, 2014 to set up a new free share award plan combining investment in Company shares by certain employees, directors and executive officers of the Company and some of its subsidiaries with a free award of 10 Company shares for every share invested. The maximum number of shares to be awarded at the end of the two-to-four year vesting period is 199,470 shares, contingent on continued employment of the beneficiaries in the Company or subsidiaries as the case may be, attainment by the Group of a specified level of EBITDA, and Ingenico SA's stock market performance.

The Board of Directors, using the authorization granted by the shareholders on April 29, 2013, decided on October 29, 2014 to set up a new free share award plan to the benefit of certain employees, directors and executive officers of the Company and of its subsidiaries contingent on continued employment of the beneficiaries in the Company or subsidiaries as the case may be and attainment by the Group of a specified level of EBITDA. The maximum number of shares to be awarded at the end of the two-to-four year vesting period is 31,200 shares.

NOTE 9 PROVISIONS AND IMPAIRMENT

(in thousands of euros)	Amount at Jan. 1, 2014	Additions	Transfers	Reversals of amounts used	Reversals of unused amounts	Amount at Dec. 31, 2014
I – Regulated provisions						
Tax-accelerated depreciation and amortization	12,629	3,639	–	4,049	–	12,219
TOTAL I	**12,629**	**3,639**	**–**	**4,049**	**–**	**12,219**
II – Provisions for liabilities and charges						
Provisions for litigation in comm. courts & industrial tribunals	5,348	2,332		185	420	7,075
Provisions for warranties	681	1,272		1,274		680
Provisions for foreign exchange losses	1,207	2,863			1,207	2,863
Provisions for retirement benefit obligations	5,200	2,494		188		7,506
Provisions for taxes	0					0
Other provisions (1)	5,191	4,950		1,090	2,838	6,212
TOTAL II	**17,629**	**13,911**	**–**	**2,738**	**4,465**	**24,337**
III – Impairment						
Property, plant and equipment	–	–	–	–	–	–
Financial assets (2)	36,376	–	–		27,451	8,925
Inventories	6,175	5,615	–	5,763	–	6,027
Trade receivables	6,562	5,162	–	2,471	–	9,252
Other receivables (3)	126	82	–		31	177
Short-term investments	–		–		–	–
TOTAL III	**49,239**	**10,860**	**–**	**8,234**	**27,482**	**24,382**
TOTAL I+II+III	**79,498**	**28,410**	**–**	**15,020**	**31,946**	**60,940**
Provisions and impairment:						
for operating items		21,907		14,230		
for financial items		2,863		28,689		
for non-recurring items		3,639		4,049		
TOTAL		**28,409**		**46,968**		

(1) Includes a €2,432,000 provision for EMS quality risk.
Includes a €2,517,000 provision for quality risk and replacement costs to retrofit customers.
Includes a €1,813,000 reversal of a provision for EMS quality risk.
Includes a €2,115,000 reversal of provisions for quality risk and replacement costs to retrofit customers.
(2) Includes a €26,842,000 reversal of provisions for impairment of Ingenico SA equity investments - see note on highlights of the period.
Includes a €508,000 reversal of provisions for impairment of Ingenico Investissement Luxembourg equity investments.
Includes a €101,000 reversal of provisions for impairment of Ingenico Singapore equity investments.
(3) Includes a €31,000 reversal of provisions for impairment of the Ingenico Software Services Philippines current account.

NOTE 10 BANK BORROWINGS AND LONG-TERM DEBT AND BOND ISSUES

(in thousands of euros)	Balance at Dec. 31, 2014	Initial term	Maturity date
Medium-term borrowings			
2011 OCEANE bond issue	118,892	6 years	1/1/2017
2014 bond issue	450,000	7 years	5/20/2021
2014 syndicated *term loan*	100,000	5 years	9/30/2019
2014 revolving syndicated *facility*	500,000	5 years	9/30/2019
Accrued interest on loan (1)	5,953		
Short-term borrowings			
Bank overdrafts	5		
Cash-flow instruments	–		
TOTAL	**1,174,849**		

(1) Includes €450,000 in interest payments on OCEANE bonds.

Syndicated loan facility

In August 2011, Ingenico SA contracted a €360,000,000 syndicated loan facility maturing in 2016, structured as a €210,000,000 term loan and a €150,000,000 revolving credit facility. The loan bears interest at the Euribor rate plus a margin that is adjusted on the basis of the Company's net debt to EBITDA ratio, and is combined with interest rate hedging instruments.

In March 2013, in connection with the Ogone acquisition, Ingenico SA obtained an add-on to its syndicated loan facility, with a €140,000,000 tranche repayable on August 5, 2016 and a €35,000,000 revolving credit facility repayable on March 22, 2018, and drew down €100,000,000 on the €150,000,000 revolving credit facility set up in 2011. These two facilities bear interest at the Euribor rate plus a margin that is adjusted on the basis of the Company's net debt to EBITDA ratio.

Between March and July 2014, the Company repaid early all its existing loans, totaling €382,000,000. The unused balance of the revolving credit opened in August 2011 was cancelled.

On July 29, 2014, Ingenico SA contracted a new €600,000,000 syndicated loan facility maturing in 2019, structured as a €100,000,000 term loan and a €500,000,000 revolving credit facility, used specifically to finance the acquisition of GlobalCollect. This facility bears interest at a variable rate (Euribor 1 to 6 months plus a margin that varies depending on the relevant covenants).

The credit facility also includes the Group's undertaking to maintain its consolidated net debt to consolidated EBITDA ratio below 3.50 at the end of December 2014. As of that date, the ratio requirement was satisfied.

On May 20, 2014, the Company also went ahead with a €450,000,000 bond issue (4,500 bonds each with a nominal value of €100,000). The projected redemption date is May 20, 2021 and the annual coupon is set at 2.50 percent. With a view to admitting the bonds to trading on the Euronext Paris stock market, Ingenico SA published a prospectus approved by the Autorité des Marchés Financiers under visa no. 14-0210 on May 16, 2014.

The arrangement costs for the facilities set up in 2014 totaled €7,488,000. That amount is recorded in "Deferred charges" on the asset side of the balance sheet and amortized over the life of the loans (see Note 4).

OCEANE bond issue

Ingenico issued "OCEANE" bonds, *i.e.* bonds issued on March 11, 2011 and maturing in January 1, 2017 that are convertible into and/or exchangeable for new or existing shares. The total principal amount of the issue was €250,000,000, or 6,677,350 bonds with a face value of €37.44 each. The bonds pay an annual coupon of 2.75 percent.

The bond issue was accompanied by an information memorandum approved by the Autorité des Marchés Financiers under visa number 11-062 on March 3, 2011.

The issuance costs for the OCEANE bonds totaled €4,328,000. That amount is recorded in "Deferred charges" on the asset side of the balance sheet and amortized over the life of the bond (see Note 4).

During the year 2014, 3,501,821 OCEANE bonds were converted to 3,554,348 new shares.

On December 15, 2014, Ingenico SA published an early redemption notice regarding OCEANE bonds with a maturity date of January 1, 2017. On January 7, 2015, the Company will redeem early all OCEANE bonds which are outstanding on that date and for which stock options have not been exercised. As of December 31, 2014, a total of 3,175,529 OCEANE bonds had not been converted into shares.

NOTE 11 LIABILITIES

Liabilities *(in thousands of euros)*	Carrying amount	Less than 1 year	1 to 5 years	More than 5 years
OCEANE bonds	118,892	118,892	–	–
Bond issue	450,000	–	–	450,000
Bank borrowings and debt	605,957	25,958	579,999	–
Cash-flow instruments	–	–	–	–
Other borrowings and liabilities	123,330	123,330	–	–
Trade payables and related accounts	100,544	100,544	–	–
Payroll and related expenses	38,114	38,114	–	–
Social security and related liabilities	19,940	19,940	–	–
Payables to government	20,014	20,014	–	–
Other taxes and similar duties	1,843	1,843	–	–
Payables to non-current asset suppliers and related accounts	–	–	–	–
Other liabilities	3,293	3,293	–	–
Deferred income	18,835	13,860	4,975	–
Advances and down-payments received on outstanding orders	34	34	–	–
TOTAL	**1,500,796**	**465,821**	**584,974**	**450,000**
Prior-year data	**914,468**	**328,038**	**586,431**	**0**

NOTE 12 CURRENT ASSETS AND LIABILITIES

Current assets *(in thousands of euros)*	12/31/2014	12/31/2013
Trade receivables and related accounts	6,143	6,576
Receivables from social security bodies	54	110
Government operating grants	–	100
VAT receivables from government	3	2
Other receivables: Supplier credits earned but not yet received	–	–
Cash and cash equivalents	–	2,149
TOTAL CURRENT ASSETS	**6,200**	**8,938**

Current liabilities *(in thousands of euros)*	12/31/2014	12/31/2013
Short-term bank and related borrowings	5,953	6,880
Trade payables and related accounts	30,098	30,462
Tax and social security liabilities	54,423	40,452
Other liabilities	791	8,189
TOTAL CURRENT LIABILITIES	**91,265**	**85,984**

NOTE 13 BREAKDOWN OF REVENUE

Breakdown by geographical area *(in thousands of euros)*	2014	2013
France (mainland and overseas depts.)	133,187	123,314
Australia, China and Southeast Asia	88,290	85,234
Western and Central Europe	225,901	183,138
The Americas	173,935	95,100
Middle East	27,912	29,131
Africa	27,413	20,467
TOTAL	**676,637**	**536,385**

NOTE 14 AVERAGE WORKFORCE

Employees	2014	2013
Executives and engineers	748	725
Clerical staff, technicians and supervisors	87	70
TOTAL	**835**	**795**

NOTE 15 CAPITALIZED RESEARCH AND DEVELOPMENT EXPENSES

(in thousands of euros)	2014	2013
Capitalized R&D costs	14,877	9,229
Total R&D costs (expensed and capitalized)	73,589	66,517
% of R&D costs capitalized	**20%**	**14%**

NOTE 16 NET FINANCIAL INCOME AND EXPENSES (IN THOUSANDS OF EUROS)

Nature *(in thousands of euros)*	2014	2013
Financial income		
Income from equity investments [(1)]	65,343	45,803
Foreign exchange gains	40,411	35,343
Income from other receivables [(2)]	6,508	6,156
Gains on disposal of short-term investments	1,318	1,187
Reversal of provisions and account transfers [(3)]	28,689	4,490
Other operating income [(4)]	3,042	395
TOTAL FINANCIAL INCOME	**145,311**	**93,373**
Financial expenses		
Foreign exchange losses	39,789	33,837
Amortization and provisions	2,966	9,214
Interest expense	12,860	13,161
Losses on disposal of short-term investments	782	606
Debt write-offs	–	–
Other financial expenses [(5)]	2,847	2,993
TOTAL FINANCIAL EXPENSES	**59,244**	**59,812**
Net financial income and expenses	**86,067**	**33,561**

(1) Includes €64,214,000 in dividends received from subsidiaries (see Note 5) and €1,129,000 received from Ogone France SAS, a company which merged at September 30, 2014.

(2) Interest on loans to subsidiaries and current accounts.

(3) Includes a €1,207,000 reversal of provisions for foreign exchange losses.
Includes a €26,842,000 reversal of provisions for impairment of Ingenico Corp. equity investment.
Includes a €508,000 reversal of provisions for impairment of Ingenico Investissement Luxembourg equity investment.
Includes a €101,000 reversal of provisions for impairment of Ingenico Singapore equity investment.
Includes a €31,000 reversal of provisions for impairment of Ingenico Software Services Philippines' current account.

(4) Includes a merger surplus of €1,255,000 and €1,799,000 in interest income on interest rate swaps.

(5) Includes €2,847,000 in interest on interest rate swaps.

NOTE 17 NON-RECURRING INCOME AND EXPENSES

Nature *(in thousands of euros)*	2014	2013
Non-recurring income		
Gains on disposal of assets	61	105
Gains on capital transactions [(1)]	6,747	9,057
Reversal of tax-accelerated depreciation	4,049	3,073
Reversal of provision for free share awards	–	0
Reversal of provisions for liabilities	–	–
Reversal of provisions for litigation	–	0
Reversal of provisions for taxes	–	0
Account transfers	–	13
Reversal of shareholding provisions	–	–
Miscellaneous	1	14
TOTAL NON-RECURRING INCOME	**10,857**	**12,262**
Non-recurring expenses		
Losses on disposal of assets	371	406
Tax-accelerated depreciation expense	3,639	5,794
Provisions for free share awards	–	0
Provisions for litigation	–	0
Provisions for taxes	–	–
Restructuring charge, including severance pay	–	11
Losses on capital transactions [(2)]	7,281	10,829
Losses on buybacks of shares	–	13
Penalties	452	831
Miscellaneous	–	0
TOTAL NON-RECURRING EXPENSES	**11,742**	**17,884**
Non-recurring income and expenses	**(884)**	**(5,621)**

(1) Includes €6,747,000 of Ingenico E-Commerce Solutions BV shares received on liquidation of Ogone BV.
(2) Includes €7,248,000 net carrying value of Ogone BV shares following liquidation of that company.
Includes €32,000 net carrying value of Ingenico Investissement Luxembourg NV shares following liquidation of that company.

NOTE 18 INCOME TAXES

Income tax breakdown between profit before non-recurring items and non-recurring profit/(loss)

(in thousands of euros)	2014	2013
Profit for the year	174,214	81,309
Income tax on profit before non-recurring items	56,303	26,537
Income tax on non-recurring loss	(282)	(1,402)
Income tax on profit related to tax consolidation	(28)	(174)
Contribution on dividends	593	383
TOTAL INCOME TAX	**56,586**	**25,344**
Profit before income taxes	**230,000**	**106,653**

Changes in deferred tax liabilities

Type of temporary difference *(in thousands of euros)*	2014	2013
Tax effect at	**38.00%**	**38.00%**
Increase		
Regulated provisions		
Tax-accelerated depreciation and amortization	4,643	4,799
TOTAL INCREASE	**4,643**	**4,799**
Tax relief		
Provisions and expenses not deductible in accounting period		
Impairment of trade receivables	1,782	1,367
Solidarity contribution	120	109
Construction costs	105	185
Provision for retirement	2,853	1,976
Provision for recycling	386	364
Acquisition expenses	2,869	172
Equity investments	1,667	698
Miscellaneous		
Translation losses	1,291	821
TOTAL DECREASE	**11,072**	**5,692**

NOTE 19 DATA RELATED TO SEVERAL BALANCE SHEET AND PROFIT OR LOSS ITEMS

Item *(in thousands of euros)*	Amounts involving			
	2014		2013	
	Related undertakings	Equity investees of the Company	Related undertakings	Equity investees of the Company
Balance sheet				
Equity interests	1,896,121	926	973,750	926
Loans and advances to subsidiaries and associates	14,384	4,132	95,835	6,182
Trade receivables and related accounts	85,342	–	70,333	–
Other receivables	39,733	–	42,570	–
Other borrowings and liabilities	120,365	–	100,025	–
Trade payables and related accounts	4,175	–	3,435	–
Other liabilities	–	–	6,539	–
Profit from operations				
Resale of purchased goods	45,937	–	22,522	–
Sales of goods produced	409,434	–	321,971	–
Sales of services	15,516	–	7,247	–
Other operating income	–	–	–	–
Cost of inventories consumed	(6,360)	–	(2,096)	–
Other purchases and external charges	(7,156)	–	(9,567)	–
Income taxes, taxes other than on income	(266)	–	(866)	–
Other expenses	(50)	–	(85)	–
Depreciation and impairment	–	–	–	–
Net financial income and expenses				
Financial income	80,768	–	58,789	–
Financial expenses	(11,549)	–	(8,393)	–
Provisions and reversals of provisions	27,350	–	(7,878)	–
Non-recurring income and expenses				
Non-recurring income	61	–	10,957	–
Non-recurring expenses	(681)	–	(10,857)	–

NOTE 20 EXECUTIVE COMPENSATION

Compensation paid to members of administrative bodies for fiscal year 2014 amounted to €400,000. Compensation paid to management bodies amounted to €1,725,000.

NOTE 21 OFF-BALANCE SHEET COMMITMENTS

Commitments given *(in thousands of euros)*			2014	2013
Various guarantees			7,514	7,125
Individual training rights: 76,393 hours at December 31, 2014			699	609
Net asset warranty as part of Sagem Denmark disposal:				
Tax warranty valid until expiration of time limit for tax claims (May 2013, except for transfer pricing until May 2015)			20,254	20,254
As part of policy to hedge foreign exchange exposure				
On existing assets and liabilities and on future flows				
(revalued at closing exchange rates)				
Forward contracts to sell GBP	GBP 19,146,000	(GBP 14,268,000 in 2013)	24,581	17,114
Forward contracts to sell AUD	AUD 2,297,000	(AUD 13,880,000 in 2013)	1,549	9,000
Forward contracts to sell CAD	CAD 14,600,000	(CAD 16,341,000 in 2013)	10,382	11,138
Forward contracts to purchase CAD	CAD 463,000		329	–
Forward contracts to sell USD	USD 4,791,000		3,946	–
Forward contracts to purchase USD	USD 26,300,000	(USD 39,550,000 in 2013)	21,662	28,678
Forward contracts to sell JPY	JPY 555,000,000		3,822	–
AUD currency swaps	AUD 8,725,000	(AUD 9,252,000 in 2013)	5,884	5,999
GBP currency swaps	GBP 29,449,000	(GBP 23,344,000 in 2013)	37,808	28,000
USD currency swaps	USD 63,986,000	(USD 67,005,000 in 2013)	52,702	48,586
USD put options	– USD	(USD 0 in 2013)	–	–
USD call options	– USD	(USD 0 in 2013)	–	–
As part of policy to hedge foreign exchange exposure				
Interest rate hedges on syndicated loan				
(nominal at closing rate)				
Interest rate swaps			330,000	157,500

Commitments received *(in thousands of euros)*	2014	2013
Ogone		
Net asset warranty as part of Ogone acquisition	89,325	89,325
The net asset warranty (not including the special warranty) totaled €89,300,000, with the following durations:		
Tax warranties expire January 31, 2016		
Corporate warranties of unlimited duration		
An additional special warranty for tax losses on the acquisition of the holding company in Luxembourg, expiring on December 31, 2016.	750	750
GlobalCollect		
Net asset warranty as part of GlobalCollect acquisition expiring September 30, 2015.	20,000	

6.5 Statutory auditors' report on the parent company annual financial statements

Fiscal year ended December 31, 2014

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general shareholders' meeting, we hereby report to you, for the fiscal year ended December 31, 2014, on the following:

- our audit of the attached parent company annual financial statements of Ingenico SA;
- the justification of our assessments;
- the specific verifications and information required by law.

These annual financial statements have been adopted by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

1 Opinion on the parent company annual financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the parent company annual financial statements are free of material misstatement. An audit includes examining, on a test basis or through other selection methods, evidence supporting the amounts and disclosures in the parent company annual financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the parent company annual financial statements give a true and fair view of the assets, liabilities, financial position and results of the company in accordance with generally accepted accounting principles in France.

2 Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

- The "Goodwill" section of Note 3 to the parent company annual financial statements sets forth the accounting principles and methods used to account for the merger deficits recognized on the mergers of Xiring, Moneyline and Ingenico France with and into Ingenico SA, along with the rules used to test these deficits for impairment.
- In Note 3 to the parent company annual financial statements, the section entitled "Equity and other long-term investments" sets forth the accounting principles and methods used to calculate the value in use of equity interests and loans and advances to subsidiaries and associates.

As part of our assessment of the accounting principles and methods used by your company, we verified the suitability of the accounting principles and methods and the information provided, and we examined the implementation methods of the impairment tests, as well as the assumptions used.

The underlying estimates retained for these tests used assumptions that are uncertain by nature, the realizations may differ significantly from the forward-looking statements used.

- Provisions for litigation and claims are recognized in accordance with the accounting principles and methods described in the section entitled "Provisions for litigation and claims" in Note 3 to the parent company annual financial statements.

On the basis of information currently available, we have reviewed how the provisions have been estimated and we have verified that the notes to the parent company annual financial statements provide adequate disclosure.

These assessments were made as part of our audit of the parent company annual financial statements, taken as a whole, and therefore contributed to the opinion we formed, which is expressed in the first part of this report.

3 Specific verifications

We have also performed the specific verifications required by law, in accordance with professional standards applicable in France.

We have no matters to report as to the fair presentation and the consistency with the parent company annual financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the company's financial position and annual financial statements.

With regard to the information given as provided for in Article L.225-102-1 of the French Commercial Code on the compensation and benefits paid to the company's directors and executive officers and on commitments made to them, we verified its consistency with the parent company annual financial statements or with the data used as a basis for preparing these financial statements and, where relevant, with the elements collected by your company from companies controlling your company or controlled by it. Based on our work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have ensured that the required information concerning the purchase of equity interests and controlling interests in the company and the names of the shareholders have been properly disclosed in the management report.

The statutory auditors

Paris - La Défense, February 19, 2015

KPMG Audit IS	Mazars	Mazars
Jean-Pierre Valensi	Thierry Blanchetier	Ariane Mignon
Partner	*Partner*	*Partner*

6.6 Five-year financial summary

(in thousands of euros) Reporting date (12-month accounting period)	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014
Capital at year end	51,512	51,980	52,488	53,086	57,437
Share capital (in thousands of euros)	51,511,971	51,980,303	52,487,658	53,086,309	57,436,781
Number of ordinary shares issued					
Key income statement data					
Revenue (excluding tax)	404,301	397,857	474,646	536,385	676,637
Profit before income taxes, profit-sharing, depreciation, amortization and provisions	32,964	36,268	125,782	136,317	239,575
Income tax (incl. contr. on dividends)	3,523	(1,453)	6,883	25,344	56,587
Employee profit-sharing				1,530	4,341
Profit after income taxes, profit-sharing, depreciation, amortization and provisions	(4,849)	7,509	92,741	81,309	174,214
Dividends distributed	17,764	25,990	36,741	42,469	
Per-share data (in euros)					
EPS after income taxes, profit-sharing, but before depreciation, amortization and provisions	0.57	0.73	2.27	2.06	3.11
EPS after income taxes, profit-sharing, depreciation, amortization and provisions	(0.09)	0.14	1.77	1.53	3.03
Dividend per share [1]	0.35	0.50	0.70	0.80	0.00
Personnel					
Average number of employees	481	641	744	795	835
Total payroll	44,775	54,730	62,305	69,686	77,582
incl. free share awards	6,441	5,708	1,966	13	–
Total benefits, incl. social security expenses	18,709	22,629	31,941	33,455	45,099

(1) The dividend proposal that will be submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting of May 6, 2015 was decided by the Board of Directors on February 18, 2015.

7

COMBINED ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 6, 2015

7.1 Draft agenda and proposed resolutions for the Annual General Shareholders' Meeting

Proposed agenda

Ordinary resolutions

First resolution – Approval of the annual financial statements for the year ended December 31, 2014 and approval of non-tax-deductible expenses.

Second resolution – Approval of the consolidated financial statements for the year ended December 31, 2014.

Third resolution – Allocation of net profit for the year and dividend.

Fourth resolution – Option to receive dividends in cash or in shares, determination of share price, rounding of fractional shares, option declaration period.

Fifth resolution – Special report of the statutory auditors on related party agreements and acknowledgement that no new agreements have been entered into.

Sixth resolution – Advisory vote on the components of the compensation due or allocated to Mr. Philippe Lazare, the Chairman and Chief Executive Officer, in respect of the year ended December 31, 2014.

Seventh resolution – Amount of attendance fees awarded to the Board members.

Eighth resolution – Authorization to trade in Company shares granted to the Board of Directors within the scope of Article L.225-209 of the French Commercial Code, duration, purpose, procedure, limit – Suspension of this authorization during a public offer period.

Extraordinary resolutions

Ninth resolution – Delegation of authority granted to the Board of Directors to increase the share capital by incorporating reserves, net profits and/or share premiums, duration, maximum aggregate par value of increase, rounding of fractional shares.

Tenth resolution – Delegation of authority granted to the Board of Directors to issue ordinary shares and/or securities conferring entitlement to shares (in the Company or a Group company) and/or debt securities, with retention of shareholders' preferential subscription rights, duration, maximum aggregate par value of increase, option to offer unsubscribed securities to the public.

Eleventh resolution – Delegation of authority granted to the Board of Directors to issue ordinary shares and/or securities conferring entitlement to shares (in the Company or a Group company) and/or debt securities, with preferential subscription rights waived, by public offering and/or in consideration for securities in connection with a public exchange offer, duration, maximum aggregate par value of increase, issue price, option to limit to the amount of subscriptions or distribute unsubscribed securities.

Twelfth resolution – Delegation of authority granted to the Board of Directors to issue debt securities conferring entitlement to shares, with preferential subscription rights waived, through an offer as stated in Article L.411-2 II of the French Monetary and Financial Code, duration, maximum aggregate par value of increase, issue price, option to limit to the amount of subscriptions or distribute unsubscribed securities.

Thirteenth resolution – Authorization to increase issue amounts in the event of excess demand.

Fourteenth resolution – Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities conferring entitlement to shares, up to a limit of 10 percent of the share capital, as consideration for contributions in kind comprising capital securities or securities conferring entitlement to shares, duration of the delegation.

Fifteenth resolution – Overall limit for delegations of authority to increase the share capital immediately and/or in the future.

Sixteenth resolution – Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities conferring entitlement to shares, with preferential subscription rights waived, to employees who are members of a Company savings plan, in accordance with Articles L.3332-18 *et seq.* of the French Labor Code, duration, maximum aggregate par value of increase, issue price, possibility to grant free shares as per Article L.3332–21 of the French Labor Code.

Seventeenth resolution – Delegation of authority granted to the Board of Directors to issue ordinary Company shares, with preferential subscription rights waived, to employees, directors and executive officers of Group subsidiaries with registered offices outside France who are not members of a Company savings plan, duration, maximum amount of increase, issue price.

Eighteenth resolution – Delegation of authority granted to the Board of Directors to freely award new and/or existing shares to employees and/or certain directors and executive officers of the Company or related companies, with preferential subscription rights waived, duration of the authorization, limit, duration of lock-in and vesting periods, particularly in the event of disability.

Nineteenth resolution – Suspension of delegation of authority and authorizations during public offer periods.

Twentieth resolution – Change of corporate name to INGENICO GROUP and amendment of the Articles of Association accordingly.

Twenty-first resolution – Ensuring the consistency of Articles 15 and 19 of the Articles of Association.

Twenty-second resolution – Powers for filing and publication formalities.

Proposed resolutions for the Annual General Shareholders' Meeting

Ordinary resolutions

First resolution – Approval of the annual financial statements for the year ended December 31, 2014 and approval of non-tax-deductible expenses

The shareholders, having reviewed the reports of the Board of Directors, the Chairman of the Board and the statutory auditors on the year ended December 31, 2014, hereby approve the annual financial statements as presented, which show a net profit of €174,214,187.57.

The shareholders approve the amount of expenses and charges as defined in Article 39-4 of the French General Tax Code, *i.e.*, €95,871, as well as the related tax liability.

Second resolution – Approval of the consolidated financial statements for the year ended December 31, 2014

The shareholders, having reviewed the reports of the Board of Directors, the Chairman of the Board and the statutory auditors on the consolidated financial statements for the year ended December 31, 2014, hereby approve the consolidated financial statements as presented, which show a net profit of €171,652,240.

Third resolution – Allocation of net profit for the year and dividend

The shareholders, upon the recommendation of the Board of Directors, hereby resolve to allocate the net profit for the year ended December 31, 2014 in the following manner:

2014 net results

- Net profit for 2014 — €174,214,187.57
- Retained earnings — €95,573,703

Allocation

- Legal reserve — €440,000
- Other reserves — €0
- Dividend(1) — €57,436,781

  Composed of:
  - Initial dividend: — €2,871,839.05
  - Complementary dividend: — €54,564,941.95
- Retained earnings — €211,911,109.50

The shareholders acknowledge that the total gross dividend per share is set at €1, and that the entire amount distributed as dividends is eligible for the 40 percent tax reduction mentioned in Article 158-3-2 of the French Tax Code.

The ex-dividend date is May 13, 2015.

Dividends shall be paid on June 10, 2015.

The total amount of the dividend paid and therefore the amount allocated to retained earnings shall be adjusted for any difference between the number of shares entitled to dividends and the 57,436,781 shares that made up the share capital at December 31, 2014.

Pursuant to Article 243 bis of the French Tax Code, the shareholders note that the net dividends paid for the last three fiscal years were as follows:

	Dividends eligible for tax reduction		
Fiscal year	Dividends	Other amounts distributed	Dividends not eligible for tax reduction
2011	€25,592,876.50* or €0.50 per share	–	–
2012	€36,741,360.60* or €0.70 per share	–	–
2013	€42,469,047.20* or €0.80 per share	–	–

* *Including dividends not paid for treasury stock and allocated to retained earnings and the amount of dividends paid in shares.*

(1) *The total amount of the dividend of €57,436,781 is based on the number of shares with dividend rights, equal to 57,436,781, including shares owned by the Company. The dividend payable on the shares owned by the Company shall be allocated to Retained Earnings at the time of payment. The total dividend amount and, as a consequence, the amount of retained earnings, shall be adjusted according to the number of its shares held by the Company on the dividend payment date and, if applicable, the new shares entitled to dividends resulting from the stock options exercised and the new free shares vested until the date of the Annual General Shareholders' Meeting.*

Fourth resolution – Option to receive dividends in cash or in shares

The shareholders, after reviewing the report of the Board of Directors and in accordance with Article 23 of the Company's Articles of Association, having noted that the entire issued share capital has been fully paid up, hereby resolve to grant to each shareholder, out of the total net dividend amount and in proportion to the shares held, the option to receive the dividend in cash or in newly-issued shares.

The price for shares issued as stock dividends shall be equal to 90 percent of the average price quoted for the Company's shares during the twenty trading days preceding the date of this meeting, less the net amount of the dividend, in accordance with Article L.232-19 of the French Commercial Code.

If the net dividend amount to be distributed in shares does not divide up into a whole number of shares, the shareholder may opt to receive:

- either the whole number of shares just below that amount, along with a cash payment for the difference paid on the date on which the option is exercised;
- or the whole number of shares just above that amount, with the difference paid in cash by the shareholder.

Shareholders opting for a dividend paid in shares must exercise this option between May 13, 2015 and June 2, 2015, inclusive, through the relevant financial intermediaries authorized to pay the dividend. Beyond this time limit, only cash dividends shall be paid.

Dividends for those shareholders who opt for a cash payment are payable on June 10, 2015. Those shareholders who opt for a stock dividend will receive the newly-issued shares on the distribution date for cash dividends, *i.e.*, June 10, 2015.

The shares issued as stock dividends shall be entitled to dividends as of January 1, 2015.

The shareholders hereby resolve to grant the necessary powers to the Board of Directors, with the option to sub-delegate, to perform all actions required to implement this resolution, to record the number of shares issued and the capital increase arising from the new shares issued as stock dividends, to amend the Articles of Association accordingly, and to proceed with all publication and filing formalities.

Fifth resolution – Special report of the statutory auditors on related party agreements and acknowledgement that no new agreements have been entered into

The shareholders, having reviewed the special report of the statutory auditors, hereby acknowledge that the report indicates that no new related party agreements, as defined by Articles L.225-38 *et seq.* of the French Commercial Code, were entered into during the preceding fiscal year.

Sixth resolution – Advisory vote on the components of the compensation due or allocated to Mr. Philippe Lazare, the Chairman and Chief Executive Officer, in respect of the year ended December 31, 2014

The shareholders, having been consulted as recommended in Article 24.3 of the AFEP-MEDEF Corporate Governance Code of June 2013, which the Company uses as a reference in accordance with Article L.225-37 of the French Commercial Code, hereby vote in favor of the components of the compensation due or allocated to Mr. Philippe Lazare, the Chairman and Chief Executive Officer, in respect of the year ended December 31, 2014, as presented on page 88 *et seq.* of the 2014 Registration Document.

Seventh resolution – Amount of attendance fees awarded to the Board members

The shareholders hereby resolve to increase the total annual amount of attendance fees to be awarded to the Board of Directors from €400,000 to €500,000.

This decision, which will apply for the current fiscal year, will be maintained until decided otherwise.

Eighth resolution – Authorization to trade in Company shares granted to the Board of Directors within the scope of Article L.225-209 of the French Commercial Code – Suspension of this authorization during a public offer period

The shareholders, deliberating with the quorum and majority required for ordinary meetings, after reviewing the report of the Board of Directors, hereby resolve to authorize the Board of Directors, in accordance with Articles L.225-209 *et seq.* of the French Commercial Code, Articles 241-1 to 241-6 of the General Regulations of the Autorité des marchés financiers, European Commission Regulation 2273/2003 of December 22, 2003 and the market practices authorized by the Autorité des marchés financiers, to trade in the Company's own shares by any means, on or off the stock market, and in one or more transactions.

This authorization is intended to allow the Company to do the following:

- hold and use Company shares as a means of exchange or consideration in external growth transactions, in compliance with current laws and regulations and with standard market practices;
- use Company shares in connection with the exercise of rights attached to Company securities conferring immediate or future entitlement to Company shares through conversion, exercise, redemption or exchange, presentation of a warrant or by any other means, and carry out any transactions required to hedge the Company's obligations in connection with these securities, in accordance with the stock market regulations at the time that the Board of Directors or any person to whom the Board has delegated its powers may act;
- implement any Company stock option plan granted in accordance with Articles L.225-177 *et seq.* of the French Commercial Code, any award, in accordance with Articles L.225-197-1 *et seq.* of the French Commercial Code, of Company shares for free to employees, directors and executive officers, whether as part of their compensation, as a means to allow them to benefit from the Company's growth, in the context of Company or Group employee shareholding or savings plans and/or any other form of share allocation programs for employees and/or directors and executive officers of the Group, and to carry out any transactions required to hedge the Company's obligations in connection with these programs, in accordance with the stock market regulations at the time that the Board of Directors or any person to whom the Board has delegated its powers may act;
- maintain a liquid market for the Company's shares via a liquidity contract with an independent investment service provider that complies with the code of ethics approved by the Autorité des marchés financiers;

- cancel some or all of the Company's shares bought back with the intention of reducing the share capital, in accordance with the thirteenth extraordinary resolution of the Annual General Shareholders' Meeting of May 7, 2014;
- and generally pursue any aims permitted by law or engage in any market practices that may be authorized by the Autorité des marchés financiers, it being understood that in such cases, the Company would issue a statement to inform its shareholders.

The shareholders hereby resolve that the number of Company shares acquired under this authorization shall not exceed 10 percent of the total number of shares making up the share capital on the date of purchase, after deducting the number of shares resold during the program to maintain a liquid market for the Company's shares, while noting that the share acquisitions made by the Company may under no circumstances permit the Company to hold more than 10 percent of its total share capital, either directly or indirectly. Consequently, on the basis of the share capital at December 31, 2014 (divided into 57,436,781 shares), and taking into account the 280,794 treasury shares held at that date, the Company would be authorized to purchase up to 5,462,884 shares.

Shares may be acquired by any means that are in accordance with current stock market regulations and the acceptable market practices published by the Autorité des marchés financiers, including, where applicable, trading in derivatives and options on regulated or over-the-counter markets, provided that use of such means does not significantly increase the volatility of the Company's share price.

However, such transactions shall not be able to be carried out once a third party has filed a proposed public offer for the Company's stock until the end of the offer period.

The Company reserves the right to make block purchases of stock or to make purchases of stock through a multilateral trading facility or a systematic internalizer. Such block purchases may represent any proportion of the share buyback program, including the entirety thereof.

The purchase price per share is not to exceed €160. On the basis of the share capital at December 31, 2014, including the treasury shares held by the Company at that date, the maximum consideration the Company could pay, if purchasing shares at the maximum price of €160, would be €874,061,456.

In the event of capital increases carried out through incorporation of reserves or free share awards, or in the event of stock splits or reverse splits, depreciation or reduction of the share capital, or any other transaction affecting the share capital, the aforementioned price shall be adjusted by a multiplier equal to the ratio between the number of shares that made up the share capital prior to the transaction and the number of shares after the transaction.

In order to ensure the implementation of the present authorization, the Board of Directors is hereby granted the necessary powers, with the option to sub-delegate, to perform any and all actions, in particular to decide whether a share buyback program is appropriate and to determine the procedures for carrying out such a program, to draft and issue a fact sheet about the program, to place all orders on the stock market, to sign all deeds of transfer or assignment, to enter into all agreements required, particularly for the keeping of records of share purchases and sales, to carry out any and all filings to the Autorité des marchés financiers and any other body, as well as any and all other formalities, including allocating or reallocating purchased shares for their various intended purposes, and generally to do whatever is required.

The present authorization is hereby granted for a period of 18 months from the date of this Annual General Shareholders' Meeting and cancels and replaces the authorization granted to the same effect by the Annual General Shareholders' Meeting on May 7, 2014.

Extraordinary resolutions

Ninth resolution – Delegation of authority granted to the Board of Directors to increase the share capital by incorporating reserves, net profits and/or share premiums

The shareholders, deliberating with the quorum and majority required for ordinary meetings, after reviewing the report of the Board of Directors, and in accordance with Articles L.225-129-2 and L.225-130 of the French Commercial Code:

1) delegate their authority to the Board of Directors to resolve to increase the share capital, in one or more transactions and at the times and under the conditions it determines, by incorporating reserves, net profits, share premiums or other amounts that can be capitalized, by issuing and freely awarding shares or by increasing the par value of existing ordinary shares, or any combination of these two approaches;
2) resolve that if this delegation of authority is used by the Board of Directors, in accordance with Article L.225-130 of the French Commercial Code, in the event of a capital increase based on free shares being awarded, the entitlements forming fractions of shares shall not be able to be traded or transferred and the corresponding capital securities will be sold; sums from the sale will be allocated to the holders of rights within the regulatory timeframe;
3) grant this delegation of authority for a period of 26 months from the date of this meeting;
4) resolve that the amount of capital increases resulting from issues carried out under this resolution may not exceed an aggregate par value of €10,000,000, not taking into consideration the amount required to safeguard, in compliance with applicable laws, the rights of holders of securities conferring entitlements to shares;
5) this maximum limit is independent of all the maximum limits applicable under the other resolutions of this meeting;
6) grant the Board of Directors the necessary powers to implement this resolution and, generally, to take any measures and perform any formalities required for the successful completion of each capital increase, recording their performance thereof and amending the Articles of Association accordingly;
7) acknowledge that, from the date of this meeting, this delegation of authority cancels and replaces any remaining unused balance under any previous delegation of authority with the same purpose.

Tenth resolution – Delegation of authority granted to the Board of Directors to issue ordinary shares and/or securities conferring entitlement to shares (in the Company or a Group company) and/or debt securities, with retention of shareholders' preferential subscription rights

The shareholders, deliberating with the quorum and majority required for extraordinary meetings, after reviewing the report of the Board of Directors and the special report of the statutory auditors, and in accordance with the French Commercial Code, in particular Articles L.225-129-2, L.228-92 and L.225-132 *et seq.*:

1) delegate their authority to the Board of Directors to issue, in one or more transactions, in the proportions and at the times it determines, either in euros or in foreign currencies or in any other monetary units determined with reference to a series of currencies:
   - ordinary shares,
   - and/or ordinary shares conferring entitlement to other ordinary shares or debt securities,
   - and/or securities conferring entitlement to ordinary shares to be issued by the Company.

   In accordance with Article L.228-93 of the French Commercial Code, the securities to be issued may confer entitlement to ordinary shares to be issued by any company directly or indirectly holding more than half of the Company's capital or in which the Company directly or indirectly holds more than half of the capital;
2) set the validity of this delegation of authority at 26 months from the date of this meeting;
3) resolve to set the following limits for the amounts of any issues that may be carried out by the Board of Directors under this delegation of authority:

   The aggregate par value of shares that may be issued under this delegation of authority may not exceed €25,000,000; this limit does not include the aggregate par value of any additional shares that may be issued in compliance with applicable laws and with any contractual obligations regarding other adjustments to issues, in order to safeguard the rights of holders of securities conferring entitlement to shares.

   The total aggregate par value of Company debt securities that may be issued under this delegation of authority may not exceed €500,000,000.

   These maximum limits are independent of all the maximum limits applicable under the other resolutions of this meeting;
4) If the Board of Directors makes use of this delegation of authority in connection with the issues indicated in (1) above:

   a/ resolve that such issues of ordinary shares or securities conferring entitlement to shares shall be reserved in priority for shareholders that will be able to subscribe on a pre-emptive basis,

   b/ resolve that if subscriptions on a pre-emptive basis and, as relevant, on a non pre-emptive basis, have not accounted for the entirety of an issue indicated in 1), the Board of Directors may make use of the following options:
   - limiting the amount of the issue to the amount of subscriptions, within any regulatory limits in force, as relevant,
   - freely distributing some or all of any unsubscribed securities,
   - offering some or all of any unsubscribed securities to the public;
5) resolve that the Board of Directors shall be granted the necessary powers, subject to the limits set forth above, to determine the terms, conditions and issue price for any and all issues carried out, to record the resulting capital increase(s), to amend the Articles of Association accordingly, to resolve, at its sole discretion, to charge the issue-related expenses against the related share premium accounts and to deduct from these premium accounts the amounts necessary to increase the legal reserve to one tenth of the share capital amount after each capital increase, and, generally, to do whatever is required in each case;
6) acknowledge that this delegation of authority cancels and replaces any previous delegation of authority with the same purpose.

Eleventh resolution – Delegation of authority granted to the Board of Directors to issue ordinary shares and/or securities conferring entitlement to shares and/or debt securities, with preferential subscription rights waived, by public offering and/or in consideration for securities in connection with a public exchange offer

The shareholders, deliberating with the quorum and majority required for extraordinary meetings, after reviewing the report of the Board of Directors and the special report of the statutory auditors, and in accordance with the French Commercial Code, in particular Articles L.225-129-2, L.225-136, L.225-148 and L.228-92:

1) delegate their authority to the Board of Directors to issue, in one or more transactions, in the proportions and at the times it determines, on French and/or international markets, through a public offering, either in euros or in foreign currencies or in any other monetary units determined with reference to a series of currencies:
   - ordinary shares,
   - and/or ordinary shares conferring entitlement to other ordinary shares or debt securities,
   - and/or securities conferring entitlement to ordinary shares to be issued by the Company.

   Such securities may be issued as consideration for securities transferred to the Company in connection with a public exchange offer on securities in accordance with the conditions of Article L.225-148 of the French Commercial Code.

   In accordance with Article L.228-93 of the French Commercial Code, the securities to be issued may confer entitlement to ordinary shares to be issued by any company directly or indirectly holding more than half of the Company's capital or in which the Company directly or indirectly holds more than half of the capital;
2) set the validity of this delegation of authority at 26 months from the date of this meeting;
3) the aggregate par value of ordinary shares that may be issued under this delegation of authority may not exceed €6,065,334.

   This limit does not include the aggregate par value of any additional ordinary shares to be issued, in compliance with applicable laws and with any contractual obligations regarding other adjustments to issues, in order to safeguard the rights of holders of securities conferring entitlement to shares.

   This amount is deducted from the amount of the limit for capital increases set in the fifteenth resolution.

The total aggregate par value of Company debt securities that may be issued under this delegation of authority may not exceed €500,000,000, while noting that this amount is deducted from the overall nominal limit for debt securities indicated in the fifteenth resolution;

4) resolve to waive the preferential subscription rights of shareholders for ordinary shares and securities conferring entitlement to shares and/or debt securities subject to this resolution, while allowing the Board of Directors the option to grant shareholders a priority right, in compliance with applicable laws;
5) resolve that any sum paid or to be paid to the Company in consideration for each ordinary share issued under this delegation of authority, after taking into account the issue price for any stock warrants issued, will be at least equal to the minimum legal and regulatory amount required at the time of the Board of Directors' use of this delegation;
6) resolve that, if securities are issued as consideration for securities tendered as part of a public exchange offer, the Board of Directors shall have the necessary powers, under the conditions defined in Article L.225-148 of the French Commercial Code and subject to the limits set forth above, to determine the list of securities tendered for the exchange, to determine the issue conditions, the exchange ratio and, if applicable, the amount of the cash balance to be paid, and to determine the conditions for the issue;
7) resolve that if the subscriptions have not accounted for the entire amount of an issue indicated in 1/, the Board of Directors may make use of the following options:
   - limiting the amount of the issue to the amount of subscriptions, within any regulatory limits in force, as relevant,
   - freely distributing all or part of any unsubscribed securities;
8) resolve that the Board of Directors shall be granted the necessary powers, subject to the limits set forth above, to determine the terms and conditions for any and all issues carried out, to record the resulting capital increase(s), to amend the Articles of Association accordingly, to resolve, at its sole discretion, to charge the issue-related expenses against the related share premium accounts and to deduct from these premium accounts the amounts necessary to increase the legal reserve to one tenth of the share capital amount after each capital increase, and, generally, to do whatever is required in each case;
9) acknowledge that this delegation of authority cancels and replaces any previous delegation of authority with the same purpose.

Twelfth resolution – Delegation of authority granted to the Board of Directors to issue debt securities conferring entitlement to shares, with preferential subscription rights waived, through an offer as stated in Article L.411-2 II of the French Monetary and Financial Code

The shareholders, deliberating with the quorum and majority required for extraordinary meetings, having reviewed the report of the Board of Directors and the special report of the statutory auditors, and in accordance with the French Commercial Code, in particular Articles L.225-129-2, L.225-136 and L.228-92:

1) delegate their authority to the Board of Directors to issue, in one or more transactions, in the proportions and at the times it determines, on French and/or international markets, through an offer as stated in Article L.411-2 II of the French Monetary and Financial Code, either in euros or in foreign currencies or in any other monetary units determined with reference to a series of currencies, debt securities conferring entitlement to ordinary shares to be issued by the Company;
2) set the validity of this delegation of authority at 26 months from the date of this meeting;
3) the aggregate par value of ordinary shares that may be issued under this delegation of authority may not exceed €6,065,334, and will also be limited to 20 percent of the capital per year.

   This limit does not include the aggregate par value of any additional ordinary shares to be issued, in compliance with applicable laws and with any contractual obligations regarding other adjustments to issues, in order to safeguard the rights of holders of debt securities conferring entitlement to shares.

   This amount is deducted from the amount of the limit for capital increases set in the fifteenth resolution.

   The total aggregate par value of Company debt securities that may be issued under this delegation of authority may not exceed €500,000,000, while noting that this amount is deducted from the overall nominal limit for debt securities in the fifteenth resolution;
4) resolve to waive preferential subscription rights for shareholders on debt securities conferring entitlement to shares subject to this resolution;
5) resolve that any sum paid or to be paid to the Company in consideration for each ordinary share issued under this delegation of authority will be at least equal to the minimum legal and regulatory amount required at the time of the Board of Directors' use of this delegation;
6) resolve that if the subscriptions have not accounted for the entire amount of an issue indicated in 1, the Board of Directors may make use of the following options:
   - limiting the amount of the issue to the amount of subscriptions, within any regulatory limits in force, as relevant,
   - freely distributing all or part of any unsubscribed securities;
7) resolve that the Board of Directors shall be granted the necessary powers, subject to the limits set forth above, to determine the terms and conditions for any and all issues carried out, to record the resulting capital increase(s), to amend the Articles of Association accordingly, to resolve, at its sole discretion, to charge the issue-related expenses against the related share premium accounts and to deduct from these premium accounts the amounts necessary to increase the legal reserve to one tenth of the share capital amount after each capital increase, and, generally, to do whatever is required in each case;
8) acknowledge that this delegation of authority cancels and replaces any previous delegation of authority with the same purpose.

Thirteenth resolution – Authorization to increase the amount of issues in the event of excess demand

The shareholders, deliberating with the quorum and majority required for extraordinary meetings, after reviewing the reports of the Board of Directors and the statutory auditors, resolve that for each issue of ordinary shares or securities conferring entitlement to shares decided upon in accordance with the tenth, eleventh and twelfth resolutions above, the number of securities to be issued may be increased under the conditions defined by Article L.225-135-1 of the French Commercial Code and subject to the maximum limits set by the meeting in the event of excess demand.

Fourteenth resolution – Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities conferring entitlement to shares, up to a limit of 10 percent of the share capital, as consideration for contributions in kind comprising capital securities or securities conferring entitlement to shares

The shareholders, deliberating with the quorum and majority required for extraordinary meetings, after reviewing the reports of the Board of Directors and the statutory auditors, and in accordance with Articles L.225-147 and L.228-92 of the French Commercial Code:

1) authorize the Board of Directors, based on the report by the transfer agent (commissaire aux apports), to issue ordinary shares or securities conferring entitlement to ordinary shares as consideration for contributions in kind granted to the Company and comprising capital securities or securities conferring entitlement to the share capital when the provisions of Article L.225-148 of the French Commercial Code do not apply;
2) set the validity of this delegation of authority at 26 months from the date of this meeting;
3) resolve that the aggregate par value of ordinary shares that may be issued under this delegation of authority may not exceed 10 percent of the capital on the date of this meeting, with this amount deducted from the maximum aggregate par value indicated in the fifteenth resolution; said limit does not include the aggregate par value of any ordinary shares to be issued in compliance with applicable laws and with any contractual obligations regarding other adjustments to issues, in order to safeguard the rights of holders of securities conferring entitlement to shares;
4) delegate full powers to the Board of Directors with a view to approving the valuation of the contributions, deciding on the resulting capital increase, recording its completion, charging any expenses and duties incurred by the capital increase against the contribution premium, deducting from the contribution premium any sums required to take the legal reserve up to one tenth of the new capital after each capital increase, amending the Articles of Association accordingly, and doing whatever is necessary in this respect;
5) acknowledge that this delegation of authority cancels and replaces any previous delegation of authority with the same purpose.

Fifteenth resolution – Overall limit for delegations of authority to increase the share capital immediately and/or in the future

The shareholders, deliberating with the quorum and majority required for extraordinary meetings, after reviewing the report of the Board of Directors, and further to the adoption of the previous resolutions, resolve to:

- set the maximum aggregate par value of capital increases that may be carried out, immediately or in the future, under the delegations of authority and authorizations granted by the eleventh, twelfth, thirteenth and fourteenth resolutions, at €6,065,334, while noting that this limit does not include the aggregate par value of any Company shares to be issued in compliance with applicable laws and with any contractual obligations regarding other adjustments to issues, in order to safeguard the rights of holders of securities conferring entitlement to shares;
- set the overall maximum aggregate par value of debt securities that may be issued under the eleventh, twelfth and thirteenth resolutions at €500,000,000.

Sixteenth resolution – Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/ or securities conferring entitlement to shares, with preferential subscription rights waived, to employees who are members of a Company savings plan, in accordance with Articles L.3332-18 *et seq.* of the French Labor Code

The shareholders, deliberating with the quorum and majority required for extraordinary meetings, having reviewed the report of the Board of Directors and the special report of the statutory auditors, and in accordance with Articles L.225-129-6, L.225-138-1 and L.228-92 of the French Commercial Code and Articles L.3332-18 *et seq.* of the French Labor Code:

1) delegate their authority to the Board of Directors to resolve, at its discretion, to increase the share capital in one or more transactions by issuing ordinary shares or securities conferring entitlement to shares to employees who are members of one or more Company or Group savings plans established by the Company and/or the French or foreign entities under its control, as defined in Article L.225-180 of the French Commercial Code and in Article L.3344-1 of the French Labor Code;
2) waive, for the benefit of such people, any preferential subscription rights on shares that may be issued under this delegation of authority;
3) grant this delegation of authority for a period of 26 months from the date of this meeting;
4) limit the maximum aggregate par value of the share capital increase or increases carried out under this delegation of authority to 2 percent of the share capital as of the date of the decision by the Board of Directors; this limit is independent of any other maximum limits set in authorizations to increase the share capital. This limit does not include the aggregate par value of any additional ordinary shares to be issued, in compliance with applicable laws and with any contractual obligations regarding other adjustments to issues, in order to safeguard the rights of holders of securities conferring entitlement to shares;
5) resolve that the subscription price of the shares to be issued pursuant to 1) of this resolution shall not be more than 20 percent lower than the average of the opening prices quoted for the Company's shares on the stock market over the twenty trading days preceding the date of the Board's decision to increase the share capital and carry out the corresponding share issue, or more than 30 percent lower if the vesting period provided for in the savings plan in accordance with Articles L.3332-25 and L.3332-26 of the French Labor Code is ten years or more, nor may the subscription price exceed said average;
6) resolve that the Board of Directors shall be authorized, pursuant to Article L.3332-21 of the French Labor Code, to award new or existing shares, or other securities

entitling the holder to new or existing Company shares, for free to the beneficiaries mentioned in 1/ above, either (i) to provide the matching contributions required by the Company or Group savings plan regulations and/or (ii) to offset any discount to the share price;

7) acknowledge that this delegation of authority cancels and replaces any previous delegation of authority with the same purpose.

The Board of Directors shall be empowered to decide whether or not to make use of this authorization, perform all necessary acts and proceed with the requisite formalities.

Seventeenth resolution – Delegation of authority granted to the Board of Directors to issue ordinary Company shares, with preferential subscription rights waived, to employees, directors and executive officers of Ingenico Group subsidiaries with registered offices outside France who are not members of a Company savings plan

The shareholders, deliberating with the quorum and majority required for extraordinary meetings, having reviewed the report of the Board of Directors and the special report of the statutory auditors, and in accordance with Articles L.225-129-2 and L.225-138 of the French Commercial Code:

1) delegate their authority to the Board of Directors, with the option to sub-delegate as provided for by law, to issue ordinary Company shares, in one or more transactions, reserved for employees, directors and executive officers of subsidiaries under the Company's control as defined in Article L.233-16 of the French Commercial Code, which have their registered offices outside France (the "Subsidiaries"), which may be paid for either in cash or by offsetting receivables;

2) resolve that (i) the aggregate par value of the share capital increase or increases carried out under this delegation of authority shall not exceed 2 percent of the share capital on the date of the decision by the Board of Directors setting the start of the subscription period, while noting that this limit does not include the aggregate par value of any additional ordinary shares to be issued in compliance with current laws and with any contractual obligations regarding other adjustments to issues, in order to safeguard the rights of holders of securities or other rights entitling them to Company shares; and (ii) the aggregate par value of any increase or increases in the Company's share capital, carried out immediately or in the future, resulting from the issuance of shares under this delegation of authority, shall not be subject to any other limit with respect to authorizations to increase the share capital;

3) acknowledge that the Board of Directors, with the option to sub-delegate as provided for by law, may decide to issue shares exclusively offered for subscription to the employees of Subsidiaries concurrently with, or independently of, one or more share subscriptions offered to existing shareholders, to employees who are members of a Group savings plan or to third parties;

4) resolve that the subscription price for the newly-issued shares shall be determined by the Board of Directors on the date of its decision setting the start of the subscription period, using one of the following methods, at the discretion of the Board of Directors:
   - the subscription price shall be equal to the average of the opening prices quoted for the Company's shares on the Euronext Paris stock market over the twenty trading days preceding the date of the Board's decision, less a maximum discount of 20 percent, or
   - the subscription price shall be equal to the opening price quoted for the Company's shares on the Euronext Paris stock market on the date of the Board's decision, less a maximum discount of 20 percent; it is noted that the method to be applied or the amount of discount to be deducted may vary according to the capital increases or the beneficiaries involved;

5) resolve to waive the preferential subscription rights on shares to be issued to employees, directors and executive officers of the Subsidiaries;

6) resolve that the Board of Directors shall have the necessary powers, with the option to sub-delegate as provided for by law, to implement this delegation of authority and to accomplish the following in particular:
   - determine the date, terms and methods to be used in the issue of shares with or without premiums, and determine the aggregate number of shares to be issued,
   - establish the list of beneficiaries from among the employees, directors and executive officers of Subsidiaries, and determine the number of shares to which each of them shall be allowed to subscribe,
   - set the exercise price of the stock subscription, in compliance with the methods set forth in 4) above,
   - set the terms of payment for the shares within the statutory framework,
   - set the date from which the shares to be issued shall be entitled to dividends,
   - limit the amount of the issue to the amount of subscriptions, within any regulatory limits in force, as relevant,
   - if applicable, charge any costs against the issue premium or premiums, particularly issuance costs,
   - if applicable, request the admission of the newly-issued shares to trading on the Euronext Paris stock market or on any other regulated stock market,
   - make all agreements required to ensure the successful completion of the planned issues and amend the Articles of Association accordingly,
   - do whatever is necessary to safeguard the rights of holders of securities conferring future entitlement to Company shares in compliance with applicable laws and regulations,
   - and generally determine the terms and conditions for the transactions carried out pursuant to this resolution, record the resulting capital increase(s) and perform all legal formalities required in accordance with Articles L.225-129-2 and L.225-138 of the French Commercial Code;

7) resolve that this delegation of authority is hereby granted for a period of 18 months from the date of this meeting and cancels and replaces any remaining unused balance under any previous delegation of authority with the same purpose.

Eighteenth resolution – Delegation of authority granted to the Board of Directors to freely award shares to employees and/or certain directors and executive officers

The shareholders, after reviewing the report of the Board of Directors and the special report of the statutory auditors, and in accordance with Articles L.225-197-1 and L.225-197-2 of the French Commercial Code, authorize the Board of Directors to award new or existing ordinary Company shares, in one or more transactions, to:

- employees of the Company or companies that are directly or indirectly related to it as defined by Article L.225-197-2 of the French Commercial Code;
- and/or directors and executive officers who satisfy the conditions defined by Article L.225-197-1 of the French Commercial Code.

The total number of shares freely awarded in this way may not exceed 5 percent of the share capital on the date of this meeting. The total number of shares that may be freely awarded to the Company's directors and executive officers may not exceed 2 percent of the capital within this initial total.

The shares shall be vested at the end of a vesting period of at least two years set by the Board of Directors. If applicable, beneficiaries shall be required to retain these shares for a period defined by the Board of Directors; this period must be at least equal to the minimum legal timeframe. The combined duration of the vesting and lock-in periods may not be less than the minimum legal timeframe required, if applicable.

The shares awarded to the Company's eligible directors and executive officers, as defined above, shall be subject to performance criteria that is set by the Board of Directors and is used as a basis for determining the number of shares ultimately acquired by them.

On an exceptional basis, shares may be vested before the end of the vesting period if the beneficiary is classed as disabled in accordance with the second or third categories detailed in Article L.341-4 of the French Social Security Code.

The Board of Directors is granted the necessary powers to:

- set the conditions and, if applicable, the criteria for awarding shares;
- determine the identity of beneficiaries and the number of shares awarded to each beneficiary;
- determine the performance criteria for shares freely awarded to the Company's eligible directors and executive officers (as defined in Article L.225-197-1 of the French Commercial Code);
- if applicable:
  - acknowledge the existence of sufficient reserves and, at the time of each award, transfer the necessary sums into an unavailable reserves account as required to pay up the new shares to be awarded,
  - decide, at the appropriate time, to carry out the capital increase or increases by incorporating reserves, share premiums or net profits associated with the issuance of new shares freely awarded; the amount of the capital increase or increases is not deducted from the maximum limit for the delegation of authority to increase the capital by incorporating reserves under the ninth extraordinary resolution from this meeting,
  - acquire the shares required *via* the share buyback program and allocate them to the share plan,
  - in terms of beneficiaries' rights, determine the impacts of transactions modifying the capital or likely to affect the value of shares awarded and exercised during the vesting period, and modify or adjust the number of shares awarded accordingly, if necessary, to safeguard the rights of beneficiaries,
  - take all relevant measures to ensure compliance with the lock-in period required for beneficiaries, if applicable,
  - and, generally, do whatever is necessary to implement this authorization in accordance with the legislation in force.

Under this authorization, shareholders waive their preferential subscription rights for the new shares issued by incorporating reserves, share premiums and net profits.

This authorization is granted for 38 months from the date of this meeting.

It cancels and replaces any previous authorizations with the same purpose.

Nineteenth resolution – Suspension of delegation of authority during public offer periods

The shareholders, deliberating with the quorum and majority required for extraordinary meetings, after reviewing the report of the Board of Directors, resolve that the Board of Directors may not, unless previously authorized by the Annual General Shareholders' Meeting, make use of the delegations of authority granted under the ninth, tenth, eleventh, twelfth, thirteenth, fourteenth, fifteenth, sixteenth and seventeenth resolutions from the date any third party submits a proposed public offer for the Company's securities until the end of the offer period.

Twentieth resolution – Change of corporate name to INGENICO GROUP and amendment of the Articles of Association accordingly

The shareholders, deliberating with the quorum and majority required for extraordinary meetings, after reviewing the report of the Board of Directors, resolve to:

- change the Company's corporate name from "Compagnie Industrielle et Financière d'Ingénierie" to "Ingenico Group";
- amend Article 3 of the Articles of Association accordingly, as set out below:

  "The Company's name is INGENICO GROUP.

  In all deeds, letters, invoices, announcements, publications or other documents of any kind issued by the Company and intended for third parties, the corporate name shall always be immediately preceded or followed by the words "société anonyme" or the initials "SA" and the amount of its share capital."

Twenty-first resolution – Ensuring the consistency of Articles 15 and 19 of the Articles of Association

The shareholders, deliberating with the quorum and majority required for extraordinary meetings, after reviewing the report of the Board of Directors, resolve to:

- amend the last sentence of section 3 of Article 15 of the Articles of Association as follows, to ensure consistency with the provisions of Article L.225-39 of the French Commercial Code, as amended by French decree No. 2014-863 of July 31, 2014, leaving the rest of the Article unchanged:

  "These provisions shall not apply in the cases defined by law";

- amend the eighth paragraph of Article 19 of the Articles of Association as follows to ensure consistency with the new provisions of Article R.225-85 of the French Commercial Code, as amended by French decree No. 2014-1466 of December 8, 2014, leaving the rest of the Article unchanged:

  "The right to attend Shareholders' Meetings shall be based upon registration, at least two working days before the meeting, of the shareholder's name or the name of the depository registered on the shareholder's behalf, either in the registered accounts held by the Company or in the bearer securities trading accounts held by the approved depository."

Twenty-second resolution – Powers for filing and publication formalities

The shareholders hereby grant all powers necessary to accomplish the filing and publication formalities required by law to anyone in possession of an original, copy or extract of these meeting minutes.

7.2 Presentation of the resolutions proposed to the Annual General Shareholders' Meeting

Ordinary resolutions

Approval of the parent company and consolidated financial statements for the year ended December 31, 2014 (first and second resolutions) and approval of non-tax-deductible expenses

The Board of Directors request that you approve the parent company financial statements for the year ended December 31, 2014, which show a net profit of €174,214,187.57, as well as the consolidated financial statements for the year ended December 31, 2014, which show a net profit of €171,652,240.

We also request that you approve the total expenses and charges as defined in Article 39-4 of the French General Tax Code, *i.e.*, €95,871, as well as the related tax liability, *i.e.*, €36,460.98.

Allocation of net profit for the year and dividend (third resolution)

The proposed allocation of our Company's net profit for the year is in compliance with the law and our Articles of Association.

We propose that the net profit for the year ended December 31, 2014 be allocated as follows:

2014 net results	
Net profit for 2014	€174,214,187.57
Retained earnings	€95,573,703
Allocation	
Legal reserve	€440,000
Other reserves	€0
Dividend(1)	€57,436,781
Composed of:	
Initial dividend:	€2,871,839.05
Complementary dividend:	€54,564,941.95
Retained earnings	€211,911,109.50

(1) *The total dividend amount of €57,436,781 is based on the number of shares with dividend rights (equal to 57,436,781), including shares owned by the Company. The dividend payable on the shares owned by the Company shall be allocated to Retained Earnings at the time of payment. The total dividend amount and, as a consequence, the amount of retained earnings, shall be adjusted according to the number of its shares held by the Company on the dividend payment date and, if applicable, the new shares entitled to dividends resulting from the stock options exercised and the new free shares vested until the date of the Annual General Shareholders' Meeting.*

Accordingly, the gross dividend per share would be €1. Dividends paid to natural persons residing in France are eligible for the 40-percent tax reduction mentioned in Paragraph 2, Section 3 of Article 158 of the French General Tax Code.

The ex-dividend date is May 13, 2015, and the dividends shall be paid on June 10, 2015.

Please note that the total amount of the dividend paid and therefore the amount allocated to retained earnings shall be adjusted for any difference between the number of shares entitled to dividends and the 57,436,781 shares that made up the share capital at December 31, 2014.

Pursuant to Article 243 bis of the French Tax Code, we ask you to note that the net dividends paid for the last three fiscal years were as follows:

	Dividends eligible for tax reduction		
Fiscal year	Dividends	Other amounts distributed	Dividends not eligible for tax reduction
2011	€25,592,876.50 (1) or €0.50 per share	–	–
2012	€36,741,360.60 (1) or €0.70 per share	–	–
2013	€42,469,047.20 (1) or €0.80 per share	–	–

(1) Including the amount of dividends not paid for treasury stock and allocated to retained earnings and the amount of dividends paid in shares.

Option to receive dividends in cash or in shares (fourth resolution)

We propose, in accordance with Article 23 of the Company's Articles of Association, that you be given the option to receive dividends in cash or in shares for the total net dividend amount to which you are entitled.

The price for shares issued as stock dividends shall be equal to 90 percent of the average price quoted for the Company's shares during the twenty trading days preceding the date of this meeting, less the net amount of the dividend, in accordance with Article L.232-19 of the French Commercial Code.

If the net dividend amount to be distributed in shares does not divide up into a whole number of shares, the shareholder may opt to receive:

- either the whole number of shares just below that amount, along with a cash payment for the difference paid on the date on which the option is exercised;
- or the whole number of shares just above that amount, with the difference paid in cash by the shareholder.

Shareholders opting for a dividend paid in shares must exercise this option between May 13, 2015 and June 2, 2015, inclusive, through the relevant financial intermediaries authorized to pay the dividend. Beyond this time limit, only cash dividends shall be paid.

Dividends for those shareholders who opt for a cash payment are payable on June 10, 2015. Those shareholders who opt for a stock dividend will receive the newly-issued shares on the distribution date for cash dividends, *i.e.*, June 10, 2015.

The shares issued as stock dividends shall be entitled to dividends as of January 1, 2015.

The Board of Directors shall have the necessary powers to implement this resolution.

Acknowledgement that no new related party agreements have been entered into (fifth resolution)

We request that, after reviewing the special report of the statutory auditors, you acknowledge that no new related party agreements, as defined by Articles L.225-38 *et seq.* of the French Commercial Code, have been entered into and approve the terms of this special report.

Advisory vote on the components of the compensation due or allocated to Mr. Philippe Lazare in respect of the year ended December 31, 2014 (sixth resolution)

As recommended in Article 24.3 of the AFEP-MEDEF Corporate Governance Code for listed companies, as revised in June 2013, which the Company uses as a reference, we ask that you take an advisory vote on the components of the compensation due or allocated to Mr. Philippe Lazare, the Chairman and Chief Executive Officer, in respect of the year ended December 31, 2014, as presented here:

For further information, please refer to pages 88 *et seq.* of this Registration Document.

Components of compensation due or allocated for the fiscal year	Amounts or accounting estimates submitted to a vote	Description
Fixed compensation	€700,000 (amount paid)	In 2014, Mr. Philippe Lazare was granted a 7.7 percent increase in his fixed compensation, reflecting the expansion of the business scope beyond payment service devices alone (particularly online), and a broader geographical scope.
Variable compensation for the year	€1,326,021 (amount payable)	As recommended by the Compensation, Appointments and Governance Committee and after obtaining the validation of the financial components from the Audit and Financing Committee, the Board of Directors set the amount of variable compensation payable to Mr. Philippe Lazare in respect of 2014 at its Meeting on February 18, 2015. Based on the quantitative and qualitative criteria set by the Board on March 27, 2014 and considering the Company's performance at December 31, 2014, the amount of variable compensation was evaluated based on the following: - in quantitative terms, the Board noted the substantial outperformance of the three financial criteria used: consolidated revenue growth (target achieved: 107 percent), consolidated EBITDA (target achieved: 116 percent), and free cash flow (target achieved: 159 percent), resulting in year-end figures reaching 147 percent of the targets; - in qualitative terms, the Board deemed that Mr. Philippe Lazare had done an outstanding job in 2014 and accordingly allocated the maximum percentage of variable compensation allowed, which is 30 percent. The Board members unanimously appreciated (i) the accelerated deployment of the Company strategy with the acquisition of the GlobalCollect Group, (ii) the launch of the Telium Tetra range and marketplace, (iii) the development of the mobility range with the strategic integration of Room Data (now fully-owned), and (iv) the success of the first cross-channel payment transactions. Mr. Philippe Lazare's variable compensation for 2014 has therefore been set at €1,326,021, equal to 189 percent of his fixed compensation for the year.
Deferred variable compensation	n.a.	No deferred variable compensation has been awarded to Mr. Philippe Lazare.
Multi-year variable compensation	n.a.	No multi-year variable compensation has been awarded to Mr. Philippe Lazare.
Exceptional compensation	n.a.	No exceptional compensation has been awarded to Mr. Philippe Lazare.

Components of compensation due or allocated for the fiscal year	Amounts or accounting estimates submitted to a vote	Description
Stock options, performance shares and any other long-term forms of compensation	Stock options = n.a.	No stock options were granted in 2014.
	6,500 shares = €312,482 (book value) Other compensation = n.a.	To continue with its performance share program, on October 29, 2014, the Board of Directors, under the twenty-second resolution from the Extraordinary Shareholders' Meeting held on April 29, 2013, set up the third joint investment plan for 2014, involving capital risk for this plan's beneficiaries. Following a personal investment of €50,000 in the Company's shares, Mr. Philippe Lazare was awarded 6,500 free shares in connection with this plan. These performance share awards are dependent on the following performance criteria being achieved: - internal criteria, linked to the Group's financial and operating results: EBITDA in line with the plan announced to the market. If 90 percent of the target is achieved, 1 free share is awarded for each share invested. Two free shares are awarded if 95 percent of the target is achieved, with four shares for 100 percent. The maximum number of free shares is reached if the Group outperforms and results exceed 104 percent of the targets, *i.e.*, six free shares for every share invested. - external criteria linked to the Company's stock market performance in relation to the performance of the SBF 120 stock market index. If Ingenico's share performance is greater than or equal to 95 percent of the SBF 120's performance, these awards are activated. One additional free share is awarded for every 5 percent, up to a maximum of four free shares for every share invested if Ingenico's share performance is greater than or equal to 110 percent of the SBF 120. Attainment of those performance targets is assessed at the end of the two-year vesting period.
Director's attendance fees	n.a.	No attendance fees are paid to Mr. Philippe Lazare.
Value of all benefits in kind	€12,337	Mr. Philippe Lazare has been provided with a company car and insurance for loss of his corporate office.

Components of compensation due or allocated for the fiscal year and voted on by the Annual General Shareholders' Meeting under the procedure for related party agreements and commitments	Amounts voted on	Description
Termination benefits	No termination benefits are due in respect of 2014	In compliance with the Board's decision of March 15, 2012, approved by the shareholders at their Annual General Shareholders' Meeting on May 3, 2012 in its eighth resolution, in the event that Mr. Lazare's mandate is terminated (for any reason other than gross negligence), the following arrangement shall apply: - he shall receive an indemnity equal to one year of gross annual salary payable in his capacity as Chief Executive Officer of Ingenico; - he shall maintain his entitlement to the free shares for which the vesting period has not expired. This arrangement is subject to the following performance conditions: - EBIT growth in line with revenue growth during his term in office; - stability or increase in the Company's market share during his term of office.
Benefits in connection with a non-competition clause	n.a.	No non-competition clause applies.
Supplementary retirement plan	n.a.	Mr. Philippe Lazare does not have a supplementary retirement plan.

Amount of attendance fees awarded to the Board members (seventh resolution)

We request that you increase the total annual amount of attendance fees to be awarded to the Board of Directors from €400,000 to €500,000. For reference, the total amount of attendance fees has not been revised since 2013, whereas the number of independent directors has increased significantly.

This decision would apply for the current fiscal year and would be maintained until decided otherwise.

Authorization to trade in Company shares (Article L.225-209 of the French Commercial Code) (eighth resolution) - Suspension of this authorization during a public offer period

The authorization granted by the Annual General Shareholders' Meeting of May 7, 2014, shall soon expire; we therefore request that you authorize the Board of Directors to trade in the Company's shares up to a maximum purchase price of €160 per share and for a maximum aggregate amount of €874,061,456.

This authorization is intended to allow the Company to do the following:

- hold and use Company shares as a means of exchange or consideration in external growth transactions, in compliance with current laws and regulations and with standard market practices;
- use Company shares in connection with the exercise of rights attached to Company securities conferring immediate or future entitlement to Company shares through conversion, exercise, redemption or exchange, presentation of a warrant or by any other means, and carry out any transactions required to hedge the Company's obligations in connection with these securities, in accordance with the stock market regulations at the time that the Board of Directors or any person to whom the Board has delegated its powers may act;
- implement any Company stock option plan granted in accordance with Articles L.225-177 *et seq.* of the French Commercial Code, any award, in accordance with Articles L.225-197-1 *et seq.* of the French Commercial Code, of free Company shares to employees, directors and executive officers, whether as part of their compensation, as a means to allow them to benefit from the Company's growth or within the context of a Company or Group employee shareholding or savings plans and/or any other form of share allocation programs for employees and/or directors and executive officers of the Group, and to carry out any transactions required to hedge the Company's obligations in connection with these programs, in accordance with the stock market regulations at the time that the Board of Directors or any person to whom the Board has delegated its powers may act;
- maintain a liquid market for the Company's shares via a liquidity contract with an independent investment service provider that complies with the code of ethics approved by the Autorité des marchés financiers;
- cancel some or all of the Company's shares bought back with the intention of reducing the share capital, in accordance with the thirteenth extraordinary resolution of the Annual General Shareholders' Meeting held on May 7, 2014;
- and generally pursue any aims permitted by law or engage in any market practices that may be authorized by the Autorité des marchés financiers, it being understood that in such cases, the Company would issue a statement to inform its shareholders.

The number of Company shares acquired under this authorization shall not exceed 10 percent of the total number of shares in the share capital on the date of purchase, after deducting the number of shares resold during the program to maintain the liquidity of the Company's shares, while noting that the share acquisitions made by the Company may under no circumstances permit the Company to hold more than 10 percent of its total share capital, either directly or indirectly. Consequently, on the basis of the share capital at December 31, 2014 (divided into 57,436,781 shares), and taking into account the 280,794 treasury shares held at that date, the Company would be authorized to purchase up to 5,462,884 shares.

Shares may be acquired by any means that comply with current applicable stock market regulations and acceptable market practices published by the Autorité des marchés financiers, including, where applicable, trading in derivatives and options on regulated or over-the-counter markets, provided that use of such means does not significantly increase the volatility of the Company's share price.

However, such transactions would not be able to be carried out during a public offer period.

The present authorization is hereby granted for a period of 18 months from the date of this meeting and cancels and replaces the authorization granted to the same effect by the Annual General Shareholders' Meeting on May 7, 2014.

Extraordinary resolutions

Delegation of authority granted to the Board of Directors to increase the share capital by incorporating reserves, net profits and/or share premiums (ninth resolution)

The ninth resolution is intended to grant the Board of Directors a delegation of authority to decide to increase the share capital by incorporating share premiums, reserves, net profits or other amounts that can be capitalized.

The capital increases carried out under this delegation of authority may not exceed a maximum aggregate par value of €10,000,000 (not taking into account the amount required to safeguard the rights of holders of securities conferring entitlement to shares). This maximum limit would be independent of the maximum limits applicable under the other resolutions.

The capital increases would be carried out based on free shares awarded to the Company's shareholders and/or an increase in the share's par value.

The Board of Directors would have the necessary powers to determine the amount and nature of any sums to be incorporated into the capital, and the number of new shares to be issued and/or the amount of the increase in the par value of existing shares comprising the capital.

This delegation of authority would be granted for a period of 26 months.

Delegation of authority granted to the Board of Directors to increase the share capital, with preferential subscription rights maintained (tenth resolution)

The tenth resolution is intended to grant the Board of Directors a delegation of authority to increase the share capital, with preferential subscription rights maintained for shareholders.

The transactions carried out under this resolution would be reserved for the Company's shareholders. They would concern issues of ordinary shares and/or ordinary shares conferring entitlement to other ordinary shares or debt securities and/or securities conferring immediate or future entitlement to ordinary shares to be issued by the Company.

In accordance with Article L.228-93 of the French Commercial Code, the securities to be issued could entitle holders to access ordinary shares to be issued by any company that directly or indirectly holds more than half of the share capital of our Company or any company in which our Company directly or indirectly holds more than half of the share capital.

The capital increases carried out under this delegation of authority may not exceed a maximum aggregate par value of €25,000,000, equivalent to 41.2 percent of the share capital. This amount limit does not include the aggregate par value of any ordinary shares to be issued in compliance with applicable laws and with any contractual obligations regarding other adjustments to issues in order to safeguard the rights of holders of securities conferring entitlement to shares. Issues of debt securities would be limited to a maximum aggregate par value of €500,000,000. These maximum limits would be independent of the maximum limits applicable under the other resolutions.

The subscription price for shares and/or securities that may be issued under this delegation of authority would be determined by the Board of Directors, in compliance with applicable laws and regulations.

If subscriptions on a pre-emptive basis and, as relevant, on a non pre-emptive basis have not accounted for the entire issue, the Board of Directors may use the following options:

- limiting the issue to the amount of subscriptions, within any regulatory limits in force, as relevant;
- freely distributing all or part of any unsubscribed securities;
- offering some or all of any unsubscribed securities to the public.

This delegation of authority would be granted for a period of 26 months and would cancel and replace any previous delegation of authority with the same purpose.

Delegation of authority granted to the Board of Directors to increase the share capital, with preferential subscription rights waived, by public offering (eleventh resolution)

The eleventh resolution is intended to grant the Board of Directors a delegation of authority to increase the share capital, with preferential subscription rights waived for shareholders, through a public offering.

The transactions carried out under this resolution would therefore be open to the public. They would concern issues of ordinary shares and/or ordinary shares conferring entitlement to other ordinary shares or debt securities and/or securities conferring immediate or future entitlement to ordinary shares to be issued by the Company.

In accordance with Article L.228-93 of the French Commercial Code, the securities to be issued could entitle holders to access ordinary shares to be issued by any company that directly or indirectly holds more than half of the share capital of our Company or any company in which our Company directly or indirectly holds more than half of the share capital.

The capital increases carried out under this delegation of authority may not exceed a maximum aggregate par value of €6,065,334, equivalent to 10 percent of the share capital. This limit does not include the aggregate par value of any ordinary shares to be issued in compliance with applicable laws and with any contractual obligations regarding other adjustments to issues in order to safeguard the rights of holders of securities conferring entitlement to shares. Issues of debt securities would be limited to a maximum aggregate par value of €500,000,000. These maximum limits would be deducted from the overall maximum limits of €6,065,334 for capital increases and €500,000,000 for debt securities, as established in the fifteenth resolution.

The issue price for shares issued under this delegation of authority would be at least equal to the minimum regulatory requirement on the date of the issue (*i.e.*, currently the weighted average quoted prices for the Company's shares on Euronext Paris over the last three trading days prior to the setting of this price, less a maximum discount of 5 percent in accordance with Article L.225-136-1, section 1, and Article R.225-119 of the French Commercial Code).

In addition, the issue price for securities conferring entitlement to shares, issued under this delegation of authority, would be such that the sum immediately received by the Company, plus, if applicable, any sum that the Company may receive subsequently, is at least equal to the minimum issue price indicated above for all shares issued as a result of these securities being issued.

For issues of securities as consideration for securities tendered in connection with a public exchange offer, the Board of Directors, subject to the limits set forth above, would have the necessary powers to determine the list of securities tendered for the exchange, to determine the issue conditions, the exchange ratio and, if applicable, the amount of the cash balance to be paid, and to determine the conditions for the issue.

If subscriptions have not accounted for the entire amount of the issue, the Board of Directors could make use of the following options:

- limiting the amount of the issue to the amount of subscriptions, within any regulatory limits in force, as relevant;
- freely distributing all or part of any unsubscribed securities.

This delegation of authority would be granted for a period of 26 months and would cancel and replace any previous delegation of authority with the same purpose.

Delegation of authority granted to the Board of Directors to increase the capital, with preferential subscription rights waived, through an offer as stated in Article L.411-2 II of the French Monetary and Financial Code (twelfth resolution)

Supplementing the eleventh resolution, and to allow a separate vote by shareholders as recommended by the Autorité des marchés financiers, the twelfth resolution is intended to grant the Board of Directors a delegation of authority to issue debt securities conferring entitlement to shares, with preferential subscription rights waived for shareholders, through an offer as stated in Article L.411-2 II of the French Monetary and Financial Code.

The transactions carried out under this resolution would be based on private placements, in accordance with Article L.411-2 II of the French Monetary and Financial Code, with third-party portfolio management investment service providers, qualified investors or a small group of investors, provided that these last two categories are acting on their own behalf. They would concern debt securities conferring entitlements to ordinary shares to be issued by the Company.

The capital increases carried out under this delegation of authority may not exceed a maximum aggregate par value of €6,065,334, equivalent to 10 percent of the share capital. This limit does not include the aggregate par value of any ordinary shares to be issued, in compliance with applicable laws and with any contractual obligations regarding other adjustments to issues, in order to safeguard the rights of holders of debt securities conferring entitlement to shares.

Issues of debt securities would be limited to a maximum aggregate par value of €500,000,000. These maximum limits would be deducted from the overall maximum limits of €6,065,334 for capital increases and €500,000,000 for debt securities, as established in the fifteenth resolution.

As for the resolution above, the issue price for shares issued under this delegation of authority would be at least equal to the minimum regulatory requirement on the date of the issue (*i.e.*, currently the weighted average quoted prices for the Company's shares on Euronext Paris over the three trading days prior to the setting of this price, less a maximum discount of 5 percent in accordance with Article L.225-136-1, section 1, and Article R.225-119 of the French Commercial Code).

If subscriptions have not accounted for the entire amount of the issue, the Board of Directors could make use of the following options:

- limiting the amount of the issue to the amount of subscriptions, within any regulatory limits in force, as relevant;
- freely distributing all or part of any unsubscribed securities.

This delegation of authority would be granted for a period of 26 months and would cancel and replace any previous delegation of authority with the same purpose.

Authorization to increase the issue amount in the event of excess demand (thirteenth resolution)

In connection with the aforementioned delegations of authority with preferential subscription rights maintained and waived, we request that you grant the Board of Directors the option to increase, under the legal and regulatory conditions and limits applicable, the number of securities planned for the initial issue (Articles L.225-135-1 and R.225-118 of the French Commercial Code currently indicate that the number of securities issued could be increased by up to 15 percent of the initial issue).

Delegation of authority granted to the Board of Directors to increase the share capital as consideration for contributions in kind comprising securities or securities conferring entitlement to shares (fourteenth resolution)

To facilitate external growth transactions, we request that you grant the Board of Directors a delegation of authority to increase the share capital by issuing ordinary shares or securities conferring entitlement to shares in return for any contributions in kind made to the Company and comprising capital securities or securities conferring entitlement to shares.

The aggregate par value of ordinary shares that may be issued under this delegation of authority may not exceed 10 percent of the capital on the date of the meeting; this limit does not include the aggregate par value of any ordinary shares to be issued, in compliance with applicable laws and with any contractual obligations regarding other adjustments to issues, in order to safeguard the rights of holders of securities conferring entitlement to shares.

This maximum limit would be deducted from the overall maximum limit of €6,065,334 for capital increases, as established in the fifteenth resolution.

This delegation of authority would be granted for a period of 26 months.

Limit concerning the overall amount of authorizations (fifteenth resolution)

This resolution sets an overall limit for the aggregate par value of any capital increases, with preferential subscription rights waived for shareholders, that may be carried out immediately or in the future by the Board of Directors under the eleventh, twelfth, thirteenth and fourteenth resolutions.

The aggregate par value of share capital increases under the aforementioned resolutions would be limited to €6,065,334, representing 10 percent of the share capital; this limit shall not include the aggregate par value of any additional shares to be issued, in compliance with applicable laws, in order to safeguard the rights of holders of securities conferring entitlement to shares.

The overall maximum amount of debt securities that may be issued under the eleventh, twelfth and thirteenth resolutions may not exceed €500 million.

Delegation of authority to increase the share capital by issuing shares to members of a Company savings plan (sixteenth resolution)

Your approval is requested for an extraordinary resolution submitted to shareholders, who are required to vote, in accordance with Article L.225-129-6 of the French Commercial Code, on a resolution providing for a capital increase in compliance with the conditions stipulated in Articles L.3332-18 *et seq.* of the French Labor Code if any of its decisions result in a capital increase paid in cash.

We therefore propose that you authorize the Board of Directors to increase the share capital in one or more transactions by issuing ordinary Company shares to employees who are members of one or more Company or Group savings plans established by the Company and/or the French or foreign entities under its control, as defined in Article L.225-180 of the French Commercial Code and in Article L.3344-1 of the French Labor Code.

Pursuant to Article L.3332-21 of the French Labor Code, the Board of Directors shall be authorized to grant new or existing shares, or other securities conferring entitlement to new or existing Company shares, for free to the abovementioned beneficiaries, either (i) to provide the matching contributions required by the Company or Group savings plan regulations and/or (ii) to offset any discount to the share price.

As required by law, the shareholders shall waive their preferential right to subscribe for those shares.

The aggregate par value of the share capital increase or increases carried out under this delegation of authority shall be limited to 2 percent of the share capital as of the date of the decision by the Board of Directors; this limit is independent of any other maximum limits set in authorizations to increase the share capital. This limit shall not include the aggregate par value of any additional ordinary shares to be issued, in compliance with applicable laws and with any contractual obligations regarding other adjustments to issues, in order to safeguard the rights of holders of securities conferring entitlement to shares.

This delegation of authority shall be granted for a period of twenty-six months.

Please note that pursuant to Article L.3332-19 of the French Labor Code, the subscription price of the shares to be issued may not be more than 20 percent lower than the average of the opening prices quoted for the Company's shares on the Euronext Paris stock market over the twenty trading days preceding the date of the Board's decision to increase the share capital and carry out the corresponding share issue, or more than 30 percent lower if the vesting period provided for in the savings plan in accordance with Articles L.3332-25 and L.3332-26 of the French Labor Code is ten years or more, nor may the subscription price exceed that average.

The Board of Directors shall be granted the necessary powers, subject to the limits set forth above, to determine the terms and conditions for any and all issues carried out, to record the resulting capital increase(s), to amend the Articles of Association accordingly, to resolve, at its sole discretion, to charge the issue-related expenses against the related share premium accounts and to deduct from these share premium accounts the amount necessary to increase the legal reserve to one tenth of the share capital amount after each capital increase, and, generally, to do whatever is required in each case.

Delegation of authority to increase the share capital, with preferential subscription rights waived, for employees, directors and executive officers of subsidiaries with registered offices outside France (seventeenth resolution)

We request that you renew the delegation of authority granted last year and thereby delegate to the Board of Directors the authority to issue ordinary Company shares, in one or more transactions, reserved for employees, directors and executive officers of Company subsidiaries with registered offices outside France, who are not members of a Group employee savings plans.

The subscription price for the newly-issued shares shall be determined by the Board of Directors using one of the following methods, at the Board's discretion:

- the subscription price shall be equal to the average of the opening prices quoted for Ingenico's shares on the Euronext Paris stock market over the twenty trading days preceding the date of the Board's decision, less a maximum discount of 20 percent; or
- the subscription price shall be equal to the opening price quoted for Ingenico's shares on the Euronext Paris stock market on the date of the Board's decision, less a maximum discount of 20 percent; the method to be applied or the amount of discount to be deducted may vary according to the capital increases or the beneficiaries involved.

This delegation of authority would afford some flexibility to deal with tax or regulatory constraints in certain countries if the Board of Directors decides to make use of this authorization. That is why you are being asked to decide to waive preferential subscription rights for the benefit of employees, directors and executive officers of Group subsidiaries with registered offices outside France.

The value of the share capital increase carried out under this authorization shall not exceed 2 percent of the share capital as calculated on the date the authorization is exercised, and this maximum limit is independent of any other maximum limits set for capital increases. This limit shall not include the aggregate par value of any additional ordinary shares to be issued, in compliance with applicable laws and with any contractual obligations regarding other adjustments to issues, in order to safeguard the rights of holders of securities conferring entitlement to shares.

This authorization shall be granted for a period of 18 months.

Free share awards for employees, directors and executive officers (eighteenth resolution)

We request that you deliberate on a new authorization to award free shares that would allow the Board, if the text is approved, to award free shares benefiting from the new system introduced by the French economy and growth stimulus act *(Loi pour la Croissance et l'Économie)*.

You are therefore being asked to authorize the Board for a period of 38 months to make free awards of shares to employees, directors and executive officers.

The total number of free shares that may be awarded in this way may not exceed 5 percent of the share capital on the date of the Meeting, while the total number of shares that may be freely awarded to the Company's directors and executive officers may not exceed 2 percent of the capital within this initial total.

In this respect, please note that the current free shares and stock option plans represent 0.45 percent of the Company's capital, including 0.01 percent for the Company's directors and executive officers.

The shares shall be vested at the end of a vesting period of at least two years set by the Board of Directors. If applicable, beneficiaries shall be required to retain these shares for a period defined by the Board of Directors; this period must be at least equal to the minimum legal timeframe.

Moreover, the shares awarded to the Company's eligible directors and executive officers shall be subject to performance criteria set by the Board of Directors and used as a basis for determining the number of shares ultimately acquired by them. These criteria would be linked to the Group's internal performance and external performance (relative to changes in the share price).

Within this framework, we ask that you grant the Board of Directors the authority to award free shares, to determine performance and other conditions, to determine the list of beneficiaries and, more generally, to do whatever is required in this regard.

Under this authorization, shareholders would waive their preferential subscription rights for new shares issued by incorporating reserves, share premiums and net profits and it would cancel and replace the current authorization.

Suspension of delegations of authority during public offer periods (nineteenth resolution)

In accordance with the new provisions of Article L.233-32 of the French Commercial Code resulting from the French Florange Act (Loi Florange) of March 29, 2014, the delegations of authority granted by the Meeting before the offer period would no longer be suspended during a public offer period targeting the Company unless the Meeting makes express provisions for this suspension.

We therefore ask you to resolve that the delegations of authority provided for under the ninth, tenth, eleventh, twelfth, thirteenth, fourteenth, fifteenth, sixteenth and seventeenth resolutions shall be suspended during a public offer period targeting the Company.

Change of corporate name to INGENICO GROUP and amendment of the Articles of Association accordingly (twentieth resolution)

We request that you change the Company's corporate name from Compagnie Industrielle et Financiere d'Ingénierie to Ingenico Group, and amend Article 3 of the Articles of Association accordingly:

*"The Company's name is: **INGENICO GROUP"***

The other provisions from Article 3 of the Articles of Association shall remain unchanged.

Ensuring the consistency of Articles 15 and 19 of the Articles of Association (twenty-first resolution)

We request that you bring the Articles of Association into line with the new provisions of Article L.225-39 of the French Commercial Code, as amended by French decree No. 2014-863 of July 31, 2014 (related party agreements and commitments) and Article R.225-85 of the French Commercial Code, as amended by French decree No. 20141466 of December 8, 2014 (record date), and therefore amend Articles 15 and 19 of the Articles of Association accordingly.

7.3 Statutory auditors' reports on the capital transactions provided for under resolutions 10 to 18 from the Combined Ordinary and Extraordinary Shareholders' Meeting on May 6, 2015

Combined Ordinary and Extraordinary Shareholders' Meeting on May 6, 2015

To the Shareholders,

In our capacity as your Company's statutory auditors, and pursuant to the duties set forth in the French Commercial Code, we hereby present to you our report on the transactions affecting the Company's share capital that will be submitted for your approval.

1. Report on issues of ordinary shares and/or other securities with preferential subscription rights maintained and/or waived (resolutions 10 to 15)

Pursuant to Articles L.228-92 and L.225-135 *et seq.* of the French Commercial Code, we present our report on the proposed delegations of authority for the Board of Directors to carry out various transactions to issue shares and/or securities that will be submitted for your approval.

On the basis of its report, your Board of Directors proposes that you:

- authorize it, for a period of twenty-six months from the date of this Meeting, to decide on the following transactions and set the definitive terms for such issues, and proposes, if applicable, to waive your preferential subscription rights:
  - issues of ordinary shares and/or ordinary shares conferring entitlement to other ordinary shares or debt securities and/or securities conferring entitlement to ordinary shares to be issued by the Company, with preferential subscription rights maintained (tenth resolution), while noting that, in accordance with Article L.228-93 of the French Commercial Code, the securities to be issued may give access to ordinary shares to be issued by any company that directly or indirectly holds more than half of the Company's capital or in which the Company directly or indirectly holds more than half of the capital,
  - issues of ordinary shares and/or ordinary shares conferring entitlement to other ordinary shares or debt securities and/or securities conferring entitlement to ordinary shares to be issued by the Company, with preferential subscription rights waived, by public offering (eleventh resolution), while noting that on the one hand, in accordance with Article L.228-93 of the French Commercial Code, the securities to be issued may give access to ordinary shares to be issued by any company that directly or indirectly holds more than half of the Company's capital or in which the Company directly or indirectly holds more than half of the capital, and on the other hand, such securities may be issued as consideration for securities transferred to the Company in connection with a public exchange offer on securities in accordance with Article L.225-148 of the French Commercial Code,
  - issues of debt securities conferring entitlement to ordinary shares to be issued by the Company, with preferential subscription rights waived, through offers covered by Article L.411-2 II of the French Monetary and Financial Code and for up to 20 percent of the share capital per year (twelfth resolution);
- authorize it, for a period of twenty-six months from the date of this Meeting, to issue ordinary shares and/or securities conferring entitlement to access ordinary shares as consideration for contributions in kind granted to the Company and comprising capital securities or securities conferring entitlement to the share capital (fourteenth resolution), subject to the limit of 10 percent of the share capital on the day of the Meeting.

The aggregate par value of capital increases that may be carried out immediately or in the future may not exceed €25,000,000 under the tenth resolution and €6,065,334 under the eleventh, twelfth, thirteenth and fourteenth resolutions in accordance with the fifteenth resolution. The aggregate nominal amount of debt securities that may be issued may not exceed €500,000,000 under the tenth resolution and €500,000,000 under the eleventh, twelfth and thirteenth resolutions in accordance with the fifteenth resolution.

The number of securities to be created under the delegations of authority from the tenth, eleventh and twelfth resolutions may be increased under the conditions defined by Article L.225-135-1 of the French Commercial Code and subject to the maximum limits set by the Meeting in the event of excess demand (thirteenth resolution).

It is the responsibility of your Board of Directors to prepare a report in accordance with Articles R.225-113 *et seq.* of the French Commercial Code. It is our responsibility to give our opinion on the fair presentation of accounting figures taken from the financial statements, on the proposal to waive preferential subscription rights and on a variety of other information concerning the transactions provided in this report.

We performed the procedures we deemed necessary for the completion of this engagement, in accordance with the professional guidance provided by the Compagnie Nationale des Commissaires aux Comptes, France's national organization of statutory auditors.

Our work involved verifying the information in the report of the Board of Directors concerning these transactions and the methods used to determine the issue price for the capital securities to be issued.

Without prejudice to an examination of the terms of the proposed issues, we have no observations concerning the methods used to determine the issue price for the capital securities to be issued, as indicated in the report of the Board of Directors in relation to the eleventh and twelfth resolutions.

Furthermore, since this report does not specify the methods used to determine the issue price for capital securities to be issued under the tenth and fourteenth resolutions, we are unable to give an opinion on the choice of methods for calculating this issue price.

Since the final conditions for the issues that may be carried out have not been set, we cannot give an opinion on them, nor, therefore, can we give an opinion on the proposal for the shareholders to waive their preferential subscription rights as set out in the eleventh and twelfth resolutions.

Pursuant to Article R.225-116 of the French Commercial Code, we will prepare an additional report, if necessary, when your Board of Directors makes use of this authorization for issues of capital securities conferring entitlement to other capital securities or debt securities, for issues of securities conferring entitlement to capital securities to be issued, and for issues of shares with preferential subscription rights waived.

2. Report on issues of ordinary shares and/or securities reserved for employees belonging to a company or group savings plan, with preferential subscription rights waived (resolution 16)

Pursuant to Articles L.228-92 and L.225-135 *et seq.* of the French Commercial Code, we present our report on the proposal to authorize your Board of Directors to decide to issue, with preferential subscription rights waived, ordinary shares and/or securities conferring entitlement to Company shares, reserved for employees belonging to a Company or Group savings plan set up by the Company and related companies in accordance with Article L.225-180 of the French Commercial Code, for up to a maximum of 2 percent of the Company's share capital on the day of the Board of Directors' decision.

This issue is subject to your approval pursuant to Article L.225-129-6 of the French Commercial Code and Article L.3332-18 *et seq.* of the French Labor Code.

On the basis of its report, your Board of Directors proposes that you authorize it, for a period of twenty-six months from the date of this Meeting, to decide on issues, to freely award shares or securities conferring entitlement to Company shares, subject to the limits set by Article L.3332-21 of the French Labor Code, and to waive your preferential subscription rights for the shares and securities to be issued. If this authorization is granted, the Board of Directors will determine the terms of issue for this transaction.

It is the responsibility of your Board of Directors to prepare a report in accordance with Articles R.225-113 *et seq.* of the French Commercial Code. It is our responsibility to give our opinion on the fair presentation of accounting figures taken from the financial statements, on the proposal to waive preferential subscription rights and on a variety of other information concerning the issue of securities provided in this report.

We performed the procedures we deemed necessary for the completion of this engagement, in accordance with the professional guidance provided by the Compagnie Nationale des Commissaires aux Comptes, France's national organization of statutory auditors.

Our work involved verifying the information in the report of the Board of Directors concerning this transaction and the methods used to determine the issue price for the capital securities to be issued.

Without prejudice to an examination of the terms of the proposed issues, we have no observations concerning the methods used to determine the issue price for the capital securities to be issued, as indicated in the report of the Board of Directors.

Since the final terms of the issue that may be carried out have not been set, we cannot give an opinion on them, nor, therefore, can we give an opinion on the proposal that the shareholders waive their preferential subscription rights.

Pursuant to Article R.225-116 of the French Commercial Code, we will prepare an additional report, if necessary, when your Board of Directors makes use of this authorization.

3. Report on the capital increase reserved for a specific category of beneficiaries (resolution 17)

Pursuant to Articles L.225-135 *et seq.* of the French Commercial Code, we present our report on the proposal to authorize your Board of Directors to increase the Company's share capital by issuing ordinary Company shares to the employees, directors and executive officers of Company subsidiaries, as defined by Article L.233-16 of the French Commercial Code, that have their registered offices outside France, with preferential subscription rights waived, up to a maximum of 2 percent of the Company's share capital on the day of the Board of Directors' decision.

On the basis of its report, your Board of Directors proposes that you authorize it, with the option to sub-delegate, for a period of eighteen months from the date of this Meeting, to increase the share capital, and that you waive your preferential subscription rights on the ordinary shares to be issued. If this authorization is granted, the Board of Directors will determine the terms of issue for this transaction.

It is the responsibility of your Board of Directors to prepare a report in accordance with Articles R.225-113 and R.225-114 of the French Commercial Code. It is our responsibility to give our opinion on the fair presentation of accounting figures taken from the financial statements, on the proposal to waive preferential subscription rights and on a variety of other information concerning the issue of securities provided in this report.

We performed the procedures we deemed necessary for the completion of this engagement, in accordance with the professional guidance provided by the Compagnie Nationale des Commissaires aux Comptes, France's national organization of statutory auditors.

Our work involved verifying the information in the report of the Board of Directors concerning this transaction and the method used to determine the issue price for the ordinary shares.

Without prejudice to an examination of the terms of the proposed capital increase, we have no observations concerning the methods used to determine the issue price for ordinary shares to be issued, as indicated in the report of the Board of Directors.

Since the final terms of the capital increase have not been set, we cannot give an opinion on them, nor, therefore, on the proposal that the shareholders waive their preferential subscription rights.

Pursuant to Article R.225-116 of the French Commercial Code, we will prepare an additional report, if necessary, when your Board of Directors makes use of this authorization.

4. Report on the authorization to award new or existing free shares (resolution 18)

Pursuant to Article L.225-197-1 of the French Commercial Code, we present our report on the proposed authorization to award new or existing free shares to employees of your Company and directly or indirectly related companies, and/or directors and executive officers of your Company.

On the basis of its report, your Board of Directors proposes that you authorize it, for a period of thirty-eight months, to award new or existing free shares.

It is the responsibility of your Board of Directors to prepare a report on this proposed transaction. It is our responsibility to inform you, as relevant, of our observations regarding the information provided to you concerning this transaction.

We performed the procedures we deemed necessary for the completion of this engagement, in accordance with the professional guidance provided by the Compagnie Nationale des Commissaires aux Comptes, France's national organization of statutory auditors. Our work included verifying that the conditions being considered and presented in the report of the Board of Directors are compliant with the law.

We do not have any observations to make regarding the information given in the report of the Board of Directors in terms of the plan to authorize free share awards.

The statutory auditors

Paris - La Défense, February 27, 2015

KPMG Audit IS	Mazars	Mazars
Jean-Pierre Valensi	Thierry Blanchetier	Ariane Mignon
Partner	*Partner*	*Partner*

8

INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL

8.1 Information on the Company

8.1.1 Company name

Company name: Compagnie Industrielle et Financière d'Ingénierie, **Ingenico**.

Trade name: Ingenico Group.

8.1.2 Registered office

Registered office: 28-32 Boulevard de Grenelle, 75015 Paris, France.

Phone number: +33 (0)1 58 01 80 00

8.1.3 Legal information

Type of entity and governing legislation: the Company is a French corporation (société anonyme) managed by a Board of Directors and governed by the laws and regulations applicable to commercial companies as set forth in Book II of the French Commercial Code.

Date of incorporation and duration: June 10, 1980 for a period of 99 years starting from the date of registration with the Trade and Companies Register, except in the event of early dissolution or extension, as provided for in the Articles of Association.

Financial year: January 1 to December 31.

Company registration number with the Paris Trade and Companies Register: 317 218 758.

Principal activity code (APE): 6202A.

Principal place of business code (SIRET): 317 218 758 00124.

8.1.4 Articles of Association

The Articles of Association contain no conditions more restrictive than those set by law with respect to altering the rights of shareholders.

Purpose (Article 2)

The Company's purpose is to carry out any business in France and in any other countries as follows:

- researching, designing, developing and producing any equipment, systems or devices based on new technologies;
- designing and/or selling any equipment and software relating to the electronic payment and transfer of funds, urban parking management systems, and public and private telephone systems;
- developing and/or selling, including on a rental basis, any systems for transmitting and receiving radio signals of any frequency and kind;
- operating, through any means and in any form, land, sea or space telecommunication networks from stationary or mobile stations, on its own behalf or on any third party's behalf;
- designing software for its own needs or for third parties' needs;
- providing consultancy and organizational services;
- providing technical support and maintenance for any and all devices and facilities produced or sold in connection with any of the Company's purposes;
- representing any companies, both French and non-French, whose products are related, directly or indirectly, to the abovementioned purposes, including import or export operations.

To carry out these purposes, the Company may set up, acquire, exchange, sell, or lease, with or without an agreement to sell, and manage and operate, directly or indirectly, any industrial or commercial businesses, plants, worksites, personal or real property; obtain or acquire and use, sell or contribute any patents, licenses, processes or trademarks; grant any licenses to manufacture or use; and generally carry out any commercial, industrial or financial transactions relating to personal and real property, that might be directly or indirectly related to, or serve, the Company's purposes. The Company may act directly or indirectly, on its own behalf or on any third party's behalf, either alone or in partnership, joint venture or association with any other corporate bodies or individuals and carry out in France or abroad, in any form whatsoever, any transactions falling within the scope of its purposes. It may acquire interests or stakes in any French or non-French organizations that have similar purposes or are likely to develop their own businesses.

Determination, allocation and distribution of net profits (Article 22)

For the purpose of forming the statutory legal reserve fund, an amount of 5 percent shall be allocated from the net annual profit, less any retained losses, until the amount in the legal reserve reaches an amount equal to one-tenth of the share capital. Such allocation from the net profit shall be repeated whenever the legal reserve amount falls below that fraction for any reason whatsoever, and particularly in the event of an increase in the Company's share capital.

The remaining balance of the net profit, plus any amount of retained earnings, shall constitute the distributable profits.

The following shall be deducted from those net profits:

- any amounts that the Shareholders' Meeting decides to use for depreciation of the Company's assets or to allocate to reserve funds or as retained earnings;
- the amount required to pay an initial dividend based on issued and paid-up shares of 5 percent of the share capital amount; should net profits be inadequate to pay out this dividend, the shareholders shall not be entitled to claim such dividend in subsequent years;
- the remaining balance, if any, to be distributed among all shareholders as a complementary dividend.

The Shareholders' Meeting may also decide to distribute amounts allocated from non-statutory reserve funds, either to provide or supplement a dividend or as an extraordinary distribution, in which case the Meeting shall specify from which reserve funds the amounts are allocated.

Dividend payment (Article 23)

Dividends on shares shall be paid within a maximum of nine months from the financial year-end, unless such period has been extended by court order.

The time and place of dividend payments shall be determined by the Board of Directors.

The Annual General Shareholders' Meeting deliberating on the annual financial statements can grant each shareholder an option to receive all or part of a dividend or interim dividend in cash or in shares, as provided for by law and by these Articles of Association.

Rules for convening and attending Annual General Shareholders' Meetings (Article 19)

Pursuant to Article 19 of the Articles of Association, ordinary, extraordinary and special Meetings shall be convened by the Board of Directors. They may also be convened by the statutory auditor, by a representative appointed by a court of law at the request of any interested party, in the event of an emergency or at the request of one or more shareholders holding at least 5 percent of the Company's share capital or by a group of shareholders as defined in Article L.225-120 of the French Commercial Code. Meetings may also be convened by the liquidator in the event of the early dissolution of the Company.

The Annual General Shareholders' Meetings shall be held at the location specified in the notice. This may be the Company's registered office or, if necessary, any other location within 50 km of the registered office.

Notice of Annual General Shareholders' Meetings shall be given in accordance with the applicable rules and regulations.

If an Annual General Shareholders' Meeting was unable to deliberate due to lack of the required quorum, a second Meeting shall be convened with at least ten clear days' prior notice, in the same manner as the first convocation, reiterating the date and agenda of the initial Meeting.

The initiator of the meeting notice shall prepare the agenda and the resolutions to be submitted to the Annual General Shareholders' Meeting. The Board shall add to the agenda any new items or draft resolutions requested by either one or more shareholders jointly representing at least the percentage of the Company's shares required by law, or by a group of shareholders fulfilling the requirements set out in Article L.225-120 of the French Commercial Code, or, exclusively for draft resolutions, by the Works Council. The initiators of requests shall supply any documents required by applicable laws and regulations in support of their request.

The right to attend shareholders' meetings shall be based upon registration, at least two working days before the meeting (*i.e.*, by midnight CET on the third working day preceding the meeting), of the shareholder's name and the number of shares held or the name of the depository registered on the shareholder's behalf, either in the registered accounts held by the Company or in the bearer securities trading accounts held by the approved depository (amendment proposed at the Annual General Shareholders' Meeting on May 6, 2012 in order to take into account the new wording of Article R.225-85 of the French Commercial Code).

Shareholders may be represented by any legal or natural person they choose, subject to the regulatory conditions applicable. Proxies shall be appointed using a signed proxy form indicating the proxy's surname, first name and address. A proxy may not sub-delegate their proxy to another person. Proxy forms are valid exclusively for a single Shareholders' Meeting, or for adjourned Meetings convened with the same agenda.

If the Board so decides when convening a meeting or sending a meeting notice, shareholders may also attend and vote at meetings *via* videoconference or using any telecommunication systems enabling them to be identified as provided for by law.

At each Annual General Shareholders' Meeting, the attendance sheet shall indicate the following:

- the surnames, first names and place of residence of each shareholder; the number of shares they hold and corresponding voting rights;
- the surnames, first names and place of residence of each proxy; the number of shares they hold and corresponding voting rights;
- the surnames, first names and place of residence of each shareholder represented; the number of shares they hold and corresponding voting rights.

The attendance sheet shall be signed by all shareholders present and represented by proxies. It shall be certified as accurate by the Meeting's Reporting Committee. The attendance sheet with the proxy forms attached thereto shall be kept at the registered office and made available upon request.

Once properly constituted, an Annual General Shareholders' Meeting represents all shareholders. Its resolutions shall be binding on all shareholders, even those absent, dissenting or incapacitated. At Ordinary or Extraordinary Meetings, the quorum is calculated based on the total number of shares in the share capital. For Special Meetings, it shall be based on all the shares from the category concerned, less those deprived of voting rights under statutory or regulatory provisions.

Minutes shall be made of the proceedings of Annual General Shareholders' Meetings and signed by the Reporting Committee members. The minutes shall be either transferred to, or inserted into, a special minute book issued according to regulatory provisions, with each page initialed and signed.

Quorum and majority requirements at Ordinary General Shareholders' Meetings

All shareholders may take part in the proceedings and vote on resolutions, provided the shares they hold have been fully paid up.

For Annual General Shareholders' Meeting deliberations to be valid at first convocation, a number of shareholders representing at least one-fifth of the share capital must be present. If this condition is not met, the Annual General Shareholders' Meeting adjourned at second convocation can pass resolutions, regardless of the number of shares represented, but only on the items from the agenda for the initial meeting.

Resolutions of the Ordinary General Shareholders' Meeting shall be passed by a majority of the votes of the shareholders present or represented, plus one vote. The members of the meeting have as many votes as the shares they hold and represent, without limitation, except at Annual General Shareholders' Meetings convened for incorporation purposes, when each shareholder casts the votes of their principals on the same terms and within the same limits.

However, all fully paid-up shares that have been registered in a single shareholder's name for at least two years shall be granted twice the voting rights conferred on other shares relating to the portion of share capital they represent.

Furthermore, in the event of a capital increase by incorporating reserves, net profits or share premiums, double voting rights shall be conferred upon the issue of registered shares allotted for free on the basis of existing shares entitled to such double voting rights.

Quorum and majority requirements at Extraordinary General Shareholders' Meetings

Resolutions are passed by a majority of two-thirds of the votes of the shareholders present or represented. The members of the Meeting have as many votes as the shares they hold and represent, without limitation, except at Annual General Shareholders' Meetings called for incorporation purposes, when each shareholder casts the votes of their principals on the same terms and within the same limits. However, all fully paid-up shares that have been registered in a single shareholder's name for at least two years shall be granted twice the voting rights conferred on other shares relating to the portion of share capital they represent.

Furthermore, in the event of a capital increase by incorporating reserves, net profits or share premiums, double voting rights shall be conferred upon the issue of registered shares allotted for free on the basis of existing shares holding such double voting rights.

An Extraordinary General Shareholders' Meeting is properly formed and can validly deliberate when a number of shareholders representing at least one-quarter of the share capital are present or represented. Failing this, a new meeting shall be convened as required by law, specifying the agenda, date and outcome of the previous Meeting. The reconvened Meeting can validly deliberate if shareholders representing at least one-fifth of the share capital are present or represented. If the required quorum is not achieved, the reconvened meeting may be adjourned until a later date within two months of the day the initial Meeting was convened, with the same terms of convocation and meeting.

Notwithstanding the foregoing and by statutory dispensation, an Extraordinary General Shareholders' Meeting called to decide on a capital increase *via* incorporation of reserves, net profits or share premiums may proceed under the quorum and majority conditions for an Ordinary General Shareholders' Meeting.

Quorum and majority requirements at Special General Meetings

Special General Meetings shall be convened and shall deliberate as provided for by law.

Double voting rights

According to Article 19 of the Articles of Association:

"All fully paid-up shares that have been registered in a single shareholder's name for at least two years shall be granted twice the voting rights conferred on other shares relating to the portion of share capital they represent.

Furthermore, in case of a capital increase by incorporating reserves, net profits or share premiums, double voting rights shall be conferred upon the issue of registered shares allotted for free on the basis of existing shares holding such double voting rights".

This provision was included for the first time in the Articles of Association by the shareholders at their Extraordinary General Shareholders' Meeting on June 10, 1986, which resolved that double voting rights should be attached to all fully paid-up shares registered in a single shareholder's name for at least five years. Subsequently, at their meeting on June 8, 1988, the shareholders amended the Articles of Association, reducing the required term for registration in a single shareholder's name from five years to four years, which the shareholders finally reduced further to the current two-year term at their Meeting on September 18, 1998.

Moreover, pursuant to Article L.225-124, Paragraph 1, of the French Commercial Code, any share converted into a bearer share or changing hands shall lose the right to a double vote ipso jure. Nevertheless, transfers through inheritance, the liquidation of marital assets, inter vivo transfers to a spouse or direct relative and transfers resulting from the merger or demerger of a shareholding company do not result in the loss of double voting rights.

Subject to the double voting rights attached to all fully paid-up shares registered in a single shareholder's name for at least two years, no clause in the Articles of Association or in the issuer's internal rules of procedure shall have the effect of delaying, deferring or preventing a change in control over the Company.

Major shareholding thresholds (Article 8)

In addition to instances when the regulatory thresholds are exceeded, which must be reported to both the Company and the Autorité des marchés financiers as set out in Article L.233-7 of the French Commercial Code, any individual or legal entity owning a number of shares representing over 2 percent of the share capital or the voting rights, or any multiple thereof, shall, within four trading days (before close of trading) of the date on which each shareholding threshold is crossed, give notice of the total number of shares and voting rights held to the Company, in a letter sent recorded delivery with return receipt requested. Failing such notice, the shares exceeding the fraction that should have been reported shall be deprived of voting rights at Shareholders' Meetings, as provided for by law, if failure of notice has been noted at the time of a Shareholders' Meeting, and if one or more shareholders, together holding at least 5 percent of the share capital, request this at the said meeting. Similarly, any person whose direct or indirect interest falls below each of the abovementioned thresholds shall give notice thereof to the Company in the form and within the period specified above.

8.1.5 Elements liable to affect the price of a public offering

The Company's ownership structure, the clauses of any agreements covered by Article L.233-11 of the French Commercial Code and any direct or indirect holdings in the Company's capital known to the Company under the provisions applicable for shareholding thresholds are described in Section 8.3 of this Registration Document.

The Articles of Association do not provide for any restrictions concerning the exercise of voting rights (except for the penalty for failure to disclose when the legal shareholding thresholds as set forth in the Articles of Association are crossed) or the transfer of shares.

There are no shareholders entitled to any special rights of control.

The Company has no employee shareholding arrangements that provide for control mechanisms.

The powers of the Board of Directors and the rules that apply for the appointment and replacement of Board members are described in Section 3.1 of this Registration Document.

The shareholders are authorized at Extraordinary General Shareholders' Meetings to make any decisions and any changes to the provisions in the Articles of Association.

The agreements providing for compensation for directors and executive officers are described in Chapter 3 of this Registration Document.

The Company has not entered into any agreements that would be modified or terminated in the event of a change of control over the Company. Nevertheless, in connection with the Company's bond issue on May 13, 2014, and in accordance with the prospectus dated May 16, 2014, the bondholders (as defined in the "Terms and Conditions for the Bonds") shall, in the event of a change of control over the issuer, be entitled to ask the issuer to redeem or facilitate the purchase of their bonds at their face value, plus accrued interest, under the "Terms and Conditions for the Bonds – Redemption option for Bondholders further to a change of control".

There are no agreements providing for compensation for employees who resign, are dismissed or terminated as a result of a public offering.

8.2 Share capital

8.2.1 Share capital at December 31, 2014

At December 31, 2014, the Company's total share capital amounted to €57,436,781, for an equivalent number of shares, representing 65,324,894 theoretical voting rights (including shares for which voting rights have been suspended) and 65,044,100 voting rights able to be exercised at Shareholders' Meetings.

8.2.2 Changes in share capital over the past five years

Date	Transaction	Shares issued/ cancelled	Par value	No. of shares	Share capital
January 20, 2010	Cancellation of treasury shares	-250,000	€1	48,387,135	48,387,135
June 15, 2010	New shares issued in connection with the distribution of the stock dividend for 2009, placed on record by the Chairman and Chief Executive Officer	+290,272	€1	48,677,407	48,677,407
July 21, 2010	New shares issued within the framework of a capital increase limited to employees and resulting from stock subscription options exercised, placed on record by the Chairman and Chief Executive Officer	+172,417 +51,581	€1	48,901,405	48,901,405
July 30, 2010	Capital increase resulting from the issuance of free shares, with one free share issued for 20 existing shares, as delegated by the Annual General Shareholders' Meeting on May 11, 2010 and resolved by the Board on the same day	+2,445,070	€1	51,346,475	51,346,475
December 31, 2010	Capital increase resulting from stock subscription options exercised between July 16 and December 31, 2010, placed on record on January 6, 2011 by the Chief Executive Officer, as delegated by the Board	+165,496	€1	51,511,971	51,511,971
May 31, 2011	Capital increase resulting from 439,205 new shares issued in connection with the distribution of the stock dividend for 2010, placed on record by the Chairman and Chief Executive Officer, as delegated by the Board	+439,205	€1	51,951,176	51,951,176
December 31, 2011	Capital increase resulting from stock subscription options exercised between January 1 and December 31, 2011, placed on record on Janua^ry 4, 2012 by the Chairman and Chief Executive Officer, as delegated by the Board	+29,127	€1	51,980,303	51,980,303
May 31, 2012	Capital increase resulting from 423,144 new shares issued in connection with the distribution of the stock dividend for 2011, placed on record by the Chairman and Chief Executive Officer, as delegated by the Board	+ 423,144	€1	52,403,447	52,403,447
June 29, 2012	Capital increase resulting from 75,295 new shares issued in consideration for securities exchanged in connection with Xiring SA's merger into the Company	+75,295	€1	52,478,742	52,478,742

Date	Transaction	Shares issued/ cancelled	Par value	No. of shares	Share capital
September 30, 2012	Capital increase resulting from stock subscription options exercised between January 1, 2012 and September 30, 2012, placed on record by the Chairman and Chief Executive Officer, as delegated by the Board	+3,737	€1	52,482,479	52,482,479
December 31, 2012	Capital increase resulting from stock subscription options exercised between October 1, 2012 and December 31, 2012, placed on record by the Chairman and Chief Executive Officer, as delegated by the Board	+5,179	€1	52,487,658	52,487,658
June 3, 2013	Capital increase resulting from the new shares issued in connection with the distribution of the stock dividend for 2012, placed on record by the Chairman and Chief Executive Officer	+581,967	€1	53,069,625	53,069,625
December 11, 2013	Capital increase resulting from stock subscription options exercised between June 3, 2013 and October 31, 2013, placed on record by the Board of Directors	+16,684	€1	53,086,309	53,086,309
June 11, 2014	New shares issued in connection with the distribution of the stock dividend for 2013, placed on record by the Chairman and Chief Executive Officer	+398,304	€1	53,484,613	53,484,613
June 23, 2014	New free shares issued, placed on record by the Chairman and Chief Executive Officer	+397,832	€1	53,882,445	53,882,445
July 7, 2014	661,146 new shares issued, with a par value of €1, in connection with the conversion of 651,377 Ingenico 2011/2017 OCEANE bonds, placed on record by the Chairman and Chief Executive Officer	+661,146	€1	54,543,591	54,543,591
September 1, 2014	New shares issued in connection with the conversion of Ingenico 2011/2017 OCEANE bonds, placed on record by the Chairman and Chief Executive Officer	+1,131,016	€1	55,674,607	55,674,607
September 9, 2014	New shares issued in connection with the conversion of Ingenico 2011/2017 OCEANE bonds, placed on record by the Chairman and Chief Executive Officer	+356,856	€1	56,031,463	56,031,463
October 9, 2014	New shares issued in connection with the conversion of Ingenico 2011/2017 OCEANE bonds, placed on record by the Chairman and Chief Executive Officer	+79,170	€1	56,110,633	56,110,633
November 12, 2014	New shares issued in connection with the conversion of Ingenico 2011/2017 OCEANE bonds, placed on record by the Chairman and Chief Executive Officer	+173,249	€1	56,283,882	56,283,882
December 9, 2014	New shares issued in connection with the conversion of Ingenico 2011/2017 OCEANE bonds, placed on record by the Chairman and Chief Executive Officer	+1,152,899	€1	57,436,781	57,436,781
January 14, 2015	New shares issued in connection with the conversion of Ingenico 2011/2017 OCEANE bonds, placed on record by the Chairman and Chief Executive Officer	+3,216,566	€1	60,653,347	60,653,347

8.2.3 Shareholders' financial authorizations to the Board of Directors

Authorized unissued capital

A summary of the effective authorizations granted by shareholders to the Board of Directors regarding share capital increases, and the use made of these authorizations during 2014, is provided hereunder. As some of these authorizations shall terminate soon, new authorizations shall be submitted to be voted on at the Annual General Shareholders' Meeting scheduled for May 6, 2015.

Type of authorization	Maximum capital increase that may result from the authorization (par value)	Duration	Use made of authorizations during 2014
Annual General Shareholders' Meeting on May 7, 2014 Share capital reduction through cancellation of shares	10% of the share capital	24 months	No
Annual General Shareholders' Meeting on May 7, 2014 Share capital increase, with preferential subscription rights waived, reserved for employees belonging to a company or Group savings plan	2% of the share capital	26 months	No
Annual General Shareholders' Meeting on May 7, 2014 Issue of ordinary shares, with preferential subscription rights waived, to employees, directors and executive officers of Group subsidiaries located outside France who are not members of a Company savings plan	2% of the share capital	18 months	No
Annual General Shareholders' Meeting on April 29, 2013 Share capital increase via incorporation of reserves, net profits and/or share premiums	€10,000,000	26 months	No
Annual General Shareholders' Meeting on April 29, 2013 Share capital increase through issue of ordinary shares and/or securities conferring entitlement to Company shares and/or debt securities, with preferential subscription rights maintained	Independent maximum limits: Aggregate par value of shares that may be issued: €25,000,000 Nominal amount of debt securities that may be issued: €500,000,000	26 months	No
Annual General Shareholders' Meeting on April 29, 2013 Share capital increase through issue of ordinary shares and/or securities conferring entitlement to Company shares and/or debt securities, with preferential subscription rights waived, through a public offering	Aggregate par value of shares that may be issued: €10,000,000. Nominal amount of debt securities that may be issued: €500,000,000 (1)	26 months	No
Annual General Shareholders' Meeting on April 29, 2013 Share capital increase through issue of ordinary shares and/or securities conferring entitlement to Company shares and/or debt securities, with preferential subscription rights waived, through a private placement	Aggregate par value of shares that may be issued: €10,000,000. Nominal amount of debt securities that may be issued: €500,000,000 (1)	26 months	No
Annual General Shareholders' Meeting on April 29, 2013 Share capital increase resulting from new shares issued in consideration for contributions in kind of equity securities or securities conferring entitlement to shares	10% of the share capital (1)	26 months	No
Annual General Shareholders' Meeting on April 29, 2013 Award of stock options	2% of the share capital	38 months	No
Annual General Shareholders' Meeting on April 29, 2013 Free share awards	5% of the share capital (2)	38 months	Yes

(1) The following aggregate maximum limits apply to these authorizations: maximum aggregate par value of capital increases: €10,000,000; maximum aggregate amount of debt securities that may be issued: €500,000,000.

(2) The total number of shares that may entitle beneficiaries to stock options that may be awarded by the Board of Directors under the previous authorization is deducted from this maximum limit.

Potential share capital

The potential share capital comprises free shares. All the outstanding OCEANE bonds were redeemed early on January 15, 2015.

Stock options

At December 31, 2014, there were no stock options available.

Performance shares

During 2014, the Company awarded 230,670 free shares to Group employees, which shall be vested once the performance criteria have been achieved.

Dilution caused by free shares outstanding at December 31, 2014

At December 31, 2014, there were 236,170 free shares outstanding for which the vesting period had not yet expired, representing a 0.41 percent dilution of the Company's share capital.

The Board of Directors may decide, until the vesting date, to record these shares as either existing or new shares.

Early redemption of OCEANE bonds maturing on January 1, 2017

On December 15, 2014, the Group announced its decision to proceed with the early redemption of the 3,175,529 OCEANE bonds convertible and/or exchangeable into new or existing shares issued on March 11, 2011 and still outstanding at December 15, 2014.

With the majority of bondholders choosing the option for their bonds to be converted into shares, the Group increased its share capital by issuing 3,216,566 shares with a par value of €1 each, combined with an issue premium of €115,431,472.65, resulting in a €118.6 million increase in its capital and a €118.9 million reduction in its net debt.

Authorization to repurchase its own shares

Company transactions to buy back its own shares (Article L.225-211 of the French Commercial Code) during 2014

At the Annual General Shareholders' Meeting on May 7, 2014, the Company's shareholders authorized the Company to launch a share repurchase program, a description of which was included in the Registration Document filed with the AMF on March 28, 2014. The launch of this program was decided by the Board of Directors on May 7, 2014.

This program cancels and replaces the program authorized by the Annual General Shareholders' Meeting on April 29, 2013.

Number of treasury shares purchased and sold during the year

In 2014:

- 1,686,323 shares were repurchased under the liquidity contract at an average price of €71.41;
- 1,686,323 shares were sold under the liquidity contract at an average price of €71.41;
- 0 shares were purchased under mandates other than the liquidity contract.

Number and value of treasury shares at December 31, 2014

As a result of trading activity during the year, the liquidity contract portfolio did not contain any shares at December 31, 2014.

The portfolio of Ingenico shares bought back by the Company for other purposes, based on the authorization from the Annual General Shareholders' Meeting on May 7, 2014 and previous authorizations, totaled 280,794 shares at December 31, 2014.

At December 31, 2014, the Company therefore held a total of 280,794 treasury shares, of which:

- 0 were purchased under the liquidity contract; and
- 280,794 were purchased for other purposes, representing 0.49 percent of the total share capital of 57,436,781 shares with a par value of €1 each.

The value of this portfolio at December 31, 2014, was as follows:

- net book value: €7,167,308.09;
- market value: €24,507,700.32 based on the closing price of €87.28 on December 31, 2014.

Use of treasury shares, including transfers, for other purposes

During 2014, no treasury shares were granted to beneficiaries of free share award plans.

None of those shares were transferred to other accounts in 2014.

During the past 24 months, none of the shares held by the Company were cancelled under the authorizations granted by the Annual General Shareholders' Meeting.

Description of the share repurchase program pursuant to Article 241-2 of the General Regulations of the AMF

› Breakdown by objective for capital securities held on March 10, 2015 (nearest possible date to the publication of this description)

Number of securities held directly and indirectly: 280,794, representing 0.46 percent of the Company's share capital.

Number of securities held, with a breakdown for each objective:

- market-making under an AMAFI liquidity contract: 0;
- external growth operations: 0;
- coverage of stock options or other employee shareholding systems: 0;
- coverage of securities conferring entitlement to shares: 0;
- cancellation: 0.

The following table presents a detailed breakdown of the Company's treasury share transactions under the program authorized by the Combined Ordinary and Extraordinary Shareholders' Meeting on May 7, 2014.

	Open positions on day of program description (1)			
	Open positions: purchases		Open positions: sales	
	Call options purchased	Forward purchases	Call options sold	Forward sales
Number of securities	n.a.	n.a.	n.a.	n.a.
Average maximum maturity	n.a.	n.a.	n.a.	n.a.
Average exercise price	n.a.	n.a.	n.a.	n.a.

(1) Open positions include forward purchases or sales that have not matured, as well as purchase options that have not been exercised.

At the Combined Ordinary and Extraordinary Shareholders' Meeting on May 6, 2015, the shareholders will be asked to approve a new authorization for the Company to trade in its own shares on the following terms:

"The shareholders, deliberating with the quorum and majority required for Ordinary Meetings, after reviewing the report of the Board of Directors, hereby resolve to authorize the Board of Directors, in accordance with Articles L.225-209 *et seq.* of the French Commercial Code, Articles 241-1 to 241-6 of the General Regulations of the Autorité des marchés financiers (AMF) and European Commission Regulation 2273/2003 of December 22, 2003 and the market practices authorized by the Autorité des marchés financiers, to trade in the Company's own shares by any means, on or off the stock market, and in one or more transactions.

This authorization is intended to allow the Company to do the following:

- hold and use Company shares as a means of exchange or consideration in external growth transactions, in compliance with current laws and regulations and with standard market practices;
- use Company shares in connection with the exercise of rights attached to Company securities conferring immediate or future entitlement to Company shares through conversion, exercise, redemption or exchange, presentation of a warrant or by any other means, and carry out any transactions required to hedge the Company's obligations in connection with these securities, in accordance with stock market regulations at the time that the Board of Directors or any person to whom the Board has delegated its powers may act;
- implement any Company stock option plan granted in accordance with Articles L.225-177 *et seq.* of the French Commercial Code, any award, in accordance with Articles L.225-197-1 *et seq.* of the French Commercial Code, of Company shares for free to employees, directors and executive officers, whether as part of their compensation, as a means to allow them to benefit from the Company's growth, in the context of Company or Group employee shareholding or savings plans and/or any other form of share allocation programs for employees and/or directors and executive officers of the Group, and to carry out any transactions required to hedge the Company's obligations in connection with these programs, in accordance with stock market regulations at the time that the Board of Directors or any person to whom the Board has delegated its powers may act;
- maintain a liquid market for the Company's shares *via* a liquidity contract with an independent investment service provider that complies with the code of ethics approved by the Autorité des marchés financiers;
- cancel some or all of the Company's shares bought back with the intention of reducing the share capital, in accordance with the thirteenth extraordinary resolution of the Annual General Shareholders' Meeting on May 7, 2014;
- and generally pursue any aims permitted by law or engage in any acceptable market practices, it being understood that in such cases, the Company would issue a statement to inform its shareholders.

The shareholders hereby resolve that the number of Company shares acquired under this authorization shall not exceed 10 percent of the total number of shares in the share capital on the date of purchase, after deducting the number of shares resold during the program to maintain a liquid market for the Company's shares, while noting that the share acquisitions made by the Company may under no circumstances permit the Company to hold more than 10 percent of its total share capital, either directly or indirectly. Consequently, on the basis of the share capital at December 31, 2014 (divided into 57,436,781 shares), and taking into account the 280,794 treasury shares held at that date, the Company would be authorized to purchase up to 5,462,884 shares.

Shares may be acquired by any means that are in accordance with current stock market regulations and the acceptable market practices published by the Autorité des marchés financiers, including, where applicable, trading in derivatives and options on regulated or over-the-counter markets, provided that the use of such means does not significantly increase the volatility of the Company's share price.

However, such transactions shall not be able to be carried out once a third party has filed a proposed public offering for the Company's stock until the end of the offer period.

The Company reserves the right to make block purchases of stock or to make purchases of stock through a multilateral trading facility or a systematic internalizer. Such block purchases may represent any proportion of the share buyback program, including the entirety thereof.

The purchase price per share is not to exceed €160. On the basis of the share capital at December 31, 2014, including the treasury shares held by the Company at that date, the maximum consideration the Company could pay, if purchasing shares at the maximum price of €160, would be €874,061,456.

In the event of capital increases carried out through incorporation of reserves or free share awards, or in the event of stock splits or reverse splits, depreciation or reduction of the share capital, or any other transaction affecting the share capital, the aforementioned prices shall be adjusted by a multiplier equal to the ratio between the number of shares that made up the share capital prior to the transaction and the number of shares after the transaction.

In order to ensure the implementation of the present authorization, the Board of Directors is hereby granted the necessary powers, with the option to sub-delegate, to perform any and all actions, in particular to decide whether a share buyback program is appropriate and to determine the procedures for carrying out such a program, to draft and issue a fact sheet about the program, to place all orders on the stock market, to sign all deeds of transfer or assignment, to enter into all agreements required, particularly for the keeping of records of share purchases and sales, to carry out any and all filings with the Autorité des marchés financiers and any other body, as well as any and all other formalities, including allocating or reallocating purchased shares for the various intended purposes, and generally to do whatever is required.

The present authorization is hereby granted for a period of eighteen months from the date of this Meeting and cancels and replaces the authorization granted to the same effect by the Annual General Shareholders' Meeting on May 7, 2014."

Authorization to reduce the share capital

At their Annual General Shareholders' Meeting on May 7, 2014, the shareholders authorized the Company to reduce the share capital by cancelling treasury shares for a period of 24 months, *i.e.* through to May 6, 2016.

This authorization was not implemented in 2014.

8.3 Share ownership

8.3.1 Changes in share ownership over the last three financial years

For the purposes of this Registration Document, "voting rights" shall mean those that may be exercised at an Annual General Shareholders' Meeting and do not include shares without voting rights, such as treasury shares.

Shares that have been registered for over two years have double voting rights.

Pursuant to Article L.225-124, Paragraph 1 of the French Commercial Code, double voting rights are rendered null and void ipso jure when shares are converted into bearer form or if their ownership is transferred.

Nevertheless, transfers through inheritance, the liquidation of marital assets, inter vivo transfers to a spouse or direct relative or transfers resulting from the merger or demerger of a shareholding company do not result in the loss of double voting rights.

Major shareholders

	December 31, 2014				December 31, 2013				December 31, 2012			
	Number of shares held		Number of voting rights held		Number of shares held		Number of voting rights held		Number of shares held		Number of voting rights held	
Shareholders	Nombre	%	Nombre	% [1]	Nombre	%	Nombre	% [1]	Nombre	%	Nombre	% [1]
Morpho [2]	5,516,644	9.60%	10,865,207	16.63%	5,440,237	10.25%	10,467,414	16.68%	11,948,563	22.76%	18,518,679	28.87%
Jupiter [3]	2,796,075	4.87%	3,818,945	5.85%	3,238,578	6.10%	3,997,992	6.37%	2,684,396	5.11%	2,684,396	4.20%
Allianz Global Investors [8]	2,140,933	3.73%	2,140,933	3.28%	1,046,062	1.97%	1,046,062	1.97%	1,046,062	1.99%	1,046,062	1.64%
Ameriprise (Threadneedle) [7]	2,099,136	3.65%	2,099,136	3.21%	1,118,377	2.11%	1,118,377	2.11%	1,024,593	1.95%	1,024,593	1.60%
Cantillon [10]	1,916,197	3.34%	1,388,599	2.13%								
BNP Paribas Asset Management [9]	1,829,803	3.16%	1,829,803	2.80%	1,701,496	3.21%	1,701,496	2.71%	1,306,051	2.49%	1,306,051	2.04%
Amundi	1,666,078	2.90%	1,666,078	2.55%	1,666,078	3.14%	1,666,078	2.66%				
AXA Investment Managers [11]	1,123,122	1.96%	1,123,122	1.72%	2,159,011	4.07%	2,159,011	3.44%				
Concert Consellior [4]	1,120,000	1.95%	1,307,256	2.00%	1,120,000	2.11%	1,307,256	2.08%	1,120,000	2.13%	1,337,638	2.09%
UBS Investment Bank [6]	1,111,281	1.93%	1,111,281	1.70%	1,025,615	1.93%	1,025,615	1.63%				
Mondrian	1,039,734	1.81%	755,123	1.16%	1,039,734	1.96%	755,123	1.20%	1,335,462	2.54%	1,335,462	2.08%
Major shareholders	**22,359,003**	**38.93%**	**28,105,483**	**43.03%**	**19,555,188**	**36.85%**	**25,244,424**	**40.85%**				
Employee shareholding	822,085	1.43%			627,464	1.18%						
Treasury shares [5]	280,794	0.49%	280,794	0.43%	280,794	0.53%	280,794	0.45%	252,637	0.48%		
Of which, shares held under liquidity contract	0	0%	0	0%	0	0%	0	0%				
Other shareholders (bearer and registered)	33,974,899	60.58%			32,622,863	61%						
TOTAL	**57,436,781**	**100%**	**65,324,894**	**100%**	**53,086,309**	**100%**	**62,745,457**	**100%**	**52,487,658**	**100%**	**63,890,061**	**100%**

(1) Shares that have been registered for over two years have double voting rights. These double voting rights are based on the information in the Shareholders' Register managed by Caceis Corporate Trust.

(2) Based on the most recent information in the shareholding threshold breach declaration received on October 7, 2014, 2,020 shares are held through a consumer loan by two directors.

(3) Based on the most recent information in the shareholding threshold breach declaration received on November 11, 2014 (position as at November 6, 2014).

(4) Based on the most recent information in the declaration received on November 8, 2011 regarding the Consellior collective shareholding position, the following were transferred to bearer status: 100,000 shares with double voting rights on March 14, 2012, 47,155 shares with double voting rights on May 3, 2012, 749,321 shares with double voting rights on June 12, 2012, 16,276 shares with double voting rights on June 27, 2013 and 14,106 shares with double voting rights in July 2013.

(5) The total number of voting rights, in accordance with Article 223-11 of the General Regulations of the Autorité des marchés financiers, is calculated on the basis of all shares, including shares without voting rights or for which voting rights have been temporarily suspended.

(6) Based on the most recent information in the shareholding threshold breach declaration received on September 19, 2014 (position as at September 17, 2014).

(7) Based on the most recent information in the shareholding threshold breach declaration received on June 13, 2014 (position as at June 11, 2014).

(8) Based on the most recent information in the shareholding threshold breach declaration received on July 24, 2014.

(9) Based on the most recent information in the shareholding threshold breach declaration received on August 13, 2014 (position as at August 11, 2014).

(10) Based on the most recent information in the shareholding threshold breach declaration received on October 15, 2014 (position as at October 15, 2014).

(11) Based on the most recent information in the shareholding threshold breach declaration received on November 25, 2014 (position as at November 19, 2014).

To the best of the Company's knowledge, there is no other shareholder who holds, directly or indirectly, either alone or with one or more other shareholders, over 2 percent of the share capital or voting rights.

To the best of the Company's knowledge, there have been no significant changes since December 31, 2014.

On March 15, 2013, Safran announced that its subsidiary Morpho had sold 6.6 million shares that it held in Ingenico's share capital. Following this transaction, Safran declared that it held 10.2 percent of the Company's share capital and approximately 17 percent of voting rights (based on voting rights reported by Ingenico at February 28, 2013) and confirmed its commitment not to sell any more Ingenico shares during the 90-day lock-up period.

To the best of the Company's knowledge, there have been no other significant changes since December 31, 2014.

The Company is not controlled by another company as defined by Article L.233-3 of the French Commercial Code. To the best of the Company's knowledge, there are no agreements in place that could bring about a change in control at some future date.

8.3.2 Dividend policy

The Board of Directors decides on the amount of dividend payments, which are based on the Company's operational results, financial position and investment policy in particular. The Company's dividend policy is based on paying out a dividend representing 35 percent of its net profit.

Ingenico's Board of Directors decided to submit a proposal at the Annual General Shareholders' Meeting on May 6, 2015 to pay out a dividend of €1 per share, payable in cash or in shares, for 2014.

Financial year for which dividends were paid	Net dividend per share *(in €)*	Dividend payment date
2014	1.00	Subject to approval at the Annual General Shareholders' Meeting on May 6, 2015
2013	0.80	June 11, 2014
2012	0.70	June 3, 2013
2011	0.50	May 31, 2012
2010	0.35	May 31, 2011
2009	0.30	June 15, 2010

Five years after the distribution date, all unclaimed dividends will be forfeited and paid to the French Treasury.

8.3.3 Shareholding disclosure thresholds

Regulatory thresholds

The complete version of the following declarations regarding the crossing of major shareholding thresholds can be viewed online on the AMF website.

Shareholder	AMF ruling no.	AMF ruling date	Date threshold was crossed	Threshold	Threshold breached by increase or decrease
Morpho	214C2101	September 9, 2014	October 8, 2014	10% of the share capital	Decrease
Jupiter	214C2355	November 12, 2014	November 6, 2014	5% of the share capital	Decrease (unintentional breach of threshold)

Company statutory thresholds

Shareholder	Date threshold was crossed	Threshold breached by increase or decrease	Threshold	Number of shares after threshold	% of capital after threshold	% of voting rights after threshold
UBS	January 15, 2014	Increase	2%	1,069,397	2.01%	1.70%
BNP Paribas	January 16, 2014	Decrease		1,688,681	3.18%	2.69%
BNP Paribas	January 23, 2014	Increase		1,688,681	3.18%	2.69%
UBS	January 23, 2014	Increase	2% of voting rights	1,630,338	3.07%	2.60%
BNP Paribas	February 17, 2014	Decrease		1,694,730	3.19%	2.70%
BNP Paribas	February 21, 2014	Increase		1,727,157	3.25%	2.75%
UBS	April 30, 2014	Decrease	2% of voting rights	1,120,857	2.11%	1.79%
Thibault Poutrel	May 5, 2014	Decrease	2% of voting rights	1,010	0.00%	0.00%
Ameriprise (Threadneedle Investments)	May 7, 2014	Increase	4% of capital and 2% of voting rights	2,139,481	4.03%	3.41%
Ameriprise (Threadneedle Investments)	June 11, 2014	Decrease	4% of capital	2,099,136	3.95%	3.44%
Allianz Global Investors	June 6, 2014	Increase	2% of capital	1,069,964	2%	1.75%
UBS	June 18, 2014	Decrease	2% of voting rights	1,167,151	2.18%	1.90%
Allianz Global Investors	June 16, 2014	Decrease	2% of capital	1,063,863	1.99%	1.74%
UBS	July 16, 2014	Increase	2% of voting rights	1,660,286	3.07%	2.67%
Allianz Global Investors	July 24, 2014	Increase	2% of capital and voting rights	2,140,933	3.93%	3.43%
Cantillon	August 7, 2014	Increase	2% of capital	1,090,918	2.01%	1.27%
BNP Paribas	August 11, 2014	Decrease		1,829,803	3.35%	2.92%
UBS	August 25, 2014	Increase	2% of voting rights	1,331,100	2.44%	2.13%
JUPITER	September 2, 2014	Decrease	6% of capital	3,265,153	5.99%	6.29%
UBS	September 8, 2014	Decrease	2% of capital and voting rights	1,068,995	1.96%	1.71%
UBS	September 16, 2014	Increase	2% of capital	1,130,992	2.02%	1.77%
UBS	September 17, 2014	Decrease	2% of capital	1,111,281	1.98%	1.74%
MORPHO	October 7, 2014	Decrease	10% of capital	5,516,644	9.85%	16.99%
AXA Investment Managers	October 7, 2014	Decrease	4% of capital	2,222,489	3.97%	3.48%
Cantillon	October 15, 2014	Increase	2% of voting rights	1,916,197	3.42%	2.17%
AXA Investment Managers	October 31, 2014	Decrease	2% of capital and voting rights	1,117,122	1.99%	1.75%
JUPITER	November 6, 2014	Decrease	5% of capital	2,796,075	4.98%	5.99%
AXA Investment Managers	November 19, 2014	Increase	2% of capital	1,123,122	2.00%	1.75%

8.3.4 Shareholder agreements

AMF Ruling and Notice No. 206C2177

In a letter dated November 30, 2006 and received the same day, the Autorité des marchés financiers was provided with a copy of an agreement signed on November 23, 2006, by Candel & Partners SAS [(1)], FBT SCA (formerly Financière de Tayninh SCA) [(2)], Consellior SCA [(3)] and Mr. Allan Green, with Raiffeisen Centrobank AG [(4)] ("RCB") which restated and replaced the terms of the shareholders' agreement entered into by these Ingenico shareholders on October 4, 2004, acting together in a collective position with respect to Ingenico shares and voting rights (refer to AMF Ruling and Notice No. 204C1192 of October 7, 2004 and AMF Ruling and Notice No. 204C1198 of October 11, 2004).

The parties to the abovementioned agreement of November 23, 2006 have stated that they continue to act together in a collective position with respect to Ingenico.

On November 23, 2006, the parties jointly held 2,313,347 Ingenico shares and 3,105,726 voting rights, representing 7.23 percent of the Company's share capital and 8.30 percent of its voting rights [(5)], broken down as follows:

	Shares	% of share capital	Voting rights	% of voting rights
Allan Green	70,000	0.22	70,000	0.19
Consellior SAS	10,000	0.03	10,000	0.03
Candel & Partners SAS	464,004	1.45	811,383	2.17
FBT SCA	543,616	1.70	988,616	2.64
RCB	1,225,727	3.83	1,225,727	3.28
TOTAL COLLECTIVE SHAREHOLDING	**2,313,347**	**7.23**	**3,105,726**	**8.30**

The preamble to the shareholders' agreement of November 23, 2006 includes a mutual commitment by the parties to continue to inform each other of any plan to purchase, subscribe for or sell securities prior to any transaction on the stock market or over the counter (except for those involving a total of less than 10,000 securities) and to confer with each other prior to any Annual General Shareholders' Meeting to adopt a joint position.

The main terms of this shareholders' agreement are as follows:

Mutual right of first refusal [(6)]

In the event that one of the parties to this shareholders' agreement intends to transfer all or some of their shares, said party (the "Offeror") shall be required to provide written notice of this offer, either to RCB, if the Offeror is Consellior SAS or any company controlled by Mr. Allan Green, or to Consellior SAS, if the Offeror is RCB [(7)].

Either RCB, if the Offeror is Consellior SAS or any company controlled by Mr. Allan Green, or Consellior SAS, if the Offeror is RCB, shall have five trading days, following receipt of a bona fide offer, to give notice of acceptance of the offer's terms and conditions. If the beneficiary of the mutual right of first refusal fails to do so within this time period, they shall be deemed to have irrevocably waived this right. The Offeror may waive this right if it involves a total number of shares that is lower than the number of shares in the initial notice of offer.

Notice of offer to the other parties to the shareholders' agreement shall be considered to be an irrevocable offer by the Offeror to sell the shares offered to these parties. The price to be paid to the Offeror by the beneficiary for such securities shall be equal to the price indicated in the offer, which shall amount, in the case of an identified transferee, either to the price proposed by the latter, if the offer takes the form of an outright sale, or to the price proposed in good faith by the Offeror, if the shares are offered for valuable consideration other than in the form of an outright sale, or if the shares are offered without valuable consideration.

(1) Company controlled by Mr. Allan Green, 4 Avenue Hoche, 75008 Paris, France.

(2) Limited partnership wholly owned by Candel & Partners, 4 Avenue Hoche, 75008 Paris, France.

(3) Limited liability joint-stock company controlled by Mr. Allan Green, 4 Avenue Hoche, 75008 Paris, France.

(4) Company of the banking Group Raiffeisen, Tegetthoffstrasse 1, A-1010 Vienna, Austria.

(5) On the basis of the share capital of 32,007,076 shares representing 37,408,654 voting rights.

(6) Any transfer within the Consellior group and any transfer between the Offeror and any company or other legal entity controlled by the Offeror, that controls the Offeror or is controlled by any company or other legal entity that controls the Offeror, within the meaning of "control" set forth in Article L.233-3 of the French Commercial Code, may be freely undertaken and is therefore exempt from the right of first refusal, provided that the transferee has previously approved the terms and conditions herein as a party to the shareholders' agreement.

(7) Transfer or waiver of subscription rights or rights to share allotments, as well as any change in control affecting a legal entity that is a party to the shareholders' agreement, shall be considered a transfer.

If, by the last day of the allotted five-day period, the beneficiary has not exercised their right of first refusal for a number of shares that is at least equal to the number of shares offered, the Offeror may, from that date, transfer the shares offered, provided that the transfer is accomplished within ten trading days following the abovementioned expiration date and that it is carried out at exactly the same price as mentioned in the initial offer.

If the Offeror is unable to prove to the beneficiary that these conditions have been met, the transfer cannot be completed, and with regard to the shares included in their offer, the Offeror will once again be bound by the shareholders' agreement in the event of any subsequent offer of shares.

In compliance with current stock market regulations, these provisions shall be applicable even in periods of public share offerings, it being understood that the beneficiary shall have a maximum of five trading days prior to the closing date for the public offering to furnish written notice of their acceptance of the offer to the Offeror. Subject to compliance with current stock market regulations, the transfer of the shares in the offer shall be completed no more than two trading days prior to the closing date for the public offering. The price per share will be determined as follows:

- in the case of a public tender offering or an alternative offer, the price shall be equal to the final offering price indicated in the offer clearance decision;
- in the case of a public offering of exchange or a combined tender/exchange offer, the price shall be equal to the average opening share price for the first 10 trading days following the start of the public offering.

In the event of higher bids or rival offers, the price shall be equal to the highest bid.

Early termination of the shareholders' agreement

The parties to the shareholders' agreement have agreed that they may under no circumstances jointly hold more than 30 percent of Ingenico's share capital and/or voting rights.

In the event that, following the acquisition, by whatever means, of additional shares by one of the parties to the shareholders' agreement, the aggregate shareholdings of the parties were to exceed 30 percent of Ingenico's share capital and/or voting rights, the shareholders' agreement would be terminated ipso jure and without formalities.

Term of the shareholders' agreement

The shareholders' agreement shall continue to be binding on the parties, each of whom shall refrain from entering into any similar agreement with third parties for as long as the aggregate shareholdings of the parties represent at least five per cent of Ingenico's share capital or voting rights, and for a period not exceeding 24 months from November 23, 2006, subject to tacit renewal for successive periods of 12 months, unless any of the parties should terminate the agreement by written notice to the other parties at least three months prior to the date of expiration.

It should, however, be understood that in the event of any duly noted disagreement between the parties as to the joint position they should take at any Annual General Shareholders' Meeting, each party may withdraw from the shareholders' agreement by giving the other parties 20 days' prior notice in writing, with the understanding that the provisions governing the right of first refusal shall remain in effect until the current period has expired.

Amendment of the shareholders' agreement

On November 8, 2011, Mr. Allan Green informed the Company and the Autorité des marchés financiers that, on November 4, 2011, the Consellior group and Raiffeisen Centro Bank AG ended the collective position and adherence to the shareholders' agreement of November 23, 2006. Since that date, the collective shareholding position is made up of Consellior SAS, Candel & Partners and Mr. Allan Green and holds 1.95 percent of the share capital and 2 percent of the voting rights of the Company as of December 31, 2014.

8.4 Ingenico Group share market

8.4.1 Listing

Ingenico shares are listed on Euronext Paris-Compartment A and are included in its SBF120 index. Ingenico announced the reclassification of its ICB (Industry Classification Benchmark) category from 'Industrial Goods and Services' to 'Technology' as from March 19, 2012. Ingenico has also been included in the Stoxx Europe 600 index as from December 19, 2011.

At the end of December 2014, Ingenico's share price closed at €87.28 and its market capitalization was €5.02 billion.

Ingenico meets all the eligibility criteria for SME share-based savings plans (PEA-PME), in accordance with French Decree No. 2014-283 of March 4, 2014. Ingenico shares may therefore be included in SME share-based savings plan accounts, which, for reference, offer the same tax benefits as traditional share savings schemes (PEA).

8.4.2 Ingenico share price and volume of transactions (ISIN: fr0000125346)

Change in the share price and volume of transactions over 18 months

Month	High *(in €)*	Low *(in €)*	Volume traded *(in millions of shares)*	Closing price *(in €)*	Capital traded *(in € million)*	Average price *(in €)*
July 2013	57.00	50.84	4.02	56.21	217.35	53.87
August 2013	58.09	52.67	3.83	52.80	214.59	56.36
September 2013	58.09	52.98	4.04	53.29	225.70	55.72
October 2013	56.20	51.61	4.78	55.46	256.35	53.67
November 2013	56.29	52.93	3.32	55.03	181.60	54.85
December 2013	59.49	54.51	2.86	58.28	162.47	56.89
January 2014	67.50	58.19	4.10	63.69	260.09	63.28
February 2014	70.71	62.19	3.75	70.01	243.59	65.52
March 2014	69.67	63.15	3.06	67.89	203.20	66.76
April 2014	69.36	60.19	3.84	62.85	244.98	64.51
May 2014	68.69	61.30	3.28	66.29	213.56	64.91
June 2014	68.41	62.52	2.20	63.55	142.99	65.25
July 2014	77.88	63.73	3.88	75.73	276.11	70.83
August 2014	76.53	70.81	1.88	73.12	139.51	74.36
September 2014	80.90	72.43	3.10	80.88	239.47	77.18
October 2014	82.19	68.03	4.78	79.47	363.62	76.65
November 2014	86.99	79.31	3.04	86.88	252.17	83.29
December 2014	88.99	80.81	4.07	87.28	348.25	85.86

Data: Bloomberg.

8.4.3 OCEANE bonds and standard bonds

Bond issue

On May 20, 2014, Ingenico SA issued bonds maturing on May 20, 2021 with a view to improving its financial flexibility for its growth strategy. The par value of the issue is €450,000,000, or 4,500 bonds with a par value of €100,000. The bonds pay a coupon of 2.50 percent. The €2,443,000 in bond issue expenses and the €1,170,000 issue premium are amortized on a straight-line basis over the term of the bonds.

Convertible bond issue

During the year, the holders of the OCEANE bonds issued in 2011 exercised their option to convert 3,501,821 of the total 6,677,350 OCEANE bonds into shares, representing an aggregate par value of €131,108,000 out of a total of €249,999,000. Based on a conversion ratio of 1 OCEANE bond for every 1.015 Ingenico SA share, 3,554,348 new Ingenico SA shares were created during the year.

At December 31, 2014, there were 3,175,529 OCEANE bonds outstanding, representing an aggregate par value of €118,892,000.

In addition, on December 15, 2014 Ingenico SA announced the early redemption of all the 2017 OCEANE bonds convertible and/or exchangeable into new or existing shares outstanding on January 7, 2015 and for which the right to be awarded shares had not been exercised. Since December 1, 2014, 2,738,278 new conversion requests have been received, representing an aggregate par value of €102,521,000.

8.5 Additional information

8.5.1 Documents available to the public

The Articles of Association and the parent company and consolidated financial statements for the last three financial years may be consulted by appointment at the registered office and viewed online at www.ingenico.com/en/finance.

8.5.2 Person responsible for the Registration Document

Certification of the person responsible for the Registration Document

"I hereby certify that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document accurately reflects, to the best of my knowledge, the facts and contains no omission that would be likely to affect its meaning.

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the relevant accounting standards and give a true representation of the assets, financial situation and results of the Company and all consolidated companies, and that the Board of Directors management report, for which a cross-reference table can be found on page 268 of this Registration Document, is a true reflection of changes in the business, results and financial situation of the Company and all its consolidated entities, as well as a description of the main risks and uncertainties facing them.

I have obtained a letter from the statutory auditors confirming that they have completed their work and indicating that they have verified the financial situation and the financial statements included in this Registration Document and reviewed the document as a whole.

The audit report from the statutory auditors on the consolidated financial statements for the financial year ended December 31, 2014, presented in Chapter 5 of this Registration Document, can be found on page 192 of this Registration Document, and includes the following remark:

"Without qualifying our opinion, we draw your attention to Note 27 to the Consolidated Financial Statements, "Other Provisions", regarding the status, as of December 31, 2014, of the on-going tax litigation involving Ingenico SA's Brazilian subsidiary".

The audit report from the statutory auditors on the consolidated financial statements for the financial year ended December 31, 2013, as shown on page 175 of the 2013 Registration Document filed with the Autorité des marchés financiers on March 28, 2014 under number D.14-0236, incorporated by reference to the relevant historical accounts, contains the following remark:

"Without qualifying our opinion, we draw your attention to Note 27 to the Consolidated Financial Statements regarding the status, as of December 31, 2013, of the on-going tax litigation involving Ingenico SA's Brazilian subsidiary".

The audit report from the statutory auditors on the consolidated financial statements for the financial year ended December 31, 2012, as shown on page 177 of the 2012 Registration Document filed with the Autorité des marchés financiers on March 21, 2013 under number D.13-0200, incorporated by reference to the relevant historical accounts, contains the following remark:

"Without qualifying our opinion, we draw your attention to the matter set out in:

- Note 27 to the 2012 consolidated financial statements regarding the on-going tax litigation involving Ingenico SA's Brazilian subsidiary;
- Note 2 to the consolidated financial statements explaining the change as of January 1, 2012 to the accounting method for foreign exchange conversion differences".

Philippe LAZARE
Chairman and Chief Executive Officer

Persons responsible for the financial information as of the date of this Registration Document

Patrice Durand, Advisor to the Chief Executive Officer (+33 1 58 01 85 92)

Catherine Blanchet, Vice-President Investor Relations & Corporate Communication (+33 1 58 01 85 68, finance@ingenico.com)

8.5.3 Person responsible for the audit of the financial statements and fees

Information on statutory auditors

Statutory and alternate auditors

Statutory auditor	Alternate auditor
KPMG Audit IS SAS	**KPMG Audit ID SAS**
(512 802 653 RCS Nanterre)	(512 802 489 RCS Nanterre)
Immeuble "Le Palatin"	Immeuble "Le Palatin"
3, Cours du Triangle – 92939 Paris-La Défense Cedex, France	3, Cours du Triangle – 92939 Paris-La Défense Cedex, France
Represented by Mr. Jean-Pierre Valensi	KPMG Audit ID SAS is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles (the Versailles Regional Association of Statutory Auditors).
KPMG Audit IS SAS is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles (the Versailles Regional Association of Statutory Auditors).	
First appointed: May 11, 2010	***First appointed: May 11, 2010***

KPMG Audit IS SAS and KPMG Audit ID SAS were appointed at the Annual Shareholders' Meeting on May 11, 2010 (seventh resolution) for a term of six years, which expires at the close of the Annual Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2015, to be held in 2016.

Statutory auditor	Alternate auditor
MAZARS	**Mr. Jean-Louis Simon**
(784 824 153 RCS Nanterre)	(784 824 153 RCS Nanterre)
Tour Exaltis- 61 Rue Henri Regnault- 92075 Paris La Défense, France	Tour Exaltis- 61 Rue Henri Regnault- 92075 Paris La Défense, France
Represented by Thierry Blanchetier and Ariane Mignon	Mr. Jean-Louis Simon is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles (the Versailles Regional Association of Statutory Auditors).
Mazars is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles (the Versailles Regional Association of Statutory Auditors).	
First appointed: April 29, 2013	***First appointed: April 29, 2013***

Mazars was appointed to replace Conseil Gestion Expertise Comptable, the company which resigned at the Annual General Shareholders' Meeting on April 29, 2013 (seventh resolution), for the remaining term of its predecessor, *i.e.* until the Annual General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2015.

Mr. Jean-Louis Simon was appointed to replace Mr. Daniel Boulay, who resigned, at the Annual General Shareholders' Meeting on April 29, 2013 (eighth resolution), for the remaining term of his predecessor, *i.e.* until the Annual General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2015.

Auditors' fees

	KPMG				Mazars			
	Fees excl. VAT *(in thousands of euros)*		%		Fees excl. VAT *(in thousands of euros)*		%	
	2014	2013	2014	2013	2014	2013	2014	2013
Audit fees								
Statutory audits, certification of separate and consolidated financial statements								
Ingenico SA	425	369	25%	28%	212	215	32%	28%
Fully consolidated subsidiaries	877	594	51%	46%	377	395	56%	52%
Other procedures and services directly related to statutory audit engagements								
Ingenico SA	93	203	5%	16%	26	67	4%	9%
Fully consolidated subsidiaries	101	0	6%	0%	23	0	3%	0%
SUB-TOTAL	**1,496**	**1,166**	**87%**	**90%**	**638**	**676**	**95%**	**88%**
Fees for other services rendered by the audit firms to fully consolidated subsidiaries								
Advisory on legal, tax and labor issues	182	4	11%	0%	32	89	5%	12%
Other	48	128	3%	10%		0	6%	0%
SUB-TOTAL	**230**	**132**	**13%**	**10%**	**32**	**89**	**5%**	**12%**
TOTAL	**1,726**	**1,298**	**100%**	**100%**	**670**	**765**	**100%**	**100%**

CROSS-REFERENCE TABLE TO THE REGISTRATION DOCUMENT

The following cross-reference table has been prepared on the basis of Annex 1 of the European Commission Regulation (EC) no. 809/2004 dated April 29, 2004 (the "Annex I") and indicates the pages of the 2011 Registration Document on which the information corresponding to the subjects mentioned in this Annex I can be found.

European Commission Regulation (EC) No 809/2004 dated April 29, 2004 – Annex I		Registration Document
No.	Subject	Page of the 2014 Registration Document
19.	**Related party transactions**	**190**
20.	**Financial information concerning the assets and liabilities, financial position and profits and losses of the issuer**	
20.1.	Historical financial information	103 *et seq.*
20.2.	Pro forma financial information	n.a.
20.3.	Financial statements	113 to 192, 193 to 220
20.4.	Audit of the historical financial information	193 to 220
20.4.1.	Statement that the historical financial information have been audited	218
20.4.2.	Other information audited by the statutory auditors	n.a.
20.4.3.	Financial data not extracted from the issuer's audited financial statements	n.a.
20.5.	Date of the latest financial information	261
20.6.	Interim financial information and other financial information	n.a.
20.6.1.	Quarterly and bi-annual financial information	n.a.
20.6.2.	Interim financial information covering the six first months of the financial year in progress	n.a.
20.7.	Dividend policy	255
20.7.1.	Amount of dividends per share	223, 232 and 255
20.8.	Legal and arbitration proceedings	27 to 28
20.9.	Significant changes in the financial or trading position	n.a.
21.	**Additional information**	
21.1.	Share capital	248
21.1.1.	Amount of issued share capital	248
21.1.2.	Non-capital shares	n.a.
21.1.3.	Shares in the issuer held by the issuer itself or on its behalf or by its subsidiaries	251
21.1.4.	Convertible or exchangeable securities or securities with warrants	173
21.1.5.	Acquisition rights and/or obligations on the issued capital	n.a.
21.1.6.	Amount of capital of any member of the group granting an option to acquire or conditional or unconditional obligations over authorized but non-issued share capital	145
21.1.7.	Share capital history	248 to 249
21.2.	Incorporation and Articles of Association	244
21.2.1.	Company purpose	244
21.2.2.	Members of the administrative, management and supervisory bodies	65
21.2.3.	Rights, liens and restrictions attached to each class of existing shares	246
21.2.4.	Changes in shareholders' rights	246
21.2.5.	General shareholders meetings	221 *et seq.*, 245 *et seq.*
21.2.6.	Provision of the issuer's incorporation, articles of association, charter or internal regulations that would have an effect of delaying, deferring or preventing a change in control of the issuer	247
21.2.7.	Provision of the issuer's incorporation, articles of association, charter or internal regulations governing the ownership threshold above which shareholder ownership must be disclosed	247
21.2.8.	Conditions imposed by the incorporation act and the articles of association, charter or internal regulations governing changes in capital	n.a.
22.	**Material contracts**	**n.a.**
23.	**Third party information and statement by experts and declarations of any interest**	**n.a.**
23.1.	Statement or report from a person acting as expert	
23.2.	Information from a third party	
24.	**Documents available to the public**	**261**
25.	**Information on holdings**	**142 to 143**

CROSS-REFERENCE TABLE TO THE ANNUAL FINANCIAL REPORT

This Registration Document includes all the items in the annual financial report mentioned in Article L.451-1-2 of the French Monetary and Financial Code, as well as in Article 222-3 of the AMF's General Regulations.

CROSS-REFERENCE TABLE TO THE REPORT OF THE BOARD OF DIRECTORS

This Registration Document includes all the elements of the Company's Report of the Board of Directors required under Articles L.225-100 *et seq.*, L.232-1, II, and R.225-102 of the French Commercial Code.

CROSS-REFERENCE TABLE TO CORPORATE SOCIAL RESPONSIBILITY

Cross-reference table based on Article R.225-105-1 of the French Commercial Code.

Environmental information

General policy with regard to environmental matters	Pages
Organization of the company with the aim of addressing environmental issues and any environment-related assessment or certification initiatives	47, 52
Training and information provided to employees on environmental protection	47
Resources devoted to the prevention of environmental risks and pollution	55 to 56
Amount of the provisions and guarantees for environment-related risks, provided that this information is not liable to do serious harm to the Company in pending litigation	56
Pollution and waste management	
Prevention, reduction or compensation measures for air, water or ground emissions that seriously affect the environment	50, 55 to 56
Waste prevention, recycling and elimination measures	48 à 49, 55 to 56
Recognition of noise pollution and of any other activity-related pollution	47 to 50
Sustainability	
Water consumption and water procurement on the basis of local constraints	50
Consumption of raw materials and the measures undertaken to make more efficient use of them	48
Energy consumption, measures undertaken to improve energy efficiency and to use renewable energies	49
Land use	50
Climate change	
Greenhouse gas emissions	52 to 55
Adaptation to climate change	50 to 51
Biodiversity protection	
Measures undertaken to preserve or develop biodiversity	50

Human resources information

Employment	Pages
Total workforce and breakdown by sex, age and geographical zone	35 to 36
Hirings and redundancies	38 to 39
Compensation and changes in compensation	40
Work organisation	
Work time organisation	37, 38
Absenteeism	37
Labour relations	
Organisation of social dialogue particularly the procedures for informing and consulting employees and negociating with the latter	40 to 41
Outcome of collective agreements	41
Health and safety	
Health and safety conditions at work	37
Outcome of occupational health and safety agreements signed with trade unions or employee representatives	37
Workplace accidents, notably their frequency and severity, as well as occupational illnesses	31, 37

Compliance with ILO fundamental conventions with respect to the following	
- the right to freedom of association and collective bargaining	41
- the elimination of employment and occupational discrimination	37 to 38
- the elimination of forced or compulsory labour	37
- the effective abolition of child labour	37
Training	
Training policy and implementation	38 to 40
Total hours of training	40
Equality in the workplace	
Measures adopted to promote equality between men and women	37 to 38
Measures adopted to promote the employment and integration of people with disabilities	37
Anti-discrimination policy	37

Society involvement

Territorial, economic and social impact of the company's activity	**Pages**
- in terms of employment and regional development	43 to 44, 45
- on local and neighbouring communities	43 to 44, 45
Relations with stakeholders, particularly associations promoting social inclusion, educational institutions, environmental protection associations, consumer associations, and community associations	
Conditions for dialogue with these stakeholders	45 to 46
Philanthropic or sponsorship actions	45 to 46
Subcontracting and suppliers	
Integration of social and environmental concerns in the procurement policy	44 to 45
Importance of subcontracting and of including social and environmental responsibility in relationships with suppliers and subcontractors	44 to 45
Fair trade practices	
Actions implemented to prevent any kind of corruption	41 to 42
Measures implemented to promote consumer health and safety	42 to 43
Other actions promoting human rights	
Other actions promoting human rights	41 to 42, 44 to 45

This document is printed in France by an Imprim'Vert certified printer
on PEFC certified paper produced from sustainably managed forest.

Design & published
RR DONNELLEY

INGENICO GROUP
28/32 boulevard de Grenelle
75015 Paris – France
Tél. : +33 (0) 1 58 01 80 00
Fax : +33 (0) 1 58 01 91 35

ingenico.com

@ingenico