

REGISTRATION DOCUMENT

# 2017

**INCLUDING THE 2017 FINANCIAL REPORT**



**Worldline**

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The elements of the annual financial report are identified by the AFR symbol **AFR**.

# Worldline

## REGISTRATION DOCUMENT

# 2017

## FINANCIAL REPORT 2017 INCLUDED



This document is a full free translation of the original French text. In case of discrepancies, the French version shall prevail. The original document has been filed with the Autorité des Marchés Financiers (AMF) on March 21, 2018 in accordance with article 212-13 of the AMF's General Regulations. This document can be used for a specific financial operation, if completed by a prospectus approved by the AMF. This document has been issued by the Company and commits its signatories.

### **Disclaimer**

By accepting this document, you acknowledge, and agree to be bound by, the following statements. This document is a free translation of Worldline's Registration Document dated March 21, 2018 (the "Registration Document"). The Registration Document, in its original French version, is publicly available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)). Copies of the Registration Document, in its original French version, may also be obtained free of charge at Worldline's registered office, 80 quai Voltaire, Immeuble River Ouest, 95870 Bezons as well as on the website of Worldline ([www.worldline.com](http://www.worldline.com)). This translation (the "Translation") is provided for your convenience only and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published in whole or in part for any purpose. This Translation has not been prepared for use in connection with any offering of securities. It does not contain all of the information that an offering document would contain. None of Worldline or any of its respective officers, Directors, employees or affiliates, or any person controlling any of them assumes any liability which may be based on this Translation or any errors or omissions therefrom or misstatements therein, and any such liability is hereby expressly disclaimed. This Translation does not constitute or form part of any offer to sell or the solicitation of an offer to purchase securities, nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. Persons into whose possession this Translation may come are required by Worldline to inform themselves about and to observe any restrictions as to the distribution of this Translation.

## Note

In this Registration Document, the terms the “Company” or “Worldline” mean the Worldline SA parent company itself.

The terms the “Group” and “Worldline Group” mean Worldline SA and its consolidated subsidiaries, collectively.

Unless otherwise indicated, the terms “Atos” and the “Atos group” mean Atos SE and its consolidated subsidiaries other than those dedicated to electronic payment and transactional services and other Worldline activities.

### Information incorporated by reference

In accordance with the requirements of article 28 of EC regulation n°809-2004 dated April 29, 2004 relating to documents issued by issuers listed on markets of states members of the European Union (“Prospectus Directive”), the following elements are enclosed by reference:

- The consolidated accounts for the year ended December 31, 2015 under IFRS as adopted by the European Union;
- The related statutory auditors’ report; and
- The related Group management report;

Presented within the Registration Document (*Document de référence*) n°R.16-O31 filed with the *Autorité des Marchés Financiers* (AMF) on April 28, 2016.

- The consolidated accounts for the year ended December 31, 2016 under IFRS as adopted by the European Union;
- The related statutory auditors’ report; and
- The related Group management report;

Presented within the Registration Document (“Document de référence”) n°R.17-O32 filed with the *Autorité des Marchés Financiers* (AMF) on April 28, 2017.

### Forward-looking Statements

This Registration Document contains statements regarding the prospects and growth strategies of the Group. These statements are sometimes identified by the use of the future or conditional tense, or by the use of forward-looking terms such as “considers”, “envisages”, “believes”, “aims”, “expects”, “intends”, “should”, “anticipates”, “estimates”, “thinks”, “wishes” and “might”, or, if applicable, the negative form of such terms and similar expressions or similar terminology. Such information is not historical in nature and should not be interpreted as a guarantee of future performance. Such information is based on data, assumptions, and estimates that the Group considers reasonable. Such information is subject to change or modification based on uncertainties in the economic, financial, competitive or regulatory environments. This information is contained in several sections of this Registration Document and includes statements relating to the Group’s intentions, estimates and targets with respect to its markets, strategies, growth, results of operations, financial situation and liquidity. The Group’s forward looking statements speak only as of the date of this Registration Document. Absent any applicable legal or regulatory requirements, the Group expressly disclaims any obligation to release any updates to any forward looking statements contained in this Registration Document to reflect any change in its expectations or any change in events, conditions or circumstances, on which any forward looking statement contained in this Registration Document is based. The Group operates in a competitive and rapidly evolving environment; it is therefore unable to anticipate all risks, uncertainties or other factors that may affect its business, their potential impact on its business or the extent to which the occurrence of a risk or combination of risks could have significantly different results from those set out in any

forward-looking statements, it being noted that such forward-looking statements do not constitute a guarantee of actual results.

### Information from third parties, expert certifications and interest declarations

Certain information found in this Registration Document comes from third-party sources. The Company certifies that this information has been, to the best of its knowledge, faithfully reproduced and that to the knowledge of the Company based on the data published or provided by these sources, no fact has been omitted that would render this information inaccurate or misleading.

### Information on the Market and Competitive Environment

This Registration Document contains, in particular in Chapter B, “Worldline Positioning and Strategy”, information relating to the Group’s markets and to its competitive position. Some of this information comes from research conducted by outside sources. This publicly available information, which the Company believes to be reliable, has not been verified by an independent expert, and the Company cannot guarantee that a third party using different methods to collect, analyze or compute market data would arrive at the same results. Unless otherwise indicated, the information contained in this Registration Document related to market shares and the size of relevant markets are the Group’s estimates and are provided for illustrative purposes only.

### Risk Factors

Investors should carefully consider the risk factors in Chapter F, “Risk Factors”. The occurrence of all or any of these risks could have an adverse effect on the Group’s business, reputation, results of operation, financial condition or prospects. Furthermore, additional risks that have not yet been identified or that are not considered material by the Group at the date of the visa on this Registration Document could produce adverse effects.

### Glossary

A glossary defining certain technical terms used in this Registration Document can be found in Chapter H.

### Global Reporting Initiative (“GRI”)

As part of the certification process by the Global Reporting Initiative (“GRI”) of the Company’s Corporate and Social Responsibility (“CSR”) policy, references to the GRI codification have been inserted at the relevant sections of this Registration Document using the format [GRI-x]. These references follow the structure of the GRI Content Index presented in the Worldline CSR Report, and allow to identify GRI Standards and Specific disclosures in the Registration Document and CSR.

# A

## Group overview

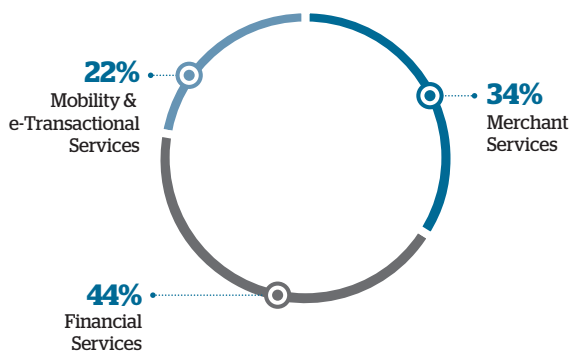


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# A.1 Revenue profile [GRI 102-6] [GRI 201-1]

## A.1.1 By Line of services

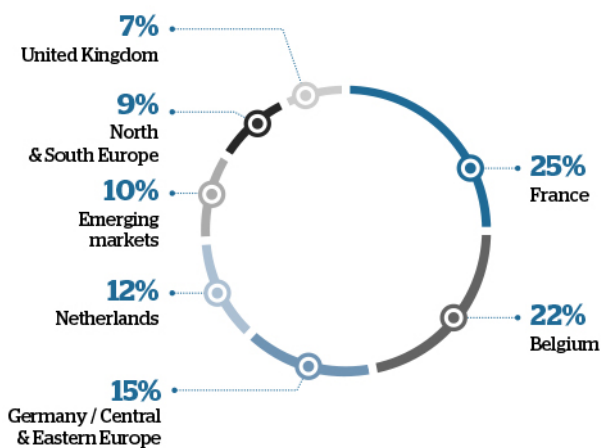
In 2017, 44% of the revenue base was generated by Financial Services contracts, 34% by Merchant Services contracts and 22% by Mobility & e-Transactional Services contracts.



(in € millions)	2017
Merchant Services	535.5
Financial Services	708.3
Mobility & e-Transactional Services	350.0
<b>Worldline</b>	<b>1593.9</b>

## A.1.2 By Geographic areas [G102-4]

Europe is the Group's main operational base, generating 90% of total revenue in 2017.



(in € millions)	2017
France	402.7
Belgium	358.5
Germany / Central & Eastern Europe	236.0
Netherlands	194.1
Emerging markets	156.9
North and South Europe	137.8
United Kingdom	107.9
<b>Worldline</b>	<b>1593.9</b>

## A.2 Business profile [GRI 102-1][GRI 102-2][GRI 102-7]

Worldline, an Atos company, is the European leader in the payments and transactional services industry. Worldline delivers new-generation services, enabling its customers to offer smooth and innovative solutions to the end consumer. A key player in the B2B2C market, the Group has over 40 years of payment systems expertise.

It operates in 29 countries, throughout Europe and in several emerging markets in Latin America and Asia (where Worldline also has a leading position in India as a payment processor and in Asia-Pacific in payment Software Licensing). Through its recent acquisitions, the Group extended its worldwide presence in new geographic areas: the United-States, Bresil and Sweden with first Digital River World Payments; Lettenonie, Littuania and Estonia with First Data Baltics.

The Group operates across the full extended payment services value chain, providing an extensive range of merchant acquiring, payment processing and business solutions services to financial institutions, merchants, corporations and government agencies. It offers a unique and flexible business model built around a global and growing portfolio.

The Group works closely with its clients to build and run outsourced services, typically under long-term contracts where it receives fees for the initial implementation of the solution as well as recurring revenue over the life of the agreement based on business transaction volumes or transaction values. The Group's strong culture of innovation allows it to help clients enhance their existing services and harness advances in technology to create new markets and services.

As at December 31, 2017 Worldline employed more than 9,400 staff worldwide and generated total revenues of € 1594 million, OMDA of € 335 million and net income group share of € 105 million.

Worldline has **three Global Business Lines**, each with its own portfolio of services, solutions and significant opportunities for growth, that together form the foundation for the Group's business strategy:

- the **Merchant Services** global business line primarily targets merchants, helping them build consumer intimacy through its broad portfolio of electronic payment solutions and value added services, across sales channels;
- the **Financial Services** global business line targets banks and other financial institutions. Its mission is to provide a complete range of payment services for banks in a challenging and evolving regulatory environment, by leveraging the Group's industrial scale processing operations and continuously providing innovations that support alternative pricing models, while taking into account new payment methods and value added services;
- the **Mobility & e-Transactional Services** global business line goes beyond traditional payment transactions, helping business and government entities develop new paperless digital services and evolve their business models by leveraging digital advances in mobility and data analysis and solutions originally developed in the Group's payment business.

The Group operates its business through a unified worldwide strategy for carrying out contracts aimed at maximizing economies of scale by leveraging a combination of standard processes and tools, shared best practices and efficient use of global resources to deliver high quality services at competitive prices.



## A.3 Interview with Gilles Grapinet [GRI102-14]

### **Did Worldline achieve its aims in 2017?**

When looking at our 2017 achievements, there are many reasons for satisfaction. 2017 was a milestone year for Worldline. It was the first year of our 2017-2019 plan and the first full year after the merger with Equens. We recorded significant organic revenue growth, with our Group reported growth accelerating exactly as anticipated in the second half of the year. We improved our profitability by c. 240 bp and had a strong cash flow generation. Supporting these results, in 2017 we completed the very successful first phase of the integration of equensWorldline. And to prepare our future growth, we launched many highly innovative offers and had a very active commercial development in the second semester, which is materializing in an all-time high pipeline of commercial opportunities.

### **Since its IPO Worldline clearly focuses on mergers and acquisitions. Can you remind us of the key achievements on that front in 2017?**

We started by focusing on the successful integration of our 2016 acquisitions. 2017 proved to be a remarkable first year of the integration of equensWorldline - the merger between Equens and the former Worldline financial processing entities in Europe - which demonstrated our ability to combine operations, generate synergies and create a common culture within a very short timeframe. Worldline is now established as the most important and sizeable financial processor in Europe and has several growth opportunities lying ahead. We simultaneously pursued identifying value-creative acquisition opportunities, allowing us to sign and close 4 new transactions last year: with First Data Baltics, Digital River World Payments, MRL Posnet and, at the very end of the year, Diamis. Acquiring First Data Baltics is a very interesting move as we have strong ambition to accelerate our growth in the Nordic countries. The new 'Worldline Baltics' has given our Group a leading presence Latvia, Estonia and Lithuania, where we now have a number 1 position as payment processor for banks. The acquisition of Digital River World Payments, headquartered in Sweden, provides Worldline with a leading global payments gateway with sophisticated collecting capabilities, very complementary to our existing internet payment gateway. It means we can now address one of the most promising market segments of global payments; namely, international internet payments of global merchants. Regarding the reinforcement of our position in emerging markets, and in particular in India, we were very pleased to close the acquisition of MRL Posnet, as this company fits in perfectly with our existing operations in this country. It allows our Group to have a unique presence in one of the fast growing payment markets in the world. Finally, we acquired Diamis, a payment software vendor to leading banks in Europe and renowned for its global payments and liquidity management software suite.

### **How will innovation support Worldline's plans for growth?**

Innovation is clearly the life blood of our business. Our customers choose us for the quality of our services, for our cost competitiveness, and because they want a long term partner who will keep on innovating, who will help them keep pace - and stay ahead! - of their competition. In 2017 we invested more than

100 m€, close to 7% of our revenue, in our high-end processing platforms and solutions. It shows how focused on innovation our company is. More than ever, we will continue making innovation one of our strongest differentiators. We will continue to be an IP-rich company, because now we can also leverage all the benefits of our enlarged scale in our R&D activities. We are a recognized authority on payments innovation: for example, we started investigating the potential of blockchain technology four years ago, long before it became a buzzword, and we started to implement some first blockchain-based projects in the real world. Today, another of our R&D priorities is the application of Artificial Intelligence to payments. But whether it is short term incremental improvements or long-term disruption, our innovation agenda is determined by what our customers need to better succeed in the future. Whether they are merchants competing with Internet pure players or banks responding to technological and regulatory disruption, they rely on us for our fresh thinking and technological prowess as key contributions to their future success.

### **What is the role of Corporate Social Responsibility (CSR) at Worldline?**

CSR is a personal obsession of mine as it relates fundamentally to building a very solid business, performing well in the short term but also equally able to stand the test of time for the decades to come and to properly meet the expectations of all the stakeholders of the company. At the end of the day, it is the same thing as good management. I believe a company can be a true leader only if it is also a leader in CSR. When our customers outsource their operations to us, it will generally be for many years. They can make such informed decisions because they know we are in this business for the long term, and we do everything to ensure our business is robust and sustainable. At Worldline, the targets of our Trust 2020 program are engrained into all aspects of our business. Innovation, quality of service and security, our carbon footprint, and the ethical and respectful treatment of employees and customers are all absolutely critical to who we are as a company and to our long-term future.

### **What are your priorities for 2018?**

One priority is to continue to accelerate our organic growth and to deliver our profitability and cash targets in line with our 2017-2019 plan. We will continue to benefit from the integration of equensWorldline and our acquisitions in 2017, extracting synergies and bringing to our customers the benefits of our increased scale and portfolio. From a strategic stand-point, we remain committed to achieving the necessary consolidation of the fragmented European payments industry and we will continue to focus on value-creative M&A opportunities. Worldline needs to remain at the heart of all the trends and innovations that are reshaping the payment industry. Regulations to encourage open banking in Europe and the advent of instant payments have the potential to profoundly change the customer experience while online payments and digital technologies are opening up new sources of growth to merchants, industrial enterprises and governments. Worldline is ready to help all its customers seize the opportunities of these transformations, in Europe and worldwide.

**Gilles Grapinet Chief Executive Officer**



## A.4 Persons responsible

### A.4.1 Name and position of the person responsible for the Registration Document [GRI102-53]

**Mr. Gilles Grapinet**, Chief Executive Officer of the Company.

### A.4.2 Certification of the person responsible for the Registration Document

I hereby certify, having taken all reasonable steps to this end, that the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and there is no material omission which would lead to misrepresentation.

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all the other companies included in the scope of consolidation, and that the management report (here attached) gives a fair description of the material events, results and financial position of the Company and all the other companies included in the scope of consolidation, as well as a description of

the main risks and contingencies with which the Company may be confronted.

I have obtained from the statutory auditors a letter of completion of their work (Lettre de fin de travaux) in which they state that they have verified the information relating to the financial situation and accounts presented in this Registration Document, and have read the Registration Document in its entirety.

**Gilles Grapinet**

Chief Executive Officer  
Bezons, March 21, 2018

### A.4.3 For the audit

Statutory auditors	Substitute Auditors
<p><b>Deloitte &amp; Associés</b></p> <p>Jean-Pierre Agazzi</p> <p>Appointed on: June 30<sup>th</sup>, 1997 renewed on March 29<sup>th</sup>, 2004, May 28<sup>th</sup>, 2010 and May 26<sup>th</sup>, 2016.</p> <ul style="list-style-type: none"> <li>• Term of office expires: at the end of the Annual General Meeting held to adopt the 2021 financial statements</li> </ul>	<p>Cabinet BEAS</p> <p>Appointed on: June 30<sup>th</sup>, 1997 renewed on March 29<sup>th</sup>, 2004, May 28<sup>th</sup>, 2010 and May 26<sup>th</sup>, 2016.</p> <ul style="list-style-type: none"> <li>• Term of office expires: at the end of the AGM held to adopt the 2021 financial statements</li> </ul>
<p><b>Grant Thornton</b></p> <p>Virginie Palethorpe</p> <ul style="list-style-type: none"> <li>• Appointed on: April 30, 2014 for a term of 6 years</li> <li>• Term of office expires: at the end of the Annual General Meeting held to adopt the 2019 financial statements</li> </ul>	<p>Cabinet IGEC</p> <ul style="list-style-type: none"> <li>• Appointed on: April 30, 2014 for a term of 6 years</li> <li>• Term of office expires: at the end of the AGM held to adopt the 2019 financial statements</li> </ul>

Deloitte & Associés is a member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles* (the Regional Association of Auditors of Versailles).

Grant Thornton is a member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles* (the Regional Association of Auditors of Versailles).

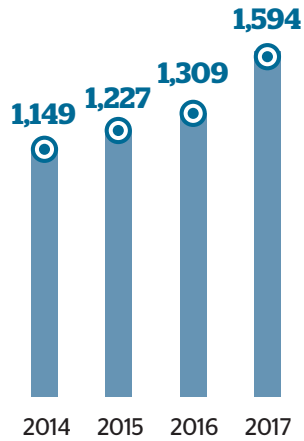
BEAS is a member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles* (the Regional Association of Auditors of Versailles).

IGEC is a member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles* (the Regional Association of Auditors of Versailles).

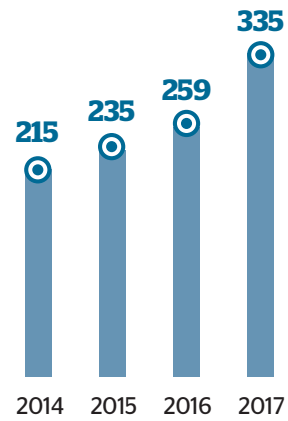
## A.5 Worldline in 2017 [GRI 102-7]

### A.5.1 Key graphs

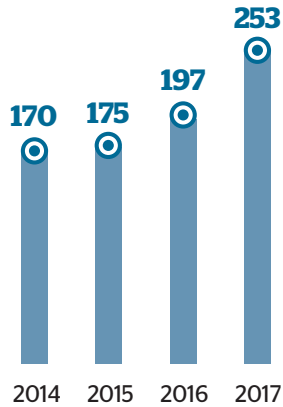
**4-YEARS REVENUE EVOLUTION** (IN € MILLION)



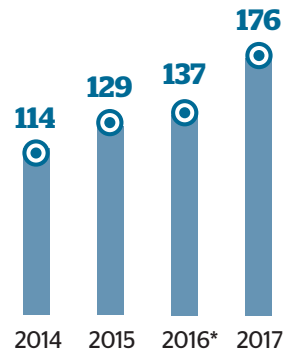
**4-YEARS OMDA EVOLUTION** (IN € MILLION)



**4-YEARS OPERATING MARGIN EVOLUTION**  
(IN € MILLION)

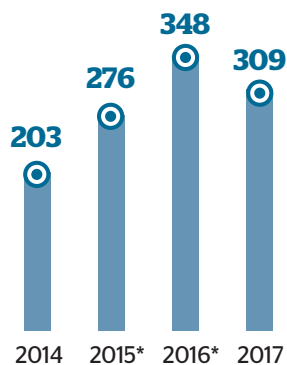


**FREE CASH FLOW** (IN € MILLION)



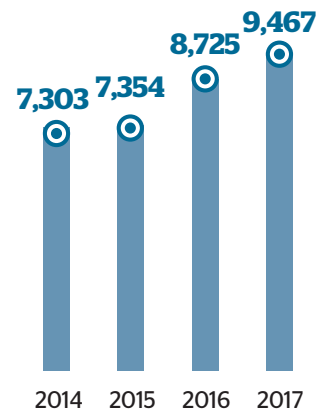
\* December 31, 2016 adjusted to reflect change in presentation disclosed in E.4.7.2 "Basis of preparation and significant accounting policies"

**NET CASH** (IN € MILLION)



\* December 31, 2015 & 2016 adjusted to reflect change in presentation disclosed in E.4.7.2 "Basis of preparation and significant accounting policies"

**4-YEARS EMPLOYEE EVOLUTION**



## A.5.2 2017 key achievements

### January 4, 2017

#### Danske Bank chooses Worldline's ACS solution to secure e-commerce with 3D-Secure in Denmark, Sweden, Finland, Norway and the United Kingdom

Worldline has been selected by Danske Bank to provide its Access Control Server solution for 3D-Secure authentication. As a major player in the Nordics, Danske Bank wants to be at the leading edge of security in e-commerce to fight fraud efficiently and provide their customers with a unified authentication experience across all channels.

### January 5, 2017

#### Worldline and Hease Robotics signed a partnership

Worldline has entered into a co-development relationship with Hease Robotics, a French B2B service robot manufacturer, delivering interaction-oriented robots to the retail and hospitality industries.

### January 17, 2017

#### Launch of the WL Mobile Intrusion Protection solution

Worldline is launching WL Mobile Intrusion Protection: a new solution to secure mobile apps on smartphones. Complying with European Regulations on the protection of personal data, this solution aims to protect end users from attacks and fraud, like the hacking of sensitive data. Easy to configure, it allows users to fine-tune security policies dynamically on their smartphone, depending on the changing risks.

### January 30, 2017

#### VALINA reinvents unattended payments

VALINA is the first Android device that supports both low- and high-value secure transactions in line with PCI/PTS specifications. The integration of all-in-one reader, NFC technology, touch screen, and PIN pad meets the challenging and space-constrained specifications of the European Vending Association for Cashless Vending Systems (EVA-CVS).

### February 6, 2017

#### Santander Consumer Bank and Worldline extend their partnership for payment services

Worldline, through its equensWorldline subsidiary, and the Santander Consumer Bank SA in Poland, extend their partnership for new services. equensWorldline provides the technical processing for their Visa credit cards. Since 2006 the Santander Consumer Bank in Poland is customer of Worldline.

### February 21, 2017

#### 2016 annual results

At constant scope and exchange rates, Worldline revenue stood at **€ 1,309.2 million** representing an organic growth of **+3.5%** compared with 2015. The *Global Business Lines* Merchant Services & Terminals and Financial Services contributed to the revenue growth, while Mobility & e-Transactional Services was impacted by the termination of two historical contracts. Excluding the impact of these contract terminations, the growth of the rest of the businesses was +8.4%.

The group's **OMDA** improved by **+90bp**, reaching **€ 258.7 million** or 19.8% of sales.

**Net income** Group share included the profit from the disposal of the Visa Europe share for € 51.2 million and stood at **€ 144.2 million**. **Net income Group share adjusted** for non-recurring expenses reached **€ 129.2 million**, which compares to € 119.9 million in 2015.

**Diluted adjusted earnings per share<sup>1</sup>** was **€ 0.98** in 2016, compared with € 0.91 in 2015 (+7.7%).

**Free cash flow** in 2016 was **€ 140.4 million**, at the high end of the € 135 million to € 140 million target set for the year and increasing by +9.3% compared with 2015.

**Net cash** reached **€ 398.9 million**, increasing by **€+75.6 million** compared with the net cash position as at December 31, 2015. This net cash position includes the proceeds from the sale of Worldline's investment in Visa Europe for € 35.6 million and the net disbursement of € 111.0 million linked to the acquisition of Paysquare and KB Smartpay.

### March 13, 2017

#### Worldline implements extended Voucher management System for Telefónica Germany

Worldline has successfully extended the existing Worldline Voucher management System (VoMS) at Telefónica Germany and enables Telefónica prepaid customers to charge their phone credit, reliably and comfortably from anywhere using vouchers.

### March 14, 2017

#### equensWorldline will process Degussa Bank's payments

equensWorldline SE, subsidiary of Worldline, will process all payments of Degussa Bank AG, Germany, starting Q2-2017. The long-term contract constitutes a significant achievement for equensWorldline.

<sup>1</sup> EPS including the impacts of potentially dilutive instruments, calculated on the net result adjusted for non-recurring items, net of tax



#### April 6, 2017

##### **Worldline Ranked as a Market Leader in Ovum Decision Matrix for White-Label Mobile Wallet Solution**

Worldline has been ranked market leader in the recently published "Ovum Decision Matrix: Selecting a White-Label Mobile Wallet Solution, 2016-17". Worldline's solution presents a very innovative technology that is highly configurable, API-driven, strongly focused on security and fraud prevention, and integrated with many major e-commerce PSPs. A high level of support capabilities enables clients to get the best out of the solution.

#### April 24, 2017

##### **First quarter 2017 revenue**

**Revenue** was € 374.3 million, representing an organic growth of +1.4% at constant scope and exchange rates compared to the first quarter of 2016. The *Global Business Lines* Merchant Services and Financial Services contributed to the revenue growth, while Mobility & e-Transactional Services was still impacted, as in H2 2016, by the termination of one historical contract in France, which occurred in June 2016 and which therefore will affect Worldline growth for the last time in Q2 this year. Excluding the comparison basis impact resulting from this contract termination, the growth rate of the rest of the businesses was +6.0%.

#### May 12, 2017

##### **Worldline continues to strengthen its position in Corporate Social Responsibility ratings**

Worldline's Corporate Social Responsibility (CSR) performance has been rewarded by two new ESG rating agencies: Oekom and MSCI.

#### May 24, 2017

##### **Worldline's Combined General Meeting**

All resolutions submitted by the Board of Directors were approved.

In particular, the General Meeting approved the parent company accounts and the consolidated accounts for the financial year ending December 31, 2016, which reflect a very robust operational performance, with all the objectives for the year reached in the upper end of the guidance bracket for revenue growth, improvement of profitability as well as free cash flow generation.

During the General Meeting, the representative of the main shareholder Atos SE took the floor to indicate that a discussion about the required number of shares per Director had occurred. In that respect, an Extraordinary General Meeting shall soon be convened by the Company's statutory auditors in order to confirm the terms of office of the members of the Board of Directors; a specific resolution aimed at amending the Articles of Association in relation to the minimum required number of shares per Director will be submitted to the Extraordinary General Meeting.

#### June 13, 2017

##### **New Sales management System: Sales alliance of public transport operators relies on Worldline**

Worldline supplies a modern and powerful sales management system for public transport for the six largest public transport companies in the Rhein-Ruhr Transport Association. The new system supports all business processes that are associated with customer management and the sale of tickets. The result: an intermodal and central platform, with which the customer can access all offers and services involving the purchase of tickets, in a user-friendly and efficient manner. In addition to services for customers, the new system also facilitates the processing of contracts and clearing for the transport network operators.

#### June 15, 2017

##### **A first on the Belgian market: Belfius incorporates Worldline technology in its mobile application for contactless payment with all types of cards, including Bancontact**

Thanks to Worldline's technology, customers of Belfius Bank, who have the Belfius Mobile application can now make payments with their Android compatible mobile telephone by holding it close to a payment terminal equipped with contactless technology. It is the first solution available on the Belgian market that makes contactless payments possible with Bancontact, the preferred payment means of the Belgians. This innovation is bound to change radically the way consumers pay in the months and years to come.

#### June 26, 2017

##### **Worldline enters agreement with Apigee**

Worldline has entered an agreement with Apigee to combine and integrate Apigee Edge Software with its services and expertise to implement digital solutions.

##### **equensWorldline supports European Central Bank Instant Settlement initiative**

Following the decision by the Governing Council of the European Central Bank (ECB) to develop a new service for the settlement of instant payments (called "TIPS"), equensWorldline announced it will connect its European and national Instant Payments Clearing and Settlement services to TIPS from the first day TIPS is operational.

#### June 28, 2017

##### **Partnership between Trinity Purchasing and Worldline brings one-stop-shop solution to the modern hotel environment**

Trinity Purchasing, an international procurement organization active in the hospitality sector, partners with e-commerce payment services and POS terminal solutions provider Worldline for an end-to-end acceptance and e-commerce solution across 16 countries. The solution will enable all hotels that are a member of Trinity Purchasing to allow their guests to pay.

## July 17, 2017

### Worldline to acquire Digital River World Payments, an online global payment services provider serving Tier 1 online merchants

Founded in 1997 and headquartered in Stockholm, Sweden, DRWP is a subsidiary of Digital River and employs approximately 120 employees worldwide. With global payment gateway, multi-acquiring and collecting services under one roof and having generated yearly gross revenue of c. € 37 million in 2016, DRWP delivers comprehensive online payment acceptance and optimization solutions for leading enterprise brands, spanning a variety of industries, including travel, retail, direct selling and digital goods. DRWP's global platform and large geographical footprint support international payment schemes and currencies across 175 countries, a wide range of local payment brands and methods, and more than 40 acquiring bank connections.

## July 20, 2017

### Worldline launches its Gender Equity Program as part of its "TRUST 2020" CSR ambition

After officially launching its "TRUST 2020" CSR ambition in 2016 and having obtained positive results from its first year in action, Worldline has set up several endeavors to create its Gender Equity Program. For this, it has designated a Diversity Steering Committee to deliver the roadmap for reducing the female capital gap to 0 by 2020.

## July 24, 2017

### Worldline's Combined General Meeting

The Combined General Meeting of Worldline's shareholders held on July 24, 2017 allowed for the confirmation of the respective terms of office as Directors of all current members of the Board of Directors, in line with the remaining duration of their respective terms of office. The Board of Directors met after the General Meeting and confirmed the mandates of the Chairman of the Board of Directors and of the Chief Executive Officer for the duration of their offices as Directors; the Board confirmed the composition of the Board's Committees.

### Worldline, jointly with Total, partners with the African payment Fintech InTouch

On July 13, 2017, Worldline and Total signed a binding technological, commercial, and financing agreement with African fintech InTouch. Worldline and Total will support the deployment acceleration of the "Guichet Unique" platform in eight African countries (Senegal, Ivory Coast, Cameroon, Burkina Faso, Guinea (Conakry), Mali, Morocco and Kenya). This solution allows merchants to aggregate payment means (e.g. mobile money, payments through private label cards, cash) and to sell third party services (subscriptions to media content, bill settlements, money transfer, cards top-up, etc.) through a unique interface. As part of the agreement, Worldline will take along with Total a minority stake in InTouch and will provide, as a first step of a broader technological agreement, a secure and industrial hosting infrastructure to enable the fast deployment of Guichet Unique.

## July 25, 2017

### 2017 first half results

At constant scope and exchange rates, Worldline revenue stood at **€ 778.1 million representing** an organic growth of **+1.7%** at the end of June 2017 compared with the first half of 2016. The *Global Business Lines* Merchant Services and Financial Services contributed to the revenue growth, while Mobility & e-Transactional Services was still impacted, as in H2 2016, by the termination of one historical contract in France (the "Radar" contract), which occurred in June 2016 and which therefore has affected Worldline growth for the last time during this H1 2017. Excluding the comparison basis impact resulting from this contract termination, the growth rate of the rest of the businesses was above +6%.

The group's **OMDA** reached **€ 153.5 million** or **19.7%** of revenue, i.e. an increase of +170 basis points, fully in line with the objective initially set for the full year to reach an OMDA percentage of between 20.0% to 20.5%, corresponding to an ambition to increase OMDA between +150 to +200 basis points.

**Normalized net income<sup>(1)</sup>** stood at **€ 71.9 million** and progressed by **+16.0%**. **Net income** Group share stood at **€ 50.8 million**, decreasing by € 41.3 million compared with the same period last year, which included the exceptional profit from the disposal of the Visa Europe share.

First half 2017 **free cash flow** was **€ 88.0 million**, representing a **+25.7%** increase compared to H1 2016.

**Net cash** reached **€ 440.1 million**, increasing by **€+92.4 million** compared with the net cash position as at December 31, 2016, which was adjusted by €-51.2 million to reflect the presentation of assets and liabilities related to intermediation activities<sup>(2)</sup>.

### Worldline to acquire the leading payment processor in the Baltics from First Data Corporation

Worldline announce the signature of an agreement with First Data Corporation ("FDC") for the acquisition of 100% of the share capital of FDC's fully owned subsidiaries in, Lithuania, Latvia, Estonia (together "First Data Baltics" or "FDB") for c.€ 73 million, financed by available cash.

Having generated revenue of c. € 23 million in 2016, presenting a strong financial profile with EBITDA margin materially above Worldline's EBITDA, FDB currently employs c.200 employees and is the leading financial processor in the Baltics, providing to the main Baltic banking groups and also to some banks in the wider Nordic region, a large range of outsourcing services.

Through this acquisition, Worldline gains a unique leading position in the fast-growing Baltic countries, significant development perspectives in the Baltics (n°1 in Latvia & Lithuania, n°2 in Estonia) thanks to structural electronic payments growth. Numerous synergy levers with Worldline portfolio have been identified allowing the acceleration of both revenue and profitability.

(1) The normalized net income excludes unusual and infrequent items (net of tax).

(2) Please refer to note Accounting rules and policies to the Condensed Interim Financial Statements



### Disposal of the Cheque Service

As part of the regular review of its portfolio, the Group has decided to sell its Cheque Services business in France through a management buy-out and under the usual warranties, as there were low synergies with the other activities of Worldline and as this business was dilutive to the Group's growth and profitability. This activity generated revenue of less than € 20 million and was dilutive to the group's OMDA margin in 2016.

This transaction, which is supported by Cheque Service employees, will allow Cheque Service to pursue its commercial expansion in France.

### September 4, 2017

#### Three major banks in the Netherlands select equensWorldline as infrastructure provider for Instant Payments

equensWorldline will provide a new European and global payments infrastructure that allows payments to be processed instantly so that the recipient immediately receives the money. These real-time payments will be available around the clock, 365 days a year, including weekends and holidays. This means that it will always immediately be clear whether a transfer from the payer to the recipient has succeeded. That is beneficial to consumers who can immediately have their purchase, but also for merchants who receive the money instantly. Instant Payments therefore provide a better cash flow and reduced risk for businesses.

### September 22, 2017

#### Worldline has been once again rewarded with the Gold level from EcoVadis for its outstanding extra-financial performance, thus confirming the Company's leadership in Corporate Social Responsibility (CSR)

With an overall score of 76/100, Worldline has made great progress compared to the previous year (+12 points) and outperforms its 10-points increase target on the responsible supply chain assessment by EcoVadis. With this impressive result, Worldline joins the very restricted TOP 1% of the best sustainable companies assessed by EcoVadis in all categories.

### September 27, 2017

Worldline announces the completion of the acquisition of the leading payment processor in the Baltics from First Data Corporation.

### October 3, 2017

#### Worldline to host today an Investor Day presenting the next milestone of its Pan-European leadership ambitions

Worldline announces its upgraded ambitions for the 2017-2019 period reflecting the positive developments of its plans during the last 3 years and the increase of its business after the recent acquisitions of Digital River World Payments (announced in July 2017), First Data Baltics "FDB" (announced in July 2017) and lately, MRL Posnet in India, which is announced this day.

Taking into account the acquisitions announced during the third quarter of 2017: First Data Baltics (that has been finalized on

September 27, 2017), Digital River World Payments, and MRL Posnet, and their anticipated positive impact on the group 2019 financial profile, the Group now ambitions to deliver:

- **Revenue organic growth:** after 3.5% to 4% for 2017, 5% to 7% for 2018 and 6% to 8% for 2019;
- **OMDA margin:** Above 22.5% in 2019, which corresponds to an improvement of above +400 basis points compared with 2016;
- **Free cash flow:** € 230 million to € 245 million in 2019.

#### To reach its 2019 Ambition the Group will focus on the following levers:

- Take advantage of Worldline's unique Pan-European reach and undisputed leadership in Financial Processing;
- Expand strongly Worldline's Pan-European platform for Omni-Commerce Merchant Services;
- Bringing payment and regulation expertise to new markets in Mobility & e-Transactional Services.

### October 18, 2017

Worldline announces the completion of the acquisition of Digital River World Payments

### October 23, 2017

#### Third quarter 2017 revenue

During the third quarter of 2017, Worldline's revenue was at € 385.6 million, increasing by +33.0% at constant exchange rates and +6.3% organically compared with the third quarter of 2016. Revenue growth accelerated sequentially as planned compared with the growth rate reported in H1 2017 (which was +1.7%), as the negative comparative effect arising from the termination of the RADAR contract in June 2016 ended in June 2017.

Over the first nine months of 2017, Worldline's revenue was € 1,163.7 million, up +29.6% at constant exchange rates and +3.2% organically.

### October 24, 2017

#### Worldline is committed to support the United Nations' Sustainable Development Goals

Worldline has committed to contribute to the Sustainable Development Goals (SDGs), a universal, global and inclusive action and roadmap launched by the United Nations (UN) to end poverty, protect the planet and ensure prosperity and peace for all by 2030, after releasing its first UN Global Compact Communication on Progress. Through its sustainable solutions and its value chain, Worldline is involved in achieving the 17 SDGs, however the Company has decided to concentrate its efforts on the 5 most relevant SDGs for its organization and its business activities.

### October 27, 2017

Worldline announces the completion of the acquisition of the Indian payment service provider MRL Posnet

### **November 27, 2017**

#### **Worldline, an initial partner in Visa Ready for Transit programme**

Worldline is one of the first companies globally to participate in Visa's new Visa Ready for Transit programme. The partnership will drive the growth of Digital Ticketing through Open Payment technology in the transport market.

### **November 29, 2017**

#### **Worldline strengthens its leading position in sustainability, moving up two positions in the Gaïa Index's TOP 10**

Worldline has been once again recognized for the transparency of its extra-financial information and its outstanding performance regarding sustainability matters by moving up 2 positions in the Gaïa Index's TOP 10 highest-rated companies. The Gaïa Index standards enable the assessment of listed medium-sized companies' extra-financial performance and provide financial analysts with a reference tool to support their socially responsible investment (SRI) decisions.

### **December 7, 2017**

#### **Worldline strengthens its citizen engagement with the Telethon thanks to the innovation and mobilization of its employees.**

Worldline reinforces its 19-year commitment with the Telethon thanks to new skill-based sponsorship or volunteering actions supporting, through this partnership, citizenship, solidarity and sustainability.

Following the success of the operation "Donation Box" launched internally last year that enabled employees of the company to make secured and contactless micro-donation for the benefit of the Telethon, Worldline had the pleasure to renew this experience this year by deploying the concept on a larger scale with about 40 partners of the AFM-Telethon.

### **December 13, 2017**

#### **Worldline, payment and digital services leader, to recruit more than 1,500 people across the world to support its growth**

Worldline currently employs 9,400 people worldwide. The decision to recruit 1,500 new employees is in line with the Company's ambition unveiled during its Investor Day on October 3, 2017, which saw notably a revised increase of the Company's targets for the 2017-2019 period.

To meet both growing customer demand and the challenges presented by the digitalisation of services, Worldline is looking to recruit 1,500 new people to strengthen its existing teams.

More specifically, Worldline will be conducting its talent search to recruit developers, project managers, program Directors, security and quality experts, database administrators, architects, systems and project engineers. A broad range of profiles that share one thing in common: the wish to invest oneself in an international market leader who is constantly evolving and working on innovative solutions.

### **December 19, 2017**

#### **Worldline's Mobile Acceptance solution chosen by Transilien, the renowned SNCF-owned suburban railway service, to manage the payment and regularization of tickets on-the-go**

Worldline has been selected by Transilien for its Mobile Acceptance solution to manage the payment and regularization of tickets on-the-go. Already installed on c. 100 Terminals, the solution will be deployed in the first half of 2018 on 300 Terminals.



## A.6 Group presentation [GRI 102-1][GRI 102-3][GRI 102-6]

### A.6.1 Formation of the Group [GRI 102-10][GRI 102-45]

The Group is one of the leading European providers of electronic payment and transactional services and one of the largest such providers worldwide.

The origins of Worldline's business date back to 1973, when Sligos, a company formed in 1972 and majority-owned by Crédit Lyonnais, was awarded the first contract in history to process card-based banking transactions at the time the Carte Bleue credit card system was implemented in France. After its initial public offering in 1986, Sligos expanded internationally. In 1997, it merged with Axime, also a listed company.

The Axime group had been formed in 1991 and became a major player in the rapidly consolidating information technology services industry (sociétés de services en ingénierie informatique, or "SSII"). The Axime group resulted from the merger of (i) SEGIM (electronic banking, telematics); (ii) SITB (banking and financial market transaction management); (iii) SODINFORG (later renamed SEGIM) (electronic banking and personalization of payment support). Customer relations centers and payments services functions were then regrouped within the Axime Services division, while the Axime Multimédia division took over the telematics activities.

In 1997, Atos was created through Axime's merger with Sligos. The Worldline Group's activities initially arose out of these two entities. The Axime Multimédia division was contributed to Axime Télématique Multimédia, which then took the name Atos Multimédia. Axime's electronic banking and processing division and Sligos' payment and electronic banking activities division were contributed to the company Flow, which then took the name Atos Services. Atos Services was later renamed Atos Origin Services following the merger with Origin in 2000.

On December 31, 2003, Atos Origin Services became Atos Worldline, when the various Atos Origin businesses relating to payment and electronic transactional services were merged. Atos Origin Multimedia was merged into Atos Worldline. Worldline also includes the Atos Origin Processing Services division in Germany (renamed Atos Worldline Processing GmbH in April 2004) and Atos Worldline Produits Solutions Intégration in France, which resulted in the 2005 contribution of the payment solutions business, which had previously been held by Atos Euronext SBF (with which it merged in 2008). At that time, Atos Worldline operated primarily in France and in Germany, becoming a leader in high-tech transactional services, or "HTTS". In 2010, Atos Origin Processing GmbH became a wholly owned subsidiary of Atos Worldline.

In the United Kingdom, the Group's presence in transactional activities, in particular relating to private label cards for the hotel and petrol sectors, resulted from the 2000 merger with Origin.

Atos Origin's 2004 acquisition of the bulk of SchlumbergerSema's information services business further strengthened its transportation (primarily railroad) business.

In 2006, Atos Worldline extended its scope of activity in Belgium by acquiring Banksys and Bank Card company (BCC), companies specialized in payment solutions and systems, thereby becoming a major player in the Belgian payments market, in particular through its role as operator of the Bancontact payment scheme.

Since 2009, the Atos group's payment services strategy has consisted in deploying its HTTS business internationally, initially in Europe - in particular in Germany, Belgium, Spain, the Netherlands, and the United Kingdom - and later in Asia. The Atos group has leveraged its established presence in traditional information technology services to organically develop its HTTS business, while also growing through acquisitions, such as the 2010 acquisitions of Shere Ltd, a UK solutions provider, and Venture Infotek, an independent player in the Indian market and payment sector leader. The acquisition of Venture Infotek strengthened the Atos group's core payment services business and enabled it to penetrate one of the fastest-growing payment markets in the world. Atos also pursued expansion of its HTTS services in the Asia-Pacific region.

In July 2011, the Atos group acquired Siemens IT Solutions and Services (SIS), a significant European SSII belonging to the German group Siemens AG, which resulted in the contribution of several of the German conglomerate's information technology entities. Through this transaction, Worldline Group primarily acquired SIS's Mobility & e-Transactional Services business ("MeTS") in the United Kingdom, Chile and Argentina.

With the 2012 acquisition of the Dutch company Quality Equipment BV, which had been a commercial partner of the Group's for fifteen years, Worldline acquired a key player in the Dutch electronic payment market, in particular in the sales, restaurant and parking sectors.

After announcing in February 2013 its intention to spin off all of its electronic payment and transactional services activities into a single subsidiary named Worldline, Atos announced in July 2013 that it had completed the project.

Worldline completed its initial public offering in June 2014 and the first listing of Worldline's shares on Euronext Paris occurred on June 27, 2014. The settlement and delivery of shares offered in Worldline's initial public offering occurred on July 1, 2014. Following the initial public offering, all entities of the Group removed the reference to Atos in their corporate names.



The Worldline Group has finalized on September 30, 2016 an agreement with the Equens group in order to join forces to reinforce the Worldline's leadership in payment services in Europe. This transaction provides the enlarged Worldline Group with an extensive pan-European reach, with leading positions and a strong commercial presence in key countries (France, Belgium, The Netherlands, Germany, Italy, Nordics). This transaction was structured in two steps:

- A share transaction for the Financial Processing activities, through a merger of the respective activities of the two groups in Europe to create "equensWorldline", which is 63.6% controlled by Worldline and 36.4% by the former shareholders of Equens;
- The acquisition of Paysquare, the Commercial Acquiring subsidiary of Equens.

Through these transactions, the Worldline Group benefits from a unique Pan-European footprint and has increased its revenue size on a full year basis by c.+25%, out of which c.+40% in Commercial Acquiring and c.+65% in Financial Processing.

Under the shareholders' agreement, from 2017, Worldline benefits notably from pre-emptive rights in case a minority shareholder of equensWorldline decides to sell its stake and also from a call option exercisable in cash or in shares earliest in 2019 on all the shares owned by minority shareholders.

As part of its expansion strategy in Merchant Services & Commercial Acquiring, Worldline SA/NV entered on September 30, 2016 into an agreement with Komerční banka (KB), subsidiary of the Société Générale group and one of the leading banks in the Czech Republic, purporting to the acquisition of a 80% shareholding in Cataps s.r.o., Commercial Acquiring subsidiary of Komerční Banka for credit or debit cards, operating under the brand KB SmartPay. On February 27, 2018, Worldline SA/NV increased its shareholding in Cataps s.r.o. to 99%.

2017 illustrated Worldline's strategy of becoming active industrial consolidator within the European payment market and active on M&A activities globally:

- on September 27, 2017, Worldline announced the completion of the acquisition of 100% of the share capital of First Data's fully owned subsidiaries in Lithuania, Latvia, Estonia (together "First Data Baltics" or "FDB"). FDB employs c.200 employees and is the leading financial processor in the Baltics, providing to the main Baltic banking groups and also to some banks in the wider Nordic region, a large range of outsourcing services. Through this acquisition, Worldline gains a unique leading position in the fast-growing Baltic countries and significant development perspectives in the Baltics (n°1 in Latvia & Lithuania, n°2 in Estonia) thanks to structural electronic payments growth. Numerous synergy levers with Worldline portfolio have been identified allowing the acceleration of both revenue and profitability. FDB is consolidated in the Financial Services division of Worldline since October 1, 2017;

- on October 18, 2017, Worldline successfully completed the acquisition of Digital River World Payments (DRWP), a leading online global payment service provider. DRWP employs approximately 120 employees worldwide. With its global reach, and positioning as a PSP and collector, DRWP is a strong complement to Worldline's existing and proven WL SIPS gateway. Through this acquisition, Worldline increases its internet payment capabilities, notably with online payment collecting services, and gains access to a client base composed of tier one merchants. Worldline also expands its global reach to new geographies (USA, Brazil and Sweden). Worldline is today in a unique position to deliver the next generation of payment services for the digital commerce market. DRWP is consolidated in the Merchant Services division of Worldline since November 1, 2017;

- on October 27, 2017, Worldline announced the completion of the acquisition of MRL Posnet. Headquartered in Chennai, India, MRL Posnet employs approximately 140 highly skilled engineers in Payment in India. Operating an innovative and state-of-the-art terminal management platform, enabling very cost efficient deployment and management of new Terminals, MRL Posnet processes payment transactions on behalf of 18 Indian banks, through the management of c.100,000 payment Terminals. MRL Posnet is consolidated in the Merchant Services division of Worldline since November 1, 2017;

- in December 2017 Worldline acquired Diamis from Atos Intégration, a wholly owned subsidiary of its parent Atos SE based on a value determined by an independent expert.

Founded in 1990 and headquartered in Bezons, France, Diamis is notably the editor of the Cristal software that is used by many leading European banks in order to manage SEPA and domestic mass payments, through the module "Mass Payment Highway" as well as the intra-day liquidity for interbank payments and securities trading (modules "Proactive Liquidity Manager" and "Target2-Securities"). Cristal is currently being used to exchange 15% of the high-value payments in Europe, which represents more than € 500 billion processed daily. Diamis was merged with Worldline SA as at December 31, 2017. Diamis' results will be consolidated in the financial statements of Worldline from January 1<sup>st</sup>, 2018.

As part of the regular review of its portfolio, the Group has decided to sell its Cheque Services business in France through a management buy-out and under the usual warranties, as there were low synergies with the other activities of Worldline and as this business was dilutive to the Group's growth and profitability.

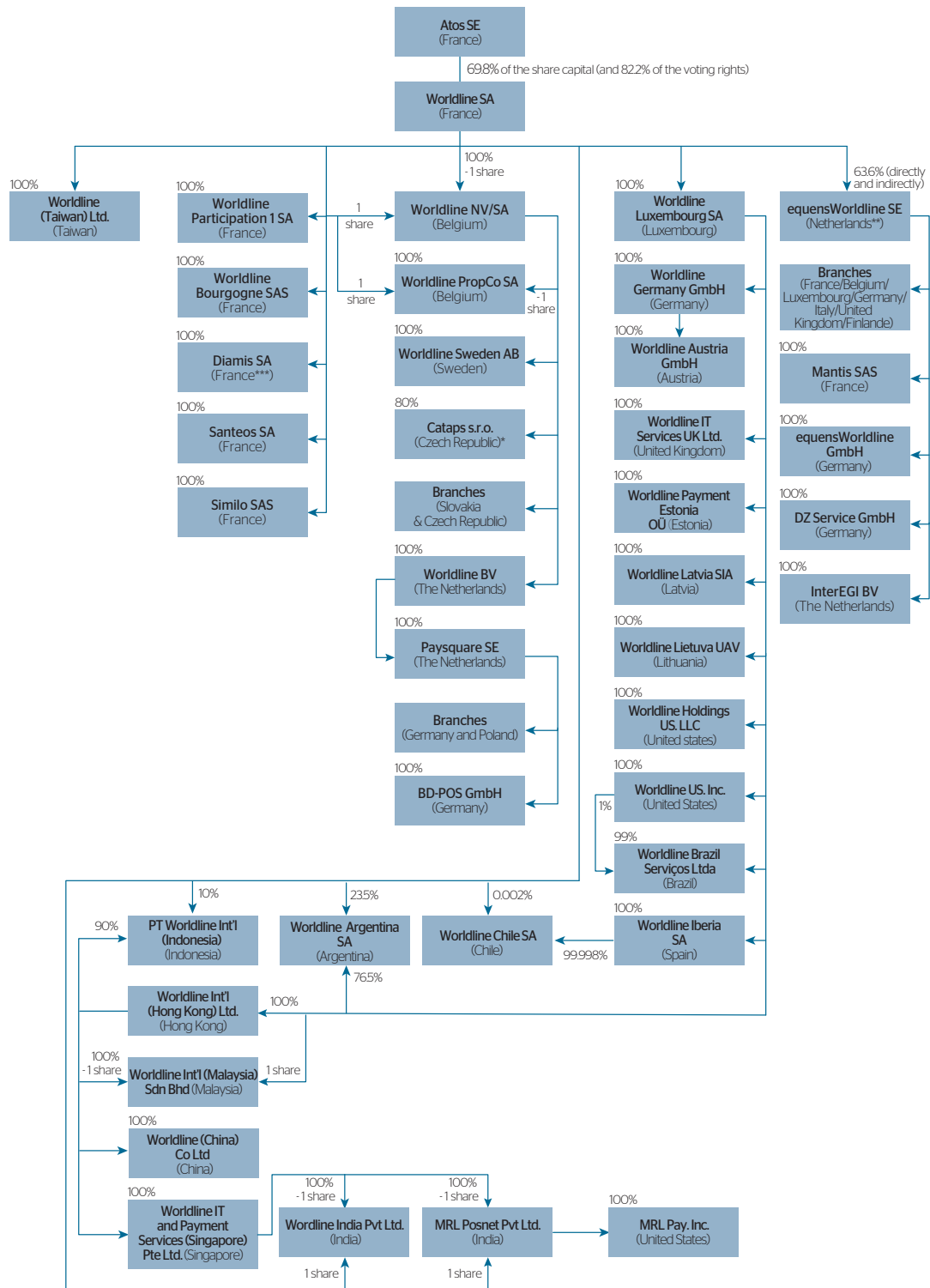
As at December 31, 2017 Worldline employed more than 9,400 staff worldwide and generated total revenues of € 1594 million, OMDA of € 335 million and net income group share of € 105 million.

Worldline activities are organized around three axes: Merchant Services, Financial Services and Mobility & e-Transactional Services, as described in Section C.



### A.6.2 Simplified organization chart [GRI 102-4]

The organizational chart below shows the Group's simplified ownership structure as of the date of this Registration Document. Unless specifically indicated, the percentage of ownership equals the percentage of voting rights



\* Worldline SA/NV has increased its shareholding to 99% on February 27, 2018. 1% of the share capital is now owned by Komerční banka a.s. (subsidiary of Société Générale).  
 \*\* 36.4% of the share capital of equensWorldline SE is held by ABN Amro, DZ Bank, ICBC, ING Bank and Rabobank.  
 \*\*\* Diamis S.A. has been the subject of a universal transfer of assets to Worldline S.A. on January 30, 2018.

## A.6.3 Subsidiaries and participation [GRI 102-4]

### A.6.3.1 Important Subsidiaries

The Company's principal direct and indirect subsidiaries are described below. None of the Company's subsidiaries is a listed company.

**equensWorldline** is a European public company incorporated under the laws of the Netherlands (*Europese naamloze vennootschap*), having its official seat (*statutaire zetel*) in Utrecht, the Netherlands, and its office at Eendrachtlaan 315, 3526 LB Utrecht, the Netherlands, registered with the Dutch Trade Register of the Chamber of Commerce under number 30220519, with a share capital of € 400,000,000. The Company holds directly and indirectly 63.6% of equensWorldline's share capital, with the remainder being held by 5 European financial institutions (ABN Amro, DZ Bank, ICBPI, ING and Rabobank). equensWorldline's main business activities combine traditional mass payment systems (issuing, acquiring, intra- and interbank processing) and innovative e-commerce and mobile payment solutions.

**Worldline NV/SA** is a Belgian limited liability corporation (*société anonyme*) with share capital of € 136,012,000. Its registered office is located at *chaussée de Haecht* 1442, 1130 Brussels, Belgium, and it is registered with the Belgian Trade Registry under number BE 0418 547 872. The Company directly or indirectly holds 100% of Worldline NV/SA's share capital and voting rights (99.99% is held directly by the Company, with Worldline Participation 1 SA, a wholly-owned subsidiary of the Company, holding one share). Worldline NV/SA's main business activity is designing, producing and operating IT products relating in particular to payment systems and payment-system management, developing and marketing of e-Commerce solutions, monitoring physical access and logistics, electronic payments, and loyalty programs.

**equensWorldline GmbH** is a German limited liability company (*Gesellschaft mit beschränkter Haftung*) with share capital of € 1,688,000. Its registered office is located at Hahnstrasse 25,

Frankfurt, D-60528, Germany, and it is registered with the Trade Registry in the jurisdiction of the Court of First Instance of Frankfurt-am-Main (*Handelsregister B des Amtsgerichts Frankfurt am Main*) under number HRB 40417. The Company indirectly holds 100% of Worldline GmbH's share capital and voting rights. Worldline GmbH's main business activity is providing information technology services including software consulting, development, sales and operation.

**Worldline IT Services UK Limited** is an English limited liability company with share capital of £ 43,000,100. Its registered office is located at 4 Triton Square, Regent's Place NW1 3HG London, United Kingdom, and it is registered with the Registrar of Companies of England and Wales under number 8514184. The Company indirectly holds 100% of Worldline IT Services UK Limited's share capital and voting rights. Worldline IT Services UK Limited's main business activity is designing, implementing and operating payment systems (principally for the transportation industry), as well as managing payment cards.

**Worldline Luxembourg SA** is a Luxembourg limited liability corporation (*société anonyme*) with share capital of € 33,819,450. Its registered office is located at 20 rue des Peupliers, L-2328 Luxembourg, Grand Duchy of Luxembourg, and it is registered with the Luxembourg Trade and Companies Register under number 79.303. The Company directly holds 100% of Worldline Luxembourg SA's share capital and voting rights. The business activity of Worldline Luxembourg SA comprises buying, selling and marketing software and information systems and providing services and documentation relating to such products; providing services and consulting with respect to management of companies, information systems and information technology; holding and managing international equity investments; and holding and promoting the Worldline trademark.

Certain members of the management of these subsidiaries hold positions within the Company. Please see Section A.6.4 "Management and organization" for more information about these roles.

See Chapter E.8 "Related Party Transactions" for a description of the various agreements that have been entered into between Group entities.

### KEY FINANCIAL DATA OF THE PRINCIPAL OPERATING SUBSIDIARIES

The table below provides key financial data concerning the Group's principal operating subsidiaries for the fiscal years ended December 31, 2016 and 2015 (contribution to IFRS consolidated data).

	Revenue		Net Income		Total Assets	
	2017	2016	2017	2016	2017	2016
(in € million)						
equensWorldline SE	547.0	136.7	42.3	8.0	969.6	930.7
Worldline NV/SA	250.8	330.8	7.5	89.3	1 033.5	1 062.1
equensWorldline GmbH	90.4	111.0	5.2	-0.9	87.4	76.0
Worldline IT Services UK Ltd	107.9	124.0	15.3	-3.1	129.6	105.4
Worldline Luxembourg SA	0.0	0.0	17.5	18.7	348.7	213.5



## Group overview

Group presentation [GRI 102-1][GRI 102-3][GRI 102-6]

### A.6.3.2 Recent Acquisition and Disposal of subsidiaries

Please refer to Section A.6.1 for a description of the acquisition of First Data Baltics, MRL Posnet, Digital River World Payments and Diamis, to the increase in the participation within Cataps s.r.o. as well as the Disposal of the Cheques Services business.

### A.6.3.3 Holdings

As mentioned in Section A.5.2, in 2017 Worldline took a minority shareholding in the capital of the African fintech InTouch of and holds 26 % of the share capital and voting rights.

This holding is not significant for the Group and was classified as "non current financial asset" in the consolidated Group's 2017 consolidated accounts.

## A.6.4 Management and organization [GRI 102-18][GRI 102-22][GRI 102-23]

The Company is a public limited company with a Board of Directors. A description of the main statutes of the Society regarding the Board of Directors, in particular concerning its operating mode and authority, as well as a resume of the main stipulations of the internal rules of the Board of Directors and the specialized Committees is available at chapter G "Corporate Governance and Capital" of this Document.

### A.6.4.1 The Executive Committee

The role of the Executive Committee is to develop and implement the Group's strategy, while delivering service quality and added value to the Group's projects for the benefit of its clients, shareholders and employees. It is also charged with improving interaction and cooperation among the Group's three *Global Business Lines* and among the different geographic markets where the Group does business.

The composition of the Group's Executive Committee is as follows:

- Gilles Grapinet (Chief Executive Officer);
- Marc-Henri Desportes (General Manager);
- Lisa Coleman (CEO of Worldline UK);
- Christophe Duquenne (Chief Technology Officer);
- Claude France (Head of Operations of Worldline France);
- Charles-Henri de Taffin (General Counsel, Head of Legal & Compliance);
- Patrice Gry (Human Resources Director);
- Eric Heurtaux (Chief Financial Officer);
- Wolf Kunisch (equensWorldline Chief Operation Officer and Deputy CEO);
- Pascal Mauzé (Group Sales and Marketing' Director);
- Vincent Roland (Director of the Merchant Services);
- Michael Steinbach (CEO of equensWorldline);
- Olivier Stuckens (Director of the Mobility & e-Transactional Services global business line).

### A.6.4.2 Personal informations concerning the Executive Committee members

**Gilles Grapinet** is a graduate of the *École Nationale d'Administration* and a French *Inspecteur Général des Finances* (General Finance Inspector). He was Director of Information Systems and Strategy at the French *Direction Générale des Impôts* (Tax department), and Director of the Copernic program, charged with creating an "e-Tax department" for electronic filing of tax returns and payment of taxes. He was an economic and financial adviser to the French Prime Minister in 2003 and 2004, and then chief of staff (*Directeur de cabinet*) to two ministers of the Economy and Finances from 2004 to 2007. In 2007, he became a member of the Executive Committee of Crédit Agricole SA, in charge of Strategy and later of the Group's Systems and Payment Services division. Mr. Grapinet joined Atos in December 2008. He currently serves as Senior Executive Vice President in charge of Global Functions of the Atos group, in which capacity he has headed Global Support Functions, ensured coordination and development of Global Sales and Marketing as well as of the Consulting and Technology Services division of the Atos group, and supervised development of the Group's activities. Mr. Grapinet has been Worldline's Chief Executive Officer since July 2013. He received the French Légion d'Honneur (*Chevalier*) in 2011.

**Marc-Henri Desportes** is a graduate of the *École Polytechnique* and of the *École des Mines de Paris*. He was Deputy Program Director of the Copernic program at the French Ministry of Finances from 2000 to 2005, and then was in charge of audit coordination at BNP Paribas from 2005 to 2006. Mr. Desportes was then Chief Information Officer at BNL, BNP Paribas' Italian subsidiary. He joined the Atos group in 2009 as Director of the Global Innovation Business Development & Strategy Global Business Lines (GIBS), and then became Director of the High Technology Settlement Services and Specialized Activities Business Unit in July 2011. Mr. Desportes is a member of the Executive Committee of Atos SE and has been Senior Executive Vice President of the Company since July 2013.

**Lisa Coleman** joined the Atos group in 1992, performing various managerial roles in the UK public sector that included personal delivery of major Government Programmes. She also took overall responsibility for business development and growth in the UK health sector. Since joining Worldline in 2014, Lisa has responsibility for all Worldline activities within the UK and Ireland which includes significant contracts to the transport and hospitality market. In addition, since 2017 her scope includes the groups Mobility & Transactional Services business in Germany and Austria.

**Christophe Duquenne** is a graduate of the *École Centrale* in Paris. He joined Atos in 1987 and has held numerous managerial positions there. After directing the Group's French activities for six years, he joined the global management team in July 2011. Mr. Duquenne has been COO of the Company since July 2013 and has recently been appointed as the Group's Chief Technology Officer and Director of the Merchant Services global business line.

**Charles-Henri de Taffin** received a Postgraduate Degree (DEA) in business law from the University of Paris X – Nanterre and a Postgraduate Degree (DESS) in litigation, arbitration and alternative dispute resolution from the University of Paris II – Panthéon Assas. He spent 9 years as business lawyer in the international law firm, Cleary Gottlieb Steen & Hamilton, where he focused on mergers and acquisitions, restructuring, international contract law but also on arbitration and dispute resolution. In 2013, Charles-Henri joined the legal department of the Atos group and particularly contributed, as Head of Legal Special & Strategic Projects, to the main acquisitions, financing and capital markets transactions, including Worldline's IPO. In 2016, he became Deputy General Counsel for Atos France. Since July 2017, Charles-Henri is General Counsel of Worldline.

**Claude France** is a graduate from *Institut National Polytechnique de Grenoble*. She started her career in the telecom sector at Alcatel and joined the Atos group in 1988, where she held various operational and commercial positions. After having managed the French Financial Processing and Software Licensing business upon the creation of Worldline in 2004, she then directed for 5 years the strategy, the marketing and the business development of the Worldline Group. Since July 2011, she manages the business of the Worldline Group in France.

**Patrice Gry** graduated from *École Nationale Supérieure de l'Aéronautique et de l'Espace*. After beginning his career at Air France as an operating engineer, he then held in the Company various functions within the Human Resources department. In 1991, he joined Crédit Agricole group where he became responsible for executive management and training. Recruited by JCDecaux, a group specialized in street furniture, he was for 11 years HRD then operational vice-president of a subsidiary. In 2008, he became Head of Human Resources of the Darty group and joined in 2012 the Bull group also as HRD. In 2014, Atos acquired the Bull group, Patrice Gry then became Worldline HR Director in September 2015 after having led, on Bull side, its integration within Atos.

**Eric Heurtaux** is a graduate from *École des Mines de Paris* and holds a Master of business Administration from INSEAD. He began his career at the Boston Consulting group. For more than 12 years within the Atos group, he held several positions among which driving the group TOP program, enhancing Atos operational performance and conducting the integration of acquired companies in Atos, in particular Bull. Eric was previously Chief Financial Officer of Atos Big Data & Security (BDS) division, where he was responsible for strategic and financial planning, financial controlling and reporting, internal control, tax & corporate development. As Worldline Chief Financial Officer, he oversees the Company's finance and accounting organizations and is also in charge of the TEAM efficiency program alongside the IT and purchasing departments.

**Wolf Kunisch** is a graduate of the *Technische Universität Berlin* and of INSEAD's MBA program. He began his career as a project manager at Roland Berger Strategy Consultants in Stuttgart, Germany and in Paris. He joined the Atos group in 2000, where he performed management functions in innovative and international business development. He is currently responsible for the group's Financial Processing & Software Licensing global business line as well as its German and Eastern Europe geographical zones, and has been in charge of Worldline in Germany since 2010 and in Austria since 2013. He became CEO and deputy CEO of equenWorldline in 2016.

**Pascal Mauzé** started his career in 1994 as a network consultant, and in 1999, became a BU Manager for Admiral (later LogicaCMG, now CGI). After training in international management at HEC, he first joined Cisco, before joining the Telecom division of Atos SI, in 2006. At the end of 2012, he was asked to lead the Atos Group's growth and industrialization program under the supervision of Gilles Grapinet and then Patrick Adiba. In July 2015, he was recruited by Accenture to develop Energy & Utilities sales for France and Benelux. He was appointed Worldline's Head of Sales and Marketing in 2017.

**Vincent Roland** is a graduate from *École Polytechnique de l'Université de Louvain* and holds a MBA degree from the Solvay Business School. He started his career with the Alcatel group, where he became Vice-President of the Microelectronics division. He then joined Banksys as General Manager, before Banksys was acquired by Atos Worldline. After having been Vice-Président of Atos Worldline for two years, he then joined First Data as Senior Vice-President for Europe, Middle-East and Africa. In 2010, he joins the Point group as Senior Vice-President. Following the acquisition of Point by VeriFone in 2011, he takes over the payment services business in the Verifone Executive Committee. In 2016 he rejoins Worldline as manager of the Merchant Services business line.



## Group overview

Group presentation [GRI 102-1][GRI 102-3][GRI 102-6]

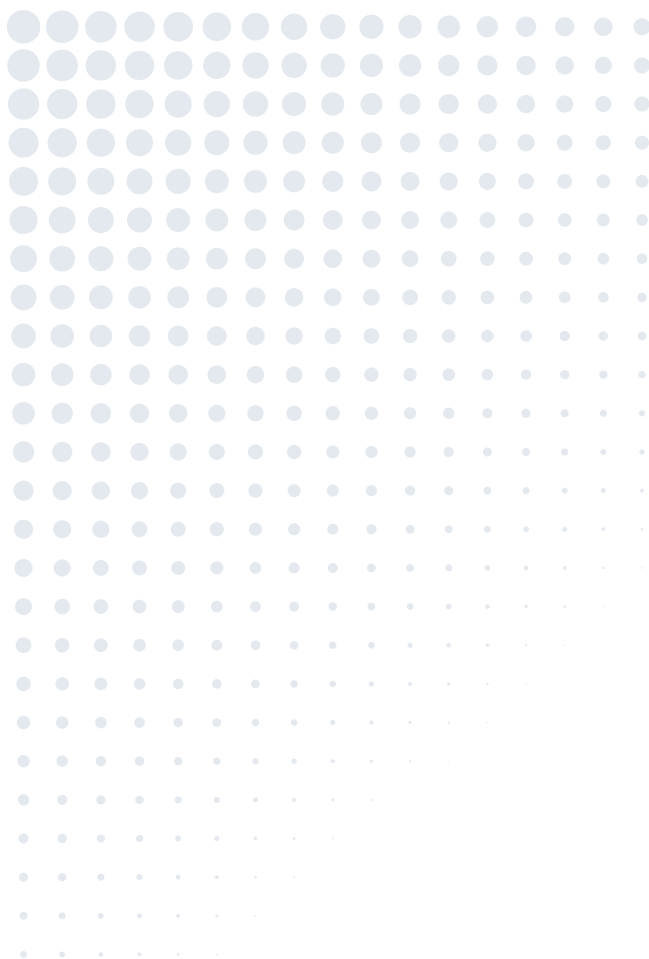
**Michael Steinbach** started his career in 1990 in the payments business, becoming Director of DZ BANK AG (Deutsche Zentral-Genossenschaftsbank AG), where he headed the payments, cards and trade finance division. In 2003 he was appointed as Chairman of the Board of Transaktionsinstitut fuer Zahlungsverkehrsdienstleistungen (TAI), a payment service provider, owned by DZ BANK AG and KBC. With the creation of Equens in 2006, out of the merger between TAI and Interpay, Mr. Steinbach was appointed as CEO of Equens SE. Since the incorporation of equensWorldline SE in October 2016 he is acting as CEO of this company.

**Olivier Stuckens** is a graduate of the *Institut National Polytechnique de Grenoble* and of the University of Huddersfield in England. He joined the Atos group in 1992 and through 2005 performed various managerial roles in the Media and Banking/Finance areas. Beginning in 1999, his duties related to transaction services platforms for large international accounts. He then contributed to the development of Worldline's Health Sector business, with the creation and management of the GIE Santeos. He was Director of the Telecom, Utilities and Media business unit in France beginning in 2006, before being named head of the Mobility & e-Transactional Services global business line in 2013.

The Group's Executive Committee is complemented by an expanded Executive Committee that includes the country heads and representatives of the main support functions (Management Committee).

# B

## Worldline positioning and strategy



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## B.1 Industry and market overview

Payment is at the core of any commercial transaction and as we move increasingly towards a cashless society, volumes and types of electronic payments will continue to increase. Irrespective of the payment instrument and channel, the mechanism to conclude the payment is similar and complex.

### B.1.1 Payment Services Ecosystem

Worldline's industry can be viewed as an extended payment services ecosystem that covers three broad categories of services:

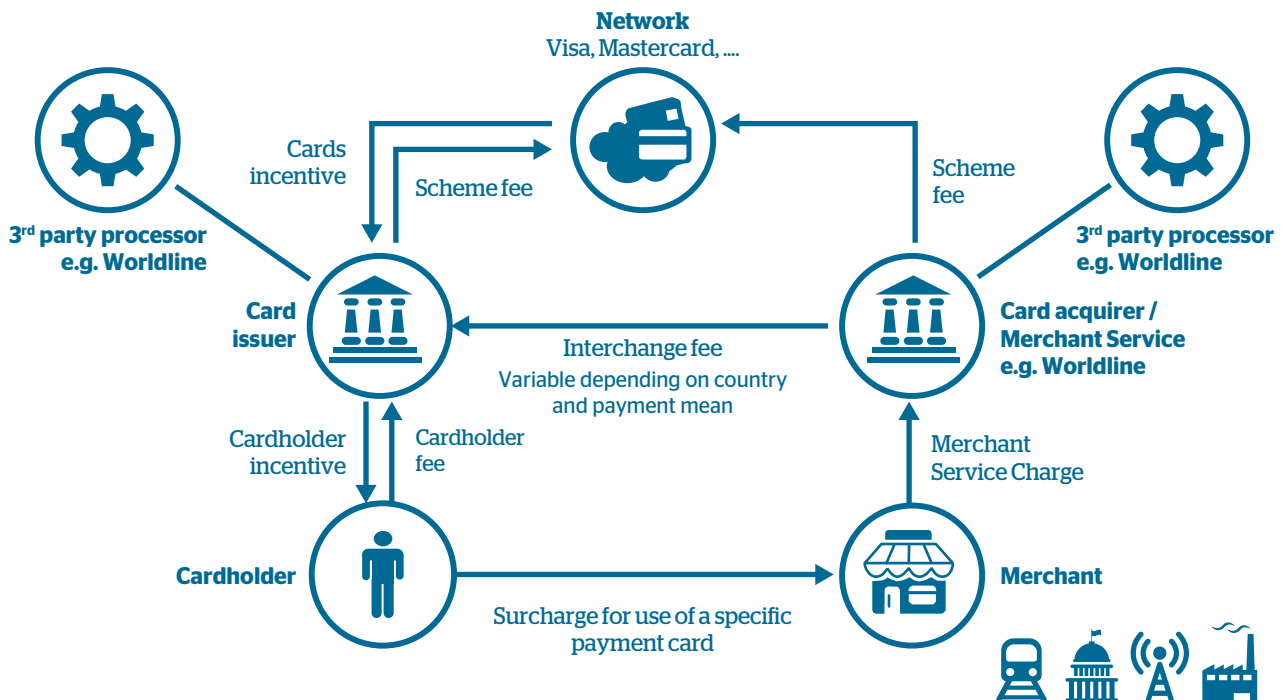
1. The "core" range of electronic payment processing and services offered to traditional merchants and banks for non-cash payments;
2. An "extended" range of stand-alone and value-added services for traditional merchants and banks that goes beyond payment processing and related functions to offer services to help them grow their businesses and respond to changing market conditions; and
3. Services provided to emerging new digital businesses (*e-Ticketing*, *e-Government* (tax collection), *Connected Living* (connected cars, connected appliances, etc.).

#### B.1.1.1 Core Electronic Payment Services Ecosystem

Electronic payment systems (card and non-card based) are made up of complex infrastructures involving multiple parties and comprising rules, processes and technologies. The following chart shows the participants of a typical card transaction.

#### Card-based payments

##### TODAY'S TYPICAL INDUSTRY PAYMENT FOUR-PARTY CARD CHAIN



(Source: Worldline)



### The main parties involved in a typical credit or debit card transaction include

- **The card issuer:** Generally, banks issue debit, credit or prepaid cards to individuals or corporations to be used as a payment method in face-to-face (card present) or remote (card not present) environments. The process of issuing and managing the cards and the process of authorizing, clearing and settling the payments is complex. As a result, many issuers outsource part or all of these activities to so-called third party issuer processors such as Worldline;
- **The merchant:** Merchants sell goods and/or services in exchange for payment. Merchants need a mechanism that enables their acceptance of card payments (online or proximity);
- **The Merchant Services Provider:** Payment acceptance processing providers provide merchants with the means (POS Terminals, mobile POS (mPOS) Terminals, online payment gateways) to collect and transmit card data and receive payment authorizations in stores, online and via mobile devices. Some of these also provide merchant with additional functions, such as enhanced reporting, loyalty programs, advertising services, quality surveys using payment Terminals, dynamic currency conversion (DCC) services, etc;
- **The Acquirer:** Acquirers are banks or payment institutions that provide merchants with access to the card scheme (e.g. Visa, MasterCard, Carte Bleue, Bancontact, etc.) network and a merchant account. Commercial acquirers receive funds from issuing banks and deposit the proceeds, net of a "merchant service charge," into the merchant's account. Like issuers, many acquirers outsource part or all of their activities to "third party acquirer processors". Such processors will typically route transaction data received from merchants' physical or online payment gateways with a view to obtaining payment authorizations via the credit and debit card scheme networks, known as "front-end" processing, and then ensuring that each transaction is appropriately cleared and settled into the merchant's bank account, known as "back-end" processing. Worldline, which is the largest commercial acquirer in Belgium, expanded its Commercial Acquiring activities into the Netherlands, Luxembourg, Germany, Czech Republic and Slovakia and in Poland;
- **Card schemes:** Card schemes settle card transactions between all of its member banks, typically through a separate batch payment system, which set card scheme network rules and interchange fees and act as custodians and clearing houses for their respective card brands. Card schemes include both international brands such as Visa and MasterCard, and domestic schemes such as Carte Bancaire in France or Bancontact in Belgium;

### • Clearing and settlement system:

- Clearing is a process through which a card issuing bank exchanges transaction information with a processing bank. It occurs simultaneously with the settlement. The acquirer or merchant service provider will connect the merchant card acceptance system to card scheme. The clearing messages contain data on the validity of the payment, but no funds are transferred;
- Settlement is the exchange of funds between a card issuer and an acquiring bank to complete a cleared transaction and the reimbursement of a merchant for the amount of each card sale that has been submitted into the network. All credits and debits of a given bank are summed up and the net amount is transferred in a lump sum to the bank's account with the respective scheme network (in the case of an acquirer) or from the bank's account (in the case of an issuer).

### Revenue Model - Interchange Fees and Service Fees

In a typical card based payment transaction, most of the key "core" players deduct their service fees from the gross amount originally charged by the merchant for the good or service.

By way of a simplified illustration, in a € 100 "off-us" credit transaction using (i.e. a transaction in which the commercial acquirer is not the same institution as the issuing bank) Visa or MasterCard with an interchange fee of 0.30% and a card scheme processing fee of € 0.05 per transaction:

- The issuing bank would immediately withdraw € 100 from the cardholder's available balance and a debit of € 100 would appear on the cardholder's monthly statement at the end of the month;
- The issuing bank would then transfer € 99.70 to the card scheme, having deducted the interchange fee of 0.30%. If the issuing bank outsources *Issuing Processing* services, it might separately pay the issuing processor, for example, € 0.03 of the € 0.30 fee;
- The card scheme would then transfer € 99.70 to the commercial acquirer;
- The commercial acquirer would then pay the merchant € 99.40 pursuant to terms of their contractual arrangements;
- In most instances, the commercial acquirer pays the merchant within 24 to 48 hours, having deducted from the principal transaction amount a charge comprising the € 0.30 interchange fee deducted by the issuing bank, the € 0.05 card scheme processing fee and its own acquiring fee which might, in the present scenario, amount to € 0.25. The merchant would therefore receive an amount of € 99.40 from the commercial acquirer (in the event the commercial acquirer has outsourced *Acquiring Processing* services, it would pay approximately € 0.04 per transaction to the provider of such services, which would be deducted from the merchant service charge),

- Various alternative payment arrangements exist between commercial acquirers and merchants, depending on the particular terms of their contractual arrangements. In some cases, the merchant receives the full € 100 from its commercial acquirer and receives a bill at the end of the month for the merchant service charge; this is known as the "interchange ++" payment method (generally limited to large-volume customers). In other cases, the commercial acquirer only pays the merchant several days after the transaction (generally for higher-risk transactions);
- The card scheme would send a bill to the commercial acquirer for its card scheme processing fees (in the current example, € 0.05 per transaction), on a monthly basis.

The example given is based on a typical card transaction, however, there are other payment methods. For example, another common non-cash payment method in many countries in Europe, particularly in Germany, is payment via direct debit and credit transfer from a consumer's bank account. As in the card example, many banks also choose to outsource the processing of these payments to third party processors such as Worldline.

### Non-card-based payments

There are a variety of non-card based payments (alternative payments) that are increasingly popular. Such methods include:

- Account Initiated Payment (SEPA Credit Transfer, SEPA Direct Debit, Instant Payment);
- Online banking e-payments (OBeP).

### B.1.1.2 Other services in and around the payment value chain

In addition to the core payment processing services described above, the payment services ecosystem also includes a series of "extended" stand-alone or value-added services to traditional merchants and banks designed to help them grow their businesses and generate additional payment transactions. Such services include but are not limited to the following:

#### Services for Traditional Merchants

- **Omni-commerce Services.** Omni-commerce service providers assist retailers in designing, implementing and enhancing online and mobile services and integrating them to provide cross channel sales experiences that allow consumers to seamlessly transition between a retailer's physical, online and mobile stores. These services may include solutions such as electronic engagement wallet services to capture and leverage consumer data and digital signage and other solutions that bring aspects of the online commerce experience into the retailer's physical store environment;

- **Loyalty Program Services.** Loyalty programs help retailers build customer relationships and reward customers for their loyalty and provide retailers with valuable insights and sales promotion opportunities by leveraging data about customer behavior gathered through the program. In most cases, these programs are based on loyalty cards tied to a specific brand. To help implement these programs and leverage loyalty program data, merchants often turn to outside service providers for assistance in enrolling customers, tracking purchases, analyzing the resulting data and assisting with sales promotion;
- **Private Label Card Issuer Services.** Private label cards are payment cards used by retailers to extend credit or provide prepaid gift cards to their customers. The largest users of these services are fuel retailers, department stores and consumer electronics retailers. In general, these cards are only accepted as a means of payment by the retailers that have issued them. Many payment service processors that offer issuer processing services also provide card issuing and processing services to retailers;
- **Merchant Wallet.** Merchant wallet gives the opportunity to a merchant to allow its customers to store their payment means (private label card and universal payment cards such as Visa / MasterCard) in a secure container accessible from the merchant mobile application. Merchant wallet also encompasses orchestrator and business rules allowing a full mobile purchasing (payment + hardware management) kinematic for all kind of services in the point of sales (cash register indoor, fuel, car wash & charging outdoor). Merchant wallet is an accelerator for Merchants mobile centric strategies and boosts the usage of their mobile application. It also generates a large range of customers' data.

#### Value-Added Services for Banks

- **Digital Wallet Services.** Banks often turn to outside service providers for assistance in designing, implementing and running their electronic wallet systems, which allow for online and mobile payments. Digital wallets, combined with tokenization services, are increasingly a must-have service offering for banks as they seek to respond to wallet-based solutions offered by bank and non-bank competitors, and to seize the customer engagement and targeted marketing opportunities electronic wallets offer;
- **Fraud Detection and Prevention Services.** The detection and prevention of fraud is an ongoing battle across all channels and all payment instruments. According to a study by Ovum, investment in fraud will increase by 6.5% annually in the period 2012-2020 (*Ovum Payment Technology Spend Forecast*);
- **Authentication Services.** Authentication service providers offer banks solutions to provide more secure methods of authenticating cardholders such as 3-D Secure or biometrics;

- **Data Analytics and Card-Linked Offers.** Data analytics and card-linked offer services provide banks with data mining solutions that can be used to analyze cardholder payment data to propose targeted offers to cardholders like digital marketing or real time loyalty (as well as to merchants, when permitted by local regulators).

### B.1.1.3 New digital businesses

The third component of the extended payment services ecosystem in which the Worldline Group operates is services for emerging digital businesses with an embedded payment feature (*e-Ticketing* for Transport, *Trusted Digitization*, Connected Living). Leveraging the digital revolution to promote new businesses and new business models, these new players are driving new payment transactions and creating new opportunities. The Group brings its payment and regulation expertise to these new markets and focuses on three main categories of new digital businesses:

- **e-Ticketing and Journey management Solutions** for Transport Authorities, Transport Operators and cities. The transport market is at the verge of a new revolution with Open Payment which Infoholic forecast to grow to \$ 14.19 bn by 2023 with a 19.7% CAGR. By transforming bank cards into tickets, Open Payment is helping transport companies to reduce their cost, create new revenue opportunities and reinvent customer experience;
- **Trusted Digitization.** It addresses the growing market of digital contracts, legal archiving, electronic secured

communications, and paperless transactions in general; mostly for large organizations, typically Central or local government or former public monopolies; organizations under strict regulations such as Telecom or Utilities Digital services for governments provide tax collection services as well as secure paperless systems for public services. These systems are optimized through the digitalization of services for citizens, through automated traffic regulation and e-Health services, as well through a variety of trusted services for customers, including e-Contracts and electronic invoicing, legal archiving solutions for companies and e-Safe services for individuals. According to Secure Identity Alliance, eGovernment services will yield up to \$ 50 billion annual savings by 2020;

- **e-Consumer & Mobility Services.** This market includes Connected Living services such as *Global Business Lines* connected home and vehicles, industrial IOT, as well as consumer cloud and cloud contact services. The IOT market will continue to grow steeply, specific analyst predictions relevant for the Group's IOT focus areas:
  - Allied estimates that the Usage-Based Insurance Market will reach \$ 123 bn globally by 2022,
  - 91 million homes will be smart in North America and Europe by 2020 according to Berg Insights and,
  - IndustryArc estimates that the Industrial IoT market will grow at a CAGR of 21%, reaching \$ 123,8 billion in 2021,
  - GSMA quote Machina Research's forecast which estimate that the global market for connected vehicles should reach \$ 253 billion until 2025.

## B.1.2 Key Market Trends and Drivers of Change

The trend towards non-cash payment instruments continues both in the retail and wholesale payment sector. As part of this non-cash trend, alternative payment instruments will also increase in significance and might threaten to disintermediate incumbent financial institutions and service providers.

This is driven by a complex interaction of many forces including:

- **Consumer expectations and behavior:** the way consumers live, enabled by certain key technologies, has driven demanding expectation in the way they interact with both financial institutions and merchants;
- **Technology:** new technologies have a fundamental role in enabling change in the payment environment and the wider consumer engagement environment;
- **Regulation:** Financial institutions and payment services providers face a range of regulatory changes that have the potential to create new outsourcing opportunities for payment service providers and to drive increased demand for value added services to create new revenue opportunities;
- **New entrants:** New "Fintechs", mobile operators and GAFAs (Google, Apple, Facebook, Amazon etc.) or BATX (Baidu, Alibaba, Tencent and Xiaomi) are now part of the payment ecosystem and threaten to displace the incumbents.

### B.1.2.1 The digital revolution is driving new customers behaviors

Today, the average consumer in the developed world owns and uses several connected devices and is “super social” (i.e. Facebook). Consumers go online multiple times a day and do so from multiple locations, including on the go or in a store, and share their experience with their networks. The always-on, always-connected nature of mobile and other devices is creating new opportunities that allow traditional distributors, manufacturers and new digital businesses to connect with their customers and their network wherever they are, increase the frequency of their interactions and increase sales and payment activity.

As Forrester notes, “consumers are embracing mobile, social, tablets, and cross-touchpoint experiences like click-and-collect and no longer think in terms of channels, instead expecting seamless service on every touchpoint”. Challenge for retailers is to answer these omni-channel consumer expectations immediately, and in this context, retailers need to implement new services such as Drive solutions, as well as Digital Stores through virtual shelves, mobile seller, or dynamic brand content to engage shoppers in an innovative way and to improve store efficiency. This increased interaction creates new sales opportunities for retailers, while also providing rich customer data that can help companies better understand and anticipate consumer needs. At the same time, these new consumer preferences create significant IT challenges for retailers. Forrester notes that as customers continue to embrace multichannel services, retailers are finding that using manual workarounds for “siloed” systems can no longer support the growing volume of orders.

This is forcing retailers to revisit their systems and reinvent the operations; this does include a unique cross-channel repository of data (product catalogue, prices, offers, etc.), innovative payment solutions such as wallet or mobile Terminals to make the sales process easier, processing of big data and advanced data analytics, and implementation of contextual advanced services such as indoor location, interactive products, or proximity marketing.

A similar process is underway in other sectors, creating new digital businesses with potential to create new markets and drive even further non cash payment transaction growth.

- Transport systems worldwide are pursuing “smart transport” solutions that make use of technology to improve fare collection, facilitate multi-modal transportation, improve traffic flows and provide better information to passengers on their travel options.
- Governments are increasingly relying on digital technology to make government services and recordkeeping more efficient, to enhance healthcare information systems, and to improve traffic and parking enforcement as well as tax collection.
- In parallel, the increasing universe of connected devices is creating a new “Internet of things” that is expected to enable a range of new services using connected vehicles, connected appliances and other Connected Living applications, to improve product performance (preventive maintenance, warranty cost, product launch reliability, etc.) or customer satisfaction (new and extended services, pay per use business model, advices on product use, etc.).

These trends are creating a range of new markets with significant growth potential:

- Forrester forecasts that Western European online retail sales will grow at an average of 11.3% annually to 2022 and with groceries not included will make up 20% of all retail sales;
- Market Research Future forecast that the global Machine-to-Machine Connections market is expected to grow to \$ 27.05 billion by 2023, at 4.9% CAGR.

Smartphones, tablets and other mobile devices, such as connected cars or smart watches, have experienced dramatic growth in recent years.

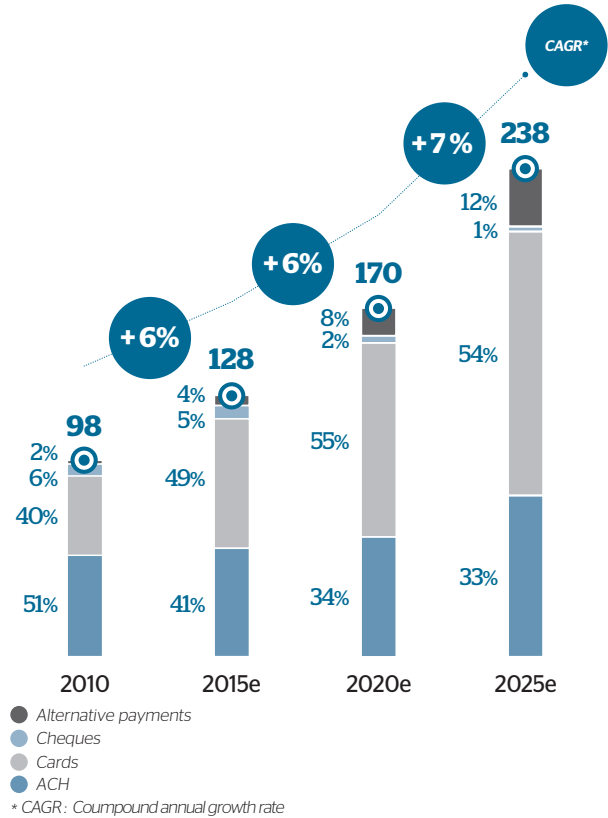
The rise of the internet, 3G and 4G mobile connectivity means consumers are used to a world of always on connectivity. As a result, their expectations when engaging with the commercial world have increased, from the moment of initial engagement through the purchase and payment, consumers expect a smooth end-to-end experience, irrespective of whether this is on the internet, face-to-face or cross-channel. New Fintechs have often been quicker to exploit this than traditional incumbents, refining the customer-facing interaction to provide a seamless experience.

**B.1.2.2 These new behaviors generate significant growth in non-cash payments**

Non-cash payment transactions have grown significantly in recent years, and this growth is expected to accelerate as electronic transactions increasingly displace cash and cheques. According to A.T. Kearney, the number of non-cash transactions in the European Union has grown at an annual rate of 6% over the last ten years. A.T. Kearney also estimates that this growth rate will accelerate to 7% per year from 2020 through to 2025, reaching 238 billion transactions.

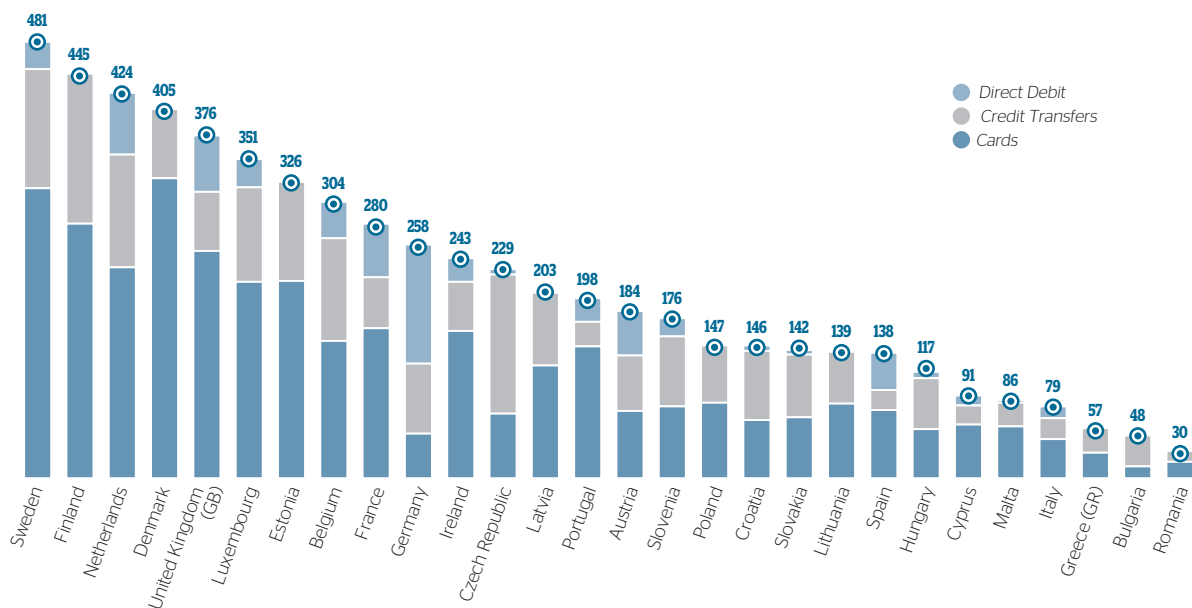
The rise in contactless payments is a significant move towards electronic means replacing cash for low value transactions. For example, in the first half of 2017 the amount spent using contactless in the UK was £ 23.23 bn, compared to £ 25 billion for the whole of 2016 and 1 out of three card payments is now contactless (Source: UK Finance).

**NON-CASH TRANSACTIONS IN EUROPE**  
(IN BILLION TRANSACTIONS)



Source: A.T. Kearney- Cashing In on Cashless Commerce (2016).

**NUMBER OF NON-CASH PAYMENT TRANSACTIONS PER CAPITA AND PER YEAR IN EUROPE (2016)**



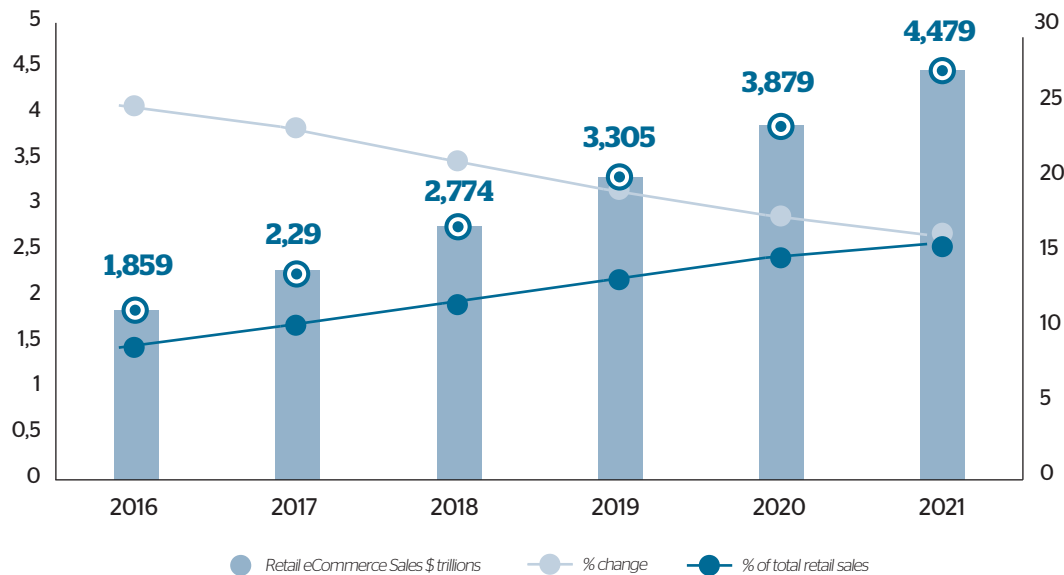
Source: European Central Bank (ECB) statistical data warehouse



### E-Commerce and m-Commerce continue to grow

The rapid growth in online e-Commerce, where nearly all payments are cashless payments, is expected to be a major driver of continued growth in non-cash payment transactions. According to figures quoted by eMarketer, globally e-Commerce will continue to grow but the pace of growth will slow.

#### GLOBAL E-COMMERCE SALES (IN US DOLLARS BILLION)



Source: eMarketer, Statista

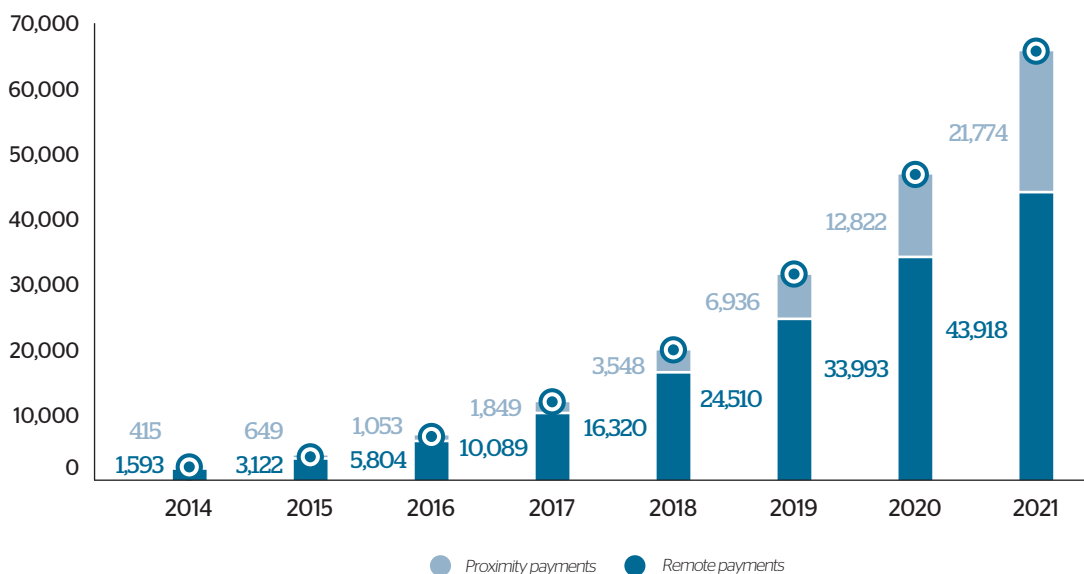
Mobile commerce has the potential to increase the number of payment transactions worldwide even further. The number of active telephone accounts worldwide far exceeds the number of active credit and debit accounts, and an increasing percentage of the phones sold are smartphones. By enabling phones to be used as payment devices, mobile wallets have the potential to significantly increase the number of users worldwide with access to non-cash payment means, which should drive significant additional transaction growth. But, we are now witnessing a shift

from single end-to-end channel engagement to a cross-channel environment where the online and offline, mobile and fixed, are merging to form a seamless omni-channel presence.

### Mobile Payments

The value of mobile payment transactions is similarly expected to see strong growth. Forecasts vary depending on the exact scope and definition. Ovum forecast global mobile payments to exceed 65 billion in 2021.

#### GLOBAL GROWTH FORECAST FOR MOBILE PAYMENTS - TRANSACTIONS (IN MILLIONS)



Source: Ovum Mobile Payments Forecast 2014-2021.

Mobile payments cover both remote use cases (paying on a web shop or merchant mobile app) and proximity use cases (paying in a physical store). Consumers are getting used to and educated about this new possibility. For example, a study from Accenture (2016 North America Consumer Digital Payments Survey) indicates that in 2016, 56% of US citizens were “extremely aware” of the technology. The support of NFC mobile payment by Apple as part of Apple Pay launched in 2014 is a strong signal for reality of this use case, which has a positive effect on other mobile payment systems.

### **Immediate Payments**

Immediate payments (also referred to as instant or real-time payments) have a very strong potential for both retail and corporate payments and the long-term impact on the payment ecosystem will be significant. Throughout the world, the number of real-time payment initiatives of one form or another has grown substantially over the last 12 months and will continue to increase. In Europe, The EPC’s (European Payment Council) SEPA Instant Credit Transfer scheme is now operational and although optional, it is expected that it will change payments as more and more new use cases appear. equensWorldline is among the first CSMs to support this. Immediate Payments have many advantages over cash and cheques and are thus ideally suited to replace these instruments. Also, driven by mobile applications, they could take a market share over the debit card. The key success factors are based on ubiquity, interoperability, enhanced user experience and price.

### **B.1.2.3 Key developments in technology will sustain the growth of electronic payments**

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Tomorrow, smart watches will be a one-stop-shop handy device for identification, to open a hotel door, to receive contextual messages/notifications or to easily pay services or goods.

Coupled with the right privacy protections, mobile devices will offer retailers opportunities to collect, on an opt-in basis, a vast amount of contextual data about consumers that can then be analyzed and shared with other brands to offer consumers (ideally in real-time) compelling targeted and personalized offers or products and services. The data collected by mobile sensors will also lead to the rise of “quantified self”, meaning services relying on self-evaluation of behavior for providing advices or services around health, insurance, nutrition, and many other domains.

Blockchain is a distributed ledger, and it used in all Bitcoin transactions for example. Blockchain has many applications beyond cryptocurrencies and has the potential to improve the efficiency of financial transactions worldwide and to transform the global financial network.

- Each blockchain network is based on a unique cryptographic algorithm and protocol that allows secure and direct digital transfers of value and assets (such as money, contracts, and stocks, etc.) via open or closed networks that are backed by exchanges. While traditional ledgers are owned and maintained by one institution and access is restricted, a blockchain is hosted on a worldwide peer-to-peer network of computers.
- A key feature of blockchain technology is the distributed ledger, which enables the participatory model of the blockchain. Banks could adopt this technology to replace some existing payments infrastructures. Indeed payments have been identified by EBA as one of the use case of cryptotechnologies.

Existing platforms for payment services processing have developed over time, generally as iterations of a series of platforms, each designed to handle only specific parts of the payment services value chain. This “silo” approach results in inefficiencies (lack of standardization, redundant or conflicting features, higher maintenance costs, longer waiting periods for introducing new products to the market, etc.) and lost opportunities to share and make use of data generated in one part of the value chain with applications in other parts of the value chain. According to a Capgemini/RBS study, the current payment engines and infrastructure used by most banks do not meet today’s requirements in terms of functionality, capacity and flexibility, leaving banks at risk of customer erosion in the face of innovative offerings by non-banking firms that rely on new technology.

To respond to these issues, an increasing number of banks and payment service providers are investing in fully-redesigned, integrated end-to-end platforms that cover the full range of payment processing and related functions, with the ability to share payment information throughout the system. These integrated new platforms are expected to enable new services, speed time to market, and create new economies of scale that allow payment service providers with the new platforms to offer more and improved services at lower costs and across geographies.

According to a Capgemini/RBS study, while both large and small banks recognize the benefits of redesigning their systems, the significant costs and complexity involved in a redesign are difficult to justify for firms with smaller transaction volumes. This may create additional outsourcing opportunities for payment processing firms that can offer payment service hub enabled services on an outsourced basis.



#### B.1.2.4 Regulatory changes in the payment sector are expected to create new opportunities

Banks in Europe are facing a range of regulatory changes that have the potential to create new outsourcing opportunities for payment service providers and to drive increased demand for value added services to create new revenue opportunities.

##### **Regulatory changes have significantly decreased interchange fees.**

Since December 9, 2015, Interchange Fee Regulation (or "IFR") is enforced in Europe, by which interchange fees are capped at 0.2% of the transaction value for consumer debit cards and at 0.3% for consumer credit cards and by which transparency and competition in the card market are improved.

At constant volumes, the reduction in interchange fees reduces mechanically the revenue of card issuing banks. This may create new opportunities for outsourcing, as banks reexamine their business models and look for ways to lower their costs. At the same time, it may create opportunities for providers of value added services (such as fraud detection services or card-linked offers) that banks can provide to their customers as new sources of revenue to replace the loss of the interchange fee.

At the same time, by reducing the cost of accepting non-cash payments, the reduction in interchange fee is expected to encourage more merchants to accept card-based payments and to do so for lower transaction amounts. This is expected to help drive additional non-cash transaction volume.

##### **Regulatory changes are expected to promote the emergence of new players and the development of innovative mobile and internet payments for both existing and new payment service providers in Europe.**

The regulations applicable to payment services are constantly changing. The Payment Services Directive number 2 (PSD2) entered into force on January 13, 2016 followed by a transposition period of 2 years, as described in Section C.5. For implementation, the European Banking Association (EBA) has finalized most of the 6 Regulatory Technical Standards (RTS) and 5 sets of Guidelines (GL). The directive enlarges the scope of the existing PSD regulation by limiting the exemptions provided for in the PSD and extending its applicability to "third-party payment service providers" who provide remote access to payment account services or payment initiation services through online platforms, in relation to payment accounts held by other payment service providers. PSD2 will result in the creation of new regulations applicable to payment initiation services and services for accessing account payment balances.

This proposal could have an impact on certain payment activities carried out by the Group, in particular services related to the iDEAL and MyBank e-payment platforms and WL Sips card payment platform, and would require a review of the authentication and authorization procedures that would be implemented in the context of PSD2 in order to adjust the Group's payment platforms, as necessary, so as to comply with the applicable directive. For a description of these services, see Section C, "The Group's business" of this Registration Document.

#### B.1.2.5 New entrants and their impact on the industry business Model also create new opportunities for Payment Services Providers

The GAFA (Google, Apple, Facebook and Amazon) and BATX (Baidu, Alibaba, Tencent and Xiaomi) have not only changed the way consumers view customer service and shopping, they have now well and truly entered the world of payment and with the financial means they have, payment services such as Apple Pay, Android Pay, Facebook's P2P payment service via messenger etc. should not be ignored. The same goes for Alipay and WeChat Pay services of the Chinese giant Alibaba and Tencent.

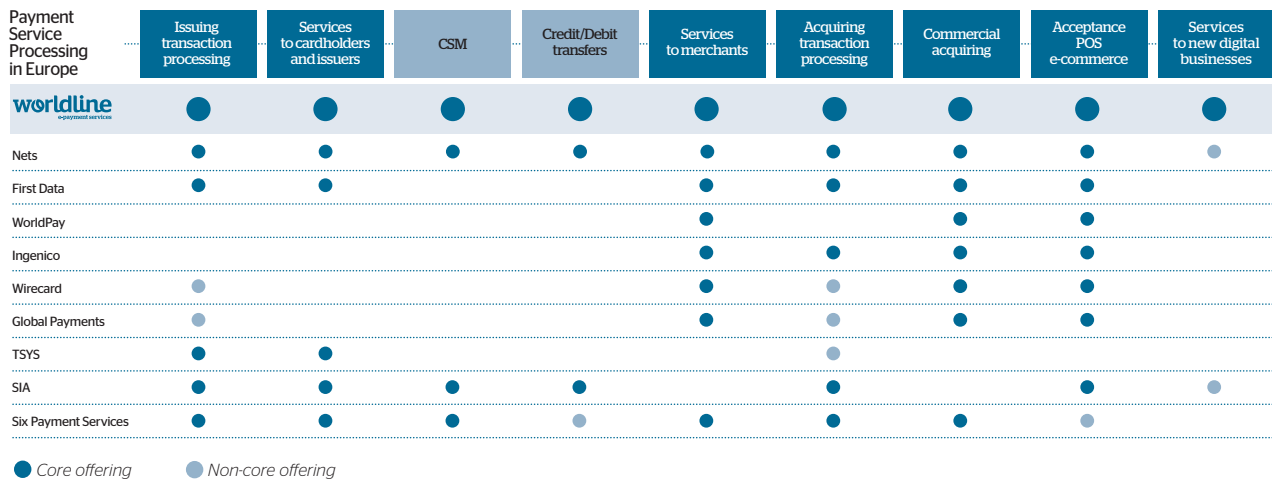
New Fintechs, unencumbered by legacy technologies are also changing the way consumers interact with financial service providers as we see a new wave of digital only banks for example.



## B.1.3 Competitive Landscape Payment Service Providers [GRI 102-6][GRI 102-10]

Just as the payment ecosystem is complex, so is the competitive landscape. Historically, payment services market participants have focused on only one or a few components of the extended payment services ecosystem without covering the full chain. The following diagram summarizes the Group's

positioning relative to its main competitors in the European payment services processing market. By supporting a range of both card and non-card payment instruments, Worldline is ideally positioned to exploit the growth of alternative payments.



Source : Worldline

This diagram has been set up using the following definitions:

- *Issuing transaction processing*: Processing of the issuing payment transaction;
- *Services to cardholders*: Services such as call centre and VAS services (card blocking, loyalty, card-linked solutions, coupons etc.) provided for and on behalf of card issuers;
- *CSM*: Clearing and settlement mechanism;
- *Credit/debit transfers*: Processing of SEPA payment services;
- *Services to merchants*: services providing Value in or around the payment such as loyalty, gift cards, private label cards, or vertical solutions with specific functions for e.g. taxis, restaurants, hospitality, etc.;

- *Acquiring transaction processing*: Third party processing on behalf of direct or indirect merchant acquirers;
- *Commercial Acquiring*: Contracting with the merchant for the provision of the merchant account and access to the necessary schemes to enable the acceptance of the payment method;
- *Acceptance POS/e-commerce*: The provision of acceptance services including the Terminals, maintenance etc. and provision of payment gateways in both the card present and card not present environment;
- *Services to new digital businesses*: services to companies leveraging digital to provide services using payment (transportation companies (*e-Ticketing*), government (tax collection), etc.).

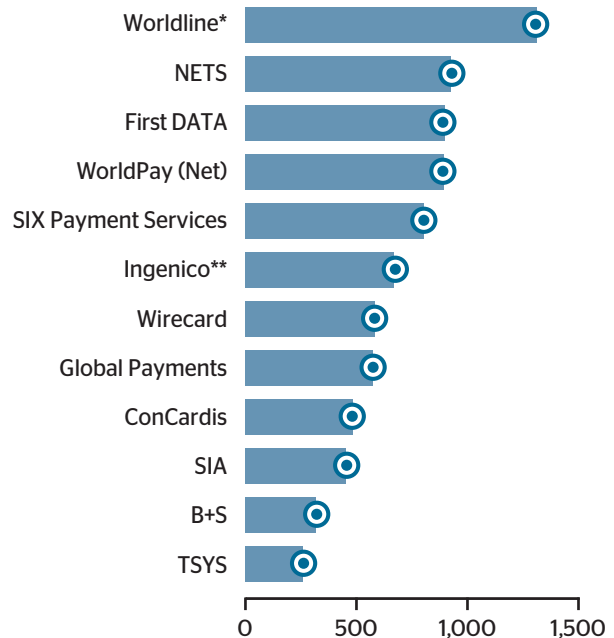


# B

## Worldline positioning and strategy Competitive Strengths

The wide variety of participants in the payment transaction processing industry and the variations among such participants in their coverage of sub-markets within this industry make it difficult to compile specific and reliable market share data. The following chart summarizes the company's estimates with respect to the competitive positions of certain participants in the payment transaction processing industry in Europe only.

### PAYMENT SERVICE PROVIDER (PSP) RANKING IN EUROPEAN UNION 2016 EUROPEAN TURNOVER (IN € MILLION)



\* European turnover excluding payment terminal revenue

\*\* Global revenue from "transactions"

Source: company estimates.

## B.2 Competitive Strengths

### B.2.1 A major player in Europe with an expanding global footprint, especially in emerging markets

The Group is one of Europe's largest payment service and electronic transaction providers in terms of revenue across its three *Global Business Lines* and, in addition to its strong home market position in France, it holds market leadership positions in Belgium, in the Netherlands, in Germany, in Italy, in Latvia and in Lithuania. The Group's status as one of Europe's leading players is coupled with its strong and growing presence in emerging markets such as India, China and certain countries in Latin America, where it benefits from local growth and knowledge. More generally, the Group's scale is reinforced by the strong backing of the Atos group, itself one of the largest IT services providers in Europe with a significant global footprint. This scale helps the Group to drive innovation, be price competitive (thanks to economies of scale), and attract large multi-national clients looking to outsource mission critical payment activities or other digital data processing services. The Group maintains a particularly broad base of customers across *Global Business*

*Lines* characterized by long-standing and diversified relationships. This positioning provides the Group with a strong platform from which to pursue both organic and inorganic growth opportunities which are expected to arise in the sector. The Group's track record of successful inorganic growth (Banksys in Belgium, Equens in The Netherlands, Germany and Italy, Digital River World Payments in USA, Brazil and Sweden, First Data Baltics in Lithuania, Latvia, Estonia, Venture Infotek and MRL Posnet in India and the strategic alliance with Komerční banka in the Czech Republic) further underlines its ability to seize such inorganic growth opportunities and consolidate its competitive position and scale.

Please refer to Section A.6.1. for a description of the acquisition of First Data Baltics, Digital River World Payments and MRL Posnet.

## B.2.2 Unique comprehensive positioning across the extended payments value chain

The Group provides a wide range of solutions across the extended payments value chain. Worldline's business extends from the "core" electronic payment services traditionally offered to merchants and banks (e.g. Commercial Acquiring, Acquiring and Issuing Processing, payment acceptance solutions, SEPA transaction processing), to "extended" value-added services for merchants and banks (e.g. *digital banking*, mobile authentication, mobile payment & wallets, card-linked offers, private label cards, loyalty programs, and omni-commerce services), and innovative services provided to emerging new digital businesses (e-Ticketing, e-Government, e-Consumer and Connected Living services). The Group's breadth of services allows it to provide flexible and tailored solutions to address client needs, while also reducing their risk and upfront costs (e.g. offering fee structures based on transactional revenue in all or part rather than on project builds). By offering solutions across the payment value chain, the Group can extract more value at each point of the

transaction lifecycle, while relying less on any particular business line, solution or technology. The Group's policy of promoting the sharing of best practices, developments and synergies across *Global Business Lines* permits improved operational and production efficiencies throughout the Group. This creates a virtuous circle that leads to the creation of further value.

Furthermore, the Group's positioning across the extended payments ecosystem affords it a complete perspective on the electronic payments industry, permitting it to react quickly to regulatory or other changes and to capitalize on new opportunities generated by them. In particular, the Group's strong and broad relationships with key banks in Benelux, France, Germany and China should position it well to seize outsourcing and other opportunities that may arise from regulatory changes.

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## B.2.3 Leading presence in next-generation payment services

The payment services market is rapidly evolving and the Group is well placed to capitalize on growth in next generation payment services. Already positioned as an online payments market leader in France and in the Netherlands, the Group is positioned to expand its next-generation online payment services across its global footprint, leveraging the strength and success of its current portfolio of online payment solutions, which include Digital River World Payments multi-currencies acceptance and collecting solutions (WL Online Payment Acceptance), WL SIPS (electronic payment gateway), iDEAL, and innovative Online Banking and e-Commerce services.

In mobile payment solutions, the Group benefits from a technology neutral positioning, serving an array of banks, card payment schemes, merchants and telecommunications providers, and has the flexibility to offer both own-brand and white label solutions. Thanks to a clear vision and strong R&D, the Group possesses key assets for digital wallet and mobile payment, such as PCI-DSS card container, strong software authentication (patented), Host Card Emulation payment platform (patented) and EMVco compliant tokenization platform.

The Group also offers mPOS devices and mobile payment solutions for tablets, which are targeted at micro merchants, start-ups, and small businesses or specific sectors such as restaurants and movie theaters.

Whether through loyalty programs and customer relationship management (CRM) services or solutions that capture "big data" opportunities and other value added services, the Group is continually expanding its portfolio of innovative payment-related

solutions for its merchant clients, allowing them to engage with and support their customers throughout the duration of the merchant-customer relationship - before, during and after the sale.

Because of this track record of innovation, the Group has started to accompany a large number of B2C brands, such as, most recently, McDonald's and Accor (in France), Carrefour (in France and Belgium, Adidas (through the innovative adiVerse virtual footwear wall), and Sephora (Sephora Flash), in the digital transformation of their sales and marketing processes and customer relationship outreach and management. Going forward, the Group is well positioned to forge long-standing relationships with these global merchants, developing tailored value

Added services and solutions to accommodate their changing needs as technology and trends in consumer behavior evolve. In addition, many of the services provided in the Group's Mobility & e-Transactional Services *Global Business Line*, through which the Group leverages its expertise in the areas of payments, are highly innovative. By digitizing business processes, processing large transaction volumes and data analysis, Worldline supports companies and government entities reinventing their businesses in response to the "digital revolution".

The Group has proven strength with its own intellectual property and research and development capabilities, which are supported by more than 4,500 engineers and are key enablers of the Group's capacity for innovation and improvement.

Finally, the Group is able to provide its clients with turn-key solutions that include, for example, within the context of a single contract, the development of an end-to-end platform that generates business opportunities, the transformation of such opportunities into orders or purchase decisions, the processing of all types of resulting payments, and the provision of related value added services. The Group considers this a major

competitive advantage vis-à-vis most of its competitors, who often need to form consortia with other industry players in order to provide a similarly wide range of services, which can lead to issues in terms of allocation of responsibilities and coordination risks and complicate client contractual relationships.

## B.3 Strategy and 2019 ambition

### B.3.1 Strategic axes

#### B.3.1.1 Further expand into high growth payment segments to secure long term growth

The Group intends to secure long-term growth by expanding further into the higher growth segments of the rapidly evolving payments sector and thereby capitalizing on the wealth of opportunities emerging as society undergoes a systemic digital transformation. This ambition will rely on its high-end payment technological capacities that can be seamlessly integrated in a larger value chain, on its recognized successes in innovation, and on its strong research and development platform.

In order to fully capture the growth potential in the digital payments market, the Group intends to continue to design, build and always deliver faster, easier, more secure payments solutions, such as Merchant Wallets or Mobile Acceptance for merchants, marketplaces, etc. The Group will continue developing and expanding the delivery of its m-Commerce and Digital Retail products, provided either in a modular way, or bundled with acceptance and acquiring services for smaller merchants, to generate payment transactions and boost customer engagement with the brands.

The Group will also help banks and financial institutions to switch to digital payments, by enabling them to provide their own Digital Wallet, embedded into *Digital Banking* and enriched with new value-added services around payments that were not possible with cards; and also to generate transactions through integration in popular third party Wallets.

In the context of PSD2 and Interchange Fee regulations in Europe, the Group will continue to develop account-based payment. The Group launched a new range of services aiming at facilitating the banks' compliance with the new PSD2 directive. These services will allow banks and merchants to develop new payment and account integration services as authorized by the regulation and will enable the capture of new transactions volumes. The Group will of course support as well new financial institutions and payment players who will focus directly their services on digital payments.

Finally, the Group will continue to develop new services and business models around connected devices and Internet of Things, with a layered Connect/Manage/Transform approach that has already proven successful with customers, in order to monetize the value of data collected. In order to leverage its positions in public transportation and to create new Digital Journey Services, the Group will propose solutions such as Open Payments, which will completely transform the way passengers travel.

To this end, the Group will leverage its expertise in mobile, context and data, the expertise of its parent company Atos as well as that of its strategic partners such as Siemens or Xerox.

### **B.3.1.2 Capture strong cross-selling opportunities within existing customers**

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The Group has begun and intends to continue to leverage the extensive cross-selling opportunities afforded by its comprehensive positioning across the extended payment value chain to broaden and strengthen existing relationships with clients, to whom it may currently provide only a limited range of its extensive services portfolio, by seeking to offer them its full array of end-to-end technology solutions across *Global Business Lines*. This strategy has already given first results, with the launch of ACS services in Asia. The Group will continue to increase the bundling or cross selling of its offers: targeting & marketing solutions, Omni-Channel Commerce, Cloud ECR, payment acceptance & acquiring, accounting solutions. Additionally, in line with its strategy to enhance its international footprint, the Group seeks to offer its existing customers, particularly its larger merchant clients with global operations, services in other geographic regions in which they operate, whether or not the Group currently has operations in those regions. Through its globally centralized vertical organizational structure, the Group aims, over time, to provide the full range of services that it offers through all of its *Global Business Lines* in each of the geographic regions in which it currently operates. The Group also plans to leverage its relationship with and continued support from the Atos group to capture cross-selling opportunities deriving from the Atos group's broad existing customer base.

### **B.3.1.3 Extend international footprint**

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A key component of the Group's strategy is the consolidation and extension of its international presence, both within the European markets in which it has traditionally operated and beyond, with a focus on emerging markets. The Group will seek to extend the full breadth of its product offering to all of its jurisdictions over time. In Europe, the Group intends both to consolidate its positions within the various payment services submarkets in which it currently occupies a leadership position, and to expand the scope of services and products that it offers within these countries by leveraging its ability to offer solutions across the extended payment value chain.

Ultimately, the Group aims to offer the full range of its services portfolio in each of the countries in which it currently operates. The Group also intends to expand in key regions in Europe in which it currently has a smaller footprint but sees significant growth potential, including the Nordics, United Kingdom, Iberia and Central & Eastern Europe. All the while, the Group seeks to maintain its distinct competitive advantage relative to its global competitors, particularly in Europe. This competitive advantage stems from the Group's ability to access and leverage secure and compliant technology infrastructure locally, its local on-the-ground knowledge of the countries in which it operates, and the breadth of products and services that it offers across the payment value chain, which provides for extensive cross-selling and expertise sharing opportunities across Business Lines and geographic regions.

The expansion of the Group's footprint beyond the 29 countries in which it currently operates is equally fundamental to its growth strategy. To that end, by, in part, leveraging the Atos group's extensive international footprint, the Group currently extends its reach to the more than 72 countries in which the Atos group operates, notably Northern America (in addition to Digital River World payments activities) thanks to former Xerox ITO business now integrated in the Atos group, and will seek to take full advantage of this additional reach going forward.

### **B.3.1.4 Leverage franchise and brand to attract new customers and optimize scale efficiencies**

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As part of its strategy to attract new customers and optimize scale efficiencies, the Group intends to continue to develop its distributor and partner sales networks to drive the expansion of its customer portfolio. Additionally, as regulatory changes alter the mechanics of the payment services industry in Europe, financial institutions, forced to reassess their cost structures, are expected to increasingly opt to outsource key functions to third party payment service providers. Given its scale, leadership position within the European payments market and full range of services offered across the extended payment value chain, the Group is ideally positioned to expand its banking customer base by capitalizing on the accelerated outsourcing trend among banks.

Furthermore, the Group expects to be well-placed to capture additional business from banks looking to enhance revenue streams through the provision of additional value added services to their customers. The Group additionally intends to leverage its scale and leading existing market position to further increase its competitive position within the payments market. This move is and will continue to be supported by a strong brand awareness reinforcement plan, through increased visibility in the media driven by a strong PR strategy, brand positioning campaigns over digital media and social networks, innovation and co-creation workshops for customers and prospects.

### B.3.1.5 Pursue strategic acquisitions

The Group believes that the European payment services market is at an inflection point and ripe for consolidation. As a payments market leader with a strong track record of value creation through disciplined acquisitions, as illustrated by its acquisitions of Banksys and Equens and by the value creation expected from the acquisitions of First Data Baltics, Digital River World Payments and MRL Posnet, the Group is ready to capitalize on such pan-European consolidation opportunities, while nevertheless maintaining its attention on organic growth by remaining among the industry leaders in innovation.

In particular, the Group intends to consolidate payment processing activities across Europe to bring scale benefits to all parties, and extend its reach by entering new geographies, either through acquisitions or alliances. As part of its acquisition strategy, the Group evaluates technologies and businesses that have the potential to enhance, complement or expand its product offerings, strengthen its value proposition to customers and increase its overall scale. To drive value, the Group intends to target businesses that can be efficiently integrated into its existing global sales network, technology infrastructure, and operational delivery model, while remaining financially disciplined.

## B.4 Mid-term Objectives

Worldline announced during its first Investor Day since the 2014 IPO, held in its Headquarters in Bezons (France), its upgraded ambitions for the 2017-2019 period reflecting the positive developments of its plans during the last 3 years and the increase of its business after the recent acquisitions of Digital River World Payments (announced in July 2017), First Data Baltics "FDB" (announced in July 2017) and lately, MRL Posnet in India (announced on October 3, 2017).

### 2017 - 2019 Upgraded Group objectives

Taking into account the acquisitions announced during the third quarter of 2017: First Data Baltics (that has been finalized on September 27, 2017), Digital River World Payments, and MRL Posnet, and their anticipated positive impact on the group 2019 financial profile, the Group now ambitions to deliver:

- **Revenue organic growth:** after 3.5% to 4% for 2017, 5% to 7% for 2018 and 6% to 8% for 2019;
- **OMDA margin:** Above 22.5% in 2019 (above 23% after adoption of IFRS15), which corresponds to an improvement of above +400 basis points compared with 2016<sup>1</sup>;
- **Free cash flow:** € 230 million to € 245 million in 2019.

**To reach its 2019 Ambition the Group will focus on the following levers:**

- Take advantage of Worldline's unique Pan-European reach and undisputed leadership in Financial Processing;
- Expand strongly Worldline's Pan-European platform for Omni-Commerce Merchant Services;
- Bringing payment and regulation expertise to new markets in Mobility & e-Transactional Services.

### B.4.1 Global Business Line contribution to Worldline's 2017-2019 financial profil

Thanks to their specific business momentum, Worldline expects the following financial profile for each of its three Global Business Lines:

#### Financial Services

- Revenue growth: a bit below the Group's average growth rate;
- Profitability: from a low-twenties OMDA percentage in 2016 to a high-twenties rate in 2019.

#### Merchant Services

- Revenue growth: The Group expects Merchant Services to remain its first growth engine, with an organic growth rate expected above the Group's average;
- Profitability: low-twenties OMDA percentage over the period.

#### Mobility & e-Transactional Services

- Revenue growth: growth rate within the average of the Group over the 2017-2019 period;
- Profitability: OMDA expected at mid-teens levels, improving over the 2017-2019 period.

<sup>1</sup> 118.5% OMDA margin, 2016 pro forma accounts.

## B.4.2 Take advantage of Worldline's unique Pan-European reach and undisputed leadership in Financial Services

Worldline Financial Services, through equensWorldline, is the largest financial processor in Europe, with a unique Pan-European reach and leading market positions in key countries, such as France, Belgium, the Netherlands, Germany, Italy, reinforced recently with the acquisition of First Data's businesses in the Baltics "FDB" (Lithuania, Latvia, Estonia).

Beyond the benefit from structural volume growth, the Group intends to leverage on its wide offering portfolio of innovative payment solutions, to fully capture the opportunities from new regulations and technologies, notably PSD2 and Instant Payments. The Group will also develop cross selling

opportunities between Equens and Worldline historical client bases, and intends to accelerate its expansion in the Nordics, through the leverage of FDB recent and successful penetration in the region beyond the Baltics.

Profitability of the *Global Business Lines* is expected to strongly improve over the 2017 to 2019 period, thanks mainly to the delivery at equensWorldline of c. € 45 million OMDA run rate synergies in 2018 (*versus* c. € 40 million provisional), of which c. € 25 million are achieved as soon as 2017 and to the profitability of FDB, which is materially above Worldline's OMDA.

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## B.4.3 Expand strongly Worldline's Pan-European platform for Omni-Commerce Merchant Services

The growth of Merchant Services will rely during the period primarily on:

- Fast volume growth in Commercial Acquiring and e-payment acceptance;
- Revenue synergies from Digital River World Payments' e-payment collecting capabilities, access to Tier1 e-Merchant client base and geographical reach;
- The strong development of digital payments in India and the synergies expected between Worldline's India existing business and MRL Posnet's product functionalities and client base;

- The expansion in higher growth geographical areas in Europe, such as Germany and Central & Eastern Europe following the recent acquisitions of PaySquare and KB SmartPay;
- The acceleration of sales of omni-commerce proven solutions, such as retailer's wallet, digital retail and merchant data analytics.

The profitability of PaySquare, KB SmartPay and Digital River World Payments is expected to gradually reach the rest of Merchant Service's OMDA levels, thanks to synergies starting in 2017, while the profitability of MRL Posnet is already above Worldline's OMDA's rate.

## B.4.4 Bringing payment and regulation expertise to new markets in Mobility & e-Transactional Services

Leveraging on its strong technological assets, its know-how, and its track record in the design and operation of next-generation platforms, the Group considers that Mobility & e-Transactional Services is in a position to benefit from the fast growing market trends for secured digital solutions, in particular for *Trusted*

*Digitization* services, Internet of Payment Things and Digital Ticketing.

Mobility & e-Transactional Services' OMDA is expected to gradually improve over the period thanks to volume growth on maturing platforms.

## B.4.5 European payment industry consolidation

Benefitting from its European intimacy, a very dense pipeline of short and medium term opportunities of various sizes, and from its particularly solid financial profile, the Group maintains a considerable priority focus to take advantage of the structural changes in the European payment industry, as it has already

done over the past two years in Financial Services with the acquisitions of Equens and First Data Baltics, and in Merchant Services with PaySquare, KB SmartPay, Digital River World Payments and MRL Posnet.

## B.4.6 Other Strategic plans

**Market Trends:** the strategy of the Group relies fundamentally on the European payment market structural evolutions, and notably:

- Transaction Volume Growth;
- Regulatory changes;
- Technology changes;
- Emergence of new electronic payment methods;
- Emergence of new digital businesses.

As described in Section B.3.1 "Strategic axes".

**TEAM<sup>1</sup> Project:** Through its three-year TEAM<sup>2</sup> program evolution of the TEAM project initiated in early 2014, the Group aims, among other things, to achieve significant operating efficiencies from platform and infrastructure rationalization, enhance resource allocation across its network, improve sales effectiveness and contract profitability, industrialize development methods, and generally leverage the Group's resources, size, and global reach to capitalize on the strong growth in the markets and industries in which it operates. This program, which has been now extended to recently acquired

companies, is expected to contribute substantially to improving the Group's OMDA margin over the period, and to offset, in particular, the negative effect of competitive pressure on prices as well as the expected increase in salaries over the period.

**Technical platforms evolution:** the technical convergence plan in connection with the equens integration is managed in coordination with the integration of the industrial structures of Worldline and Equens. This integration is based on the technological investment made through the WIPE program and on the best assets from the Equens investment plans and notably its Payment 2.0 initiative. This integration plan will deliver its results as soon as 2018 and included platforms mergers that will bring additional benefits until 2021.

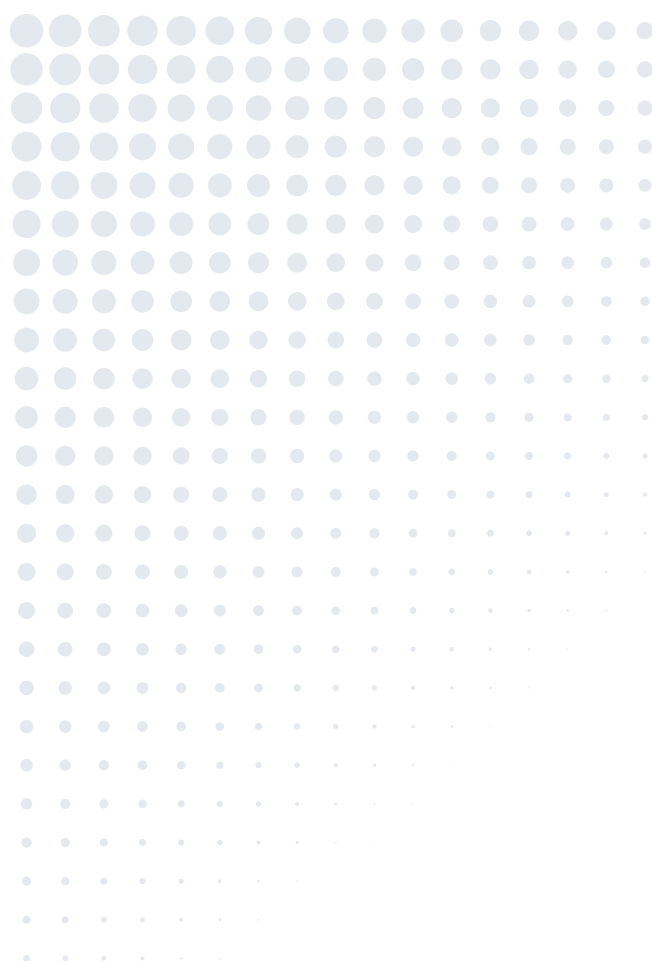
**Dividend Policy:** The Group aims to distribute dividends representing approximately 25% of its consolidated net income, to the extent that it is compatible with the implementation of the Group's external growth policy.

**Financial leverage:** Excluding transformative acquisitions, the Group's objective is to maintain a leverage ratio (net debt to EBITDA) of between 1.5 and 2.5 in the medium term.



# C

## The Group's business



<b>C.1</b>	<b>Description of the Group's three Business Lines services</b>	<b>40</b>
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# C.1 Description of the Group's three Business Lines services [GRI102-2]

## C.1.1 Merchant Services

The Merchant Services global business line offers merchants and retailers the unique opportunity to accompany their customers at each step of the business relationship. The Group supports merchants before the sale, through targeted origination, during the sale, by offering a range of services across the electronic payment value chain (from acquiring services to multi-channel payment acceptance and payment processing), and after the sale, through targeted loyalty programs and analysis of data generated during their interactions with their customers. The Group's payment solutions and value added services thereby allow consumers to seamlessly transition between the merchant's various physical and virtual sales platforms.

The Merchant Services global business line aims to become the reference partner for Merchants by offering largest portfolio of product and services to enable our Merchant business to develop, by leveraging:

- The scale and capabilities of Equens Worldline, one of the largest processor in the world;
- By deploying a global organisation driving productization, QoS, expansion and efficiency;
- By growing direct and indirect sales channels to serve all tiers Merchant and Banks (Mostly in Central Europe and India); and
- By accelerating international expansion to service better global customers.

As a result of both organic growth and the two acquisitions mentioned earlier, the Group now serves over 200,000 merchants in Europe, from micro merchants through to large international enterprises, pursuant to which it provides over 300,000 points of sale, manages 1.2 million Terminals worldwide and nearly 68,000 e-Commerce websites. In Europe, the Group processed (acquired) over 2 billion card transactions in 2017. In the field of e-Commerce, the Group processed and/or collected over 575 million transactions in 2017 across a wide range of more than 50 on-line payment methods.

The Group Merchant Services Organic Growth is maintained by:

- Increasing direct and indirect sales forces;
- Building long term key-customers relationship;
- Boosting Terminals activity;
- Creating new revenue from VAS;
- Simplifying and accelerating on-boarding process of a new client;

- Reducing POS devices deployment cost;
- Lowering processing cost;
- Reducing risk;
- Improving effectiveness of service processes; and
- By selling more by automating the customer journey.

The Group Merchant Services is evolving in a changing environment under the influence of several forces which are pushing us to adapt quickly: Banks opening doors to alliances, Retailers wants to know better their customers, Market demand for omni-channel customer experience, Market entries becoming easier and Large retailers looking after X-Border solutions.

The Group Merchant Services business actively pursued its expansion and acceleration, by leveraging the acquisitions of Digital River World Payments in Sweden and MRL Posnet in the India during the course of 2017.

The acquisition of Digital River World Payments allows the Group:

- To follow its customer globally;
- To X-Sell group solution to DRWP customers;
- To expand its product offering with collecting and remittance capabilities; and
- To accelerate the development of next generation acceptance platform.

The Acquisition of MRL Posnet allows the Group to strengthen its position in India becoming the largest acquiring processor. Merchant Services:

- Is partnering with 13 of 16 public sector acquiring bank and 11 of 17 private Banks,
- Provide processing services to 12 banks;
- Offer issuance and loyalty management services to 3 of 4 major fuel retailers;
- Provide issuance and Private Label Cards services to Edenred and Sodexo, and finally;
- Provide DCC services to leading hotel chains (Accor, Marriott, Taj) and provide EMI solution to multiple issuing and acquiring banks as well as major OEMs including Samsung & LG.

MRL Posnet, besides reinforcing our position in India with complementary asset, gives Merchant Services access to low cost Terminals solutions adapted to Indian market, to new market segment (small & medium banks) and brings opportunity to lower cost base by gaining extra scale.

Since January 1, 2017, to respond to the needs of each business and provide merchants with solutions to help transform and grow their business, the Group as grouped its services in two divisions.

- Payment services (Commercial Acquiring, Omni-channel Payment Acceptance, Terminal Solutions) have been grouped under the name "Merchand Payment Services".
- Digitals Services (Digital retail, Private Label Cards and Loyalty Services) have been grouped under the name "Merchand Digital Services".

In addition to those identified above, principal clients of the Group for this global business line include Tesco, Sainsbury's, SNCF, BP, Indian Oil Corporation, Bharat Petroleum, Hero Cycle, Hindustan Unilever, Paypal, Spotify, Airbnb.

The Merchant Services business generated a revenue of € 535.5 million in 2017, with an OMDA margin of 21.0 % (€112.3 millions)

### C.1.1.1 Merchant Payment Services

The Merchand Payment Services are organized around three central department:

- Product and project;
- Commercial Strategy;
- Operations.

While the commercial department is managed either at the local level or at the global level depending on the type of merchants. "Merchand Payment Services" mainly operate in Belgium, Luxembourg, Netherlands, Germany, Poland, Czech Republic, United Kingdom, France, Spain, Slovakia, Sweden and India

The Group expects *Merchant Payment Services* to remain its first growth engine, with an organic growth rate expected at mid- to high- single digit, thanks to fast volume growth in Commercial Acquiring and e-payment acceptance, expansion in fast growing geographical areas such as Germany, Central & Eastern Europe and India following the recent acquisitions of MRL Posnet, and acceleration of sales of omni-channel proven solutions (supported by recent acquisition of DRWP), such as retailer's wallet, digital retail and merchant data analytics, central acceptance, payment facilitator and collecting solutions.

#### C.1.1.1.1 Commercial Acquiring

The Group, which is a licensed payment institution in The Netherlands, Sweden and Belgium, where it is the leading commercial acquirer, conducts Commercial Acquiring activities principally in the following countries: Belgium, the Netherlands, Luxembourg, Germany, Czech Republic, Slovakia and India.

In order to accept payment cards through international card schemes such as Visa and MasterCard and local debit card schemes such as Bancontact, a merchant must contract with a

payment institution (or bank) that is a member of the card scheme network. Acquiring is the business of contracting merchants for payment card acceptance. The key role of the acquirer is to transfer the funds received during a card transaction from the cardholder's issuing bank to the merchant's bank account. A commercial acquirer also effectively underwrites the credit quality and integrity of the Merchant Services, because the acquirer is required to refund to the issuing bank the amounts paid if a merchant does not deliver the goods to the end customer. To be an acquirer, a company must hold a license as a payment institution. See Section C.5, "Regulation" of this Registration Document.

Through its ability to offer end-to-end solutions, the Group provides merchants with a one-stop-shop for Commercial Acquiring services. The Group manages and ensures the quality, reliability and availability of payment services, allowing merchants to focus on their business. In all the mentioned countries earlier the Group provides merchants with a contractual relationship that covers all major international payment schemes (Visa, MasterCard, Diners, UnionPay, JCB), while in Belgium, the Belgian national debit card scheme (Bancontact) is also offered to its merchant base.

The Group has an attractive combination of solutions and capabilities, both in the front and back office, to deliver cutting edge, seamless multi-device payment related services. The Group's acquiring platform is built around several modules that manage all types of payments (EMV, contactless, telephone order, 3-D secure, recurring payments, unattended, etc...) across multiple channels (point of sale, e-Commerce, mobile commerce) and from different acceptance solutions. The Group's solution includes the delivery of consolidated enhanced reporting to merchants and supports a wide range of currencies for card transactions. The Group's solutions also incorporate robust fraud prevention services to help merchants and cardholders reduce fraudulent transactions.

Beyond simply connecting merchants to the payment scheme network, the Group supports merchants at every step of their relationship with their customers, allowing them to significantly increase the number of payment transactions generated by their business. The turn-key solutions that the Group offers to its merchant clients cover all aspects of the electronic payment chain (Commercial Acquiring, payment Terminals, payment processing, point-of-sale marketing campaigns, etc.).

The Group offers a number of payment-related value-added services, such as DCC, fraud detection, customer feedback surveys, loyalty services as well as end-to-end solutions for implementing company-specific gift and loyalty card programs.

Building on its strong historical position in Belgium as the leading commercial acquirer, Worldline has successfully expanded (both organically and via several acquisitions and alliances) its Commercial Acquiring business initially to the Netherlands, Luxembourg and Slovakia and during the course of 2016 to Germany and Poland (via the acquisition of Paysquare) and Czech Republic (via KB SmartPay).

2017 was the year of product expansion from Belgium (strong historical position) to other countries in portfolio, out of which, packs (bundled commercial offer including transaction, Terminals, VAS and support for mass market) is a significant success, in Belgium and other countries





## The Group's business

### Description of the Group's three Business Lines services [GRI102-2]

The Group's Commercial Acquiring clients cover all business sectors, from large-scale retail distributors, such as Delhaize to an international oil and gas company, travel business such as Hilton and Carlson Wagonlit, as well as small businesses such as restaurants and shops.

#### C.1.1.1.2 Payment Terminals solutions

Worldline offers a range of robust, versatile and easy-to-use payment Terminals adapted for different segments of the market. The Group offers merchants Terminals to rent or own, and provides installation and support services. The Group markets its Terminals in the Benelux and Nordics regions, Germany, Switzerland, France Czech Republic, Slovakia, Austria, Russia and Spain. Worldline has shipped more than 218,000 of its payment terminals in 2017 and has 1.2 million Terminals in operation worldwide.

All Worldline terminals use the same system-on-a-chip. Custom applications developed for one type of terminal can easily be ported to other Terminals, maximizing development return on investment. Built around free software, they allow partners and customers to develop their own applications. Complementary services like promotion in store, survey and advertisement on the screen of the Terminals are available. Software updates and security keys can be securely downloaded when necessary, minimizing the need for on-site interventions.

Thorough lab testing and ISO 9001:2000 certification help guarantee the manufacturing quality of Worldline Terminals, which are designed to have a long working life.

The Group continually renews its range of terminal products, with an emphasis on product design, high security, and reliability. The Group's terminal range includes:

- the Group's YOMANI ranges of countertop Terminals, which are designed to ensure fast transactions in large retail environments. It includes the new YOMANI Touch Terminals, which incorporate a large full-color touch screen and contactless reader;
- the Group's YOXIMO ranges of 3G and 2G enabled mobile POS Terminals;
- the range of Terminals for unattended environment XENTEO ECO, XENOA ECO and YONEO Terminals, which are resistant to vandalism and bad weather, has been completed by the new VALINA, running on Android and including a touch screen for an enhanced customer experience and supporting complementary services like couponing and mobile loyalty; and
- the Group's YOMOVA, a compact all-in-one terminal, which the Group offers in a countertop and a portable version. YOMOVA is designed for restaurants and shops.

The Group's Terminals also support remote management through applications such as its XENTURION POS terminal management system, which allows batch updating and management of terminal fleets.

The Group also proposes a mobile point of sale (mPOS) device together with an application for mobile devices that allows smartphones and tablets to be used as mobile payment Terminals. Because this solution is less expensive to implement than renting or purchasing a dedicated POS terminal, this

solution is well-suited as an entry-level solution for micro merchants, start-ups and small businesses that make in-home deliveries. The Group also provides cloud-based solutions that run cash register software on a tablet and are connected to an mPOS or a traditional payment terminal.

Some of the larger direct customers for Worldline's payment Terminals include large retailers such as Casino and Darty in France, Colruyt, Delhaize and Fnac in Belgium, Citti, Adler, OBI, Aldi Süd in Germany, Albert Hein, Hema, and H&M in the Netherlands as well as multiple electricity, oil and gas distributors in Belgium.

#### Hardware Security Modules (HSM)

Worldline designs and develops hardware security modules for cryptographic purposes that are used in a range of applications where advanced encryption is required, including the generation and encryption of PIN codes and the production of credit cards. The ADYTON is the more recent device produced by the Group. ADYTON uses advanced cryptographic accelerators for outstanding speed and security in PIN-generation, transaction processing, digital signature and data protection.

#### C.1.1.1.3 Omni-channel payment acceptance

The Group's Acceptation services activity covers all the needs of Merchants allowing them to accept payments on their point of sales. It includes online payments (e-payments) and mobile payments (m-payment).

#### WL Sips - Omni-Channel Payment and Acceptance Services

The WL Sips offering is one of Europe's leading multi-channel payment gateways. WL Sips allows merchants to accept payment methods used for purchases on their site and manages the transaction during its lifecycle.

As a Omni-channel payment gateway that complies with PCI data security standards for protecting cardholder data, WL Sips enables merchants to accept over 50 payment types including credit and debit card, bank transfers, electronic wallets and private label payment cards. The offer can be adapted to several payment channels (e.g. web, mobile, tablet, integrated voice response...). It includes a wide range of features, including one-click payment, recurring payments, fraud detection, enhanced authentication and DCC (dynamic currency conversion) to merchants. The integration of DRWP solution allows WL SIPS to enhance its capabilities to go above 100 payment methods.

The Group provides WL Sips as a white label solution mainly to financial institutions (like Société Générale and BNP Paribas) but also directly to large merchants under the WL Sips brand. The Group successfully introduced the offering in the Benelux, United Kingdom and Germany in 2016 and 2017, and will continue to focus on the internationalization of the offering via the acquisitions made during the course of 2017.

Examples of some of the larger online payment customers to whom the Group directly provides online and mobile payment services using WL Sips include SNCF, Cdiscount, McDonald's, HMRC, Cineworld, many British rail companies.



### Central acceptance

The Group also provides Acceptance services for multi-channel merchants in order to concentrate all their payments through a single platform for face-to-face and online payments. Besides the standardization of the solutions in the point of sales and the reductions of the suppliers for the merchants, concentration of payments allows new payment usages like web-to-store, store-to-web and web-in-store, an increase of fraud management efficiency, a global management of all the payment activity, dynamic choice of the acquirer or of the payment scheme in order to get better financial conditions from acquirers. Central acceptance is a major step allowing merchants to move towards omni-channel transactions. The acquisition of DRWP will improve significantly the central acceptance solution allowing Worldline to be more "Global" faster and will accelerate the migration to the next generation platform.

The Group's principal clients within this business activity include Casino and Darty.

### Merchant Aggregator

The Group offers Merchant Aggregator services in India leveraging on its bank relationships where Merchant Aggregators are treated like a Super Merchant by the banks and e-commerce Merchants like Sub Merchants. The Group is developing its offering based on two different models:

- Core aggregation, where Worldline undertakes end-to-end aggregation from merchant sourcing, risk underwriting along with settlement and payment;
- Hybrid aggregation, where Worldline sources merchants and underwrites risk, partner banks settle merchant payments - key differentiator between WL and competition.

As a Merchant Aggregator, the Group is a Super Merchant through which individual e-commerce Merchants (Sub Merchants) can process their payment transactions. The Group, as a Super-Merchant allows Sub-Merchants to accept credit card, debit card, various cash cards, bank transfers without having to setup a Merchant account directly with a bank. The Group provides the means for facilitating payment from the consumer *via* credit cards, stored value cards, bank transfers. The Sub-Merchant is paid by the Group on the agreed payment cycles. The Group provides the Hosted Payment Page and underwrites the risk and passes the risk or liability to the Sub-Merchants.

### C.1.1.2 Merchand Digital Services

The Group's Digital Services division joins:

- Digital Retail offerings, covering the full digital commerce lifecycle for Merchants from webshops and omni channel solutions;
- the Private Labels Cards and Loyalty Services.

### C.1.1.2.1 Digital retail

The Digital Retail offers include the following components

#### Web shopping

The Group helps merchants design, implement, operate and improve digital retail shops, with a strategic focus on omni-commerce solutions that cover the full range of sales channels used by large retailers allowing simple, personalized interactions at the time and on the channels required by the customers.

The Group manages around one hundred of digital retail websites on behalf of its merchant clients, which include leading French large-scale retail distributors. In 2017, the Group processed up to 2.7 million orders per month through this channel.

Worldline currently offers its omni-commerce solutions primarily in France, Spain, the United Kingdom and Belgium. The Group's omni-commerce solutions also include revenue generated by its own e-Commerce website, [redspottedhanky.com](http://redspottedhanky.com), through which the Group receives commissions on sales of train tickets and other travel-related purchases.

#### Merchant Wallet

The Merchant Wallet is a secure container of identity making payments easier but also any kind of services requiring an identification (like loyalty, self check-in, couponing...)

The group helps merchants to increase their conversion rate, to reduce fraud and strengthen the merchants' customers engagement with the Merchant Wallet. The Merchant Wallet simplifies transactions with a one-touch payment and an enhanced shopper experience without any compromise on security. The group's merchant wallet is managed in a centralized platform available on several channels (internet, smartphones) with an enriched, personalized and seamless experience.

The group's *Merchant Wallet* includes three main differentiators:

- HCE (host card emulation) to manage uniquely remote payments and proximity payments in the same wallet container allowing online provisioning of cards into the wallet;
- a contextual and adaptive authentication to improve the shopping experience, calculated on risks based fraud detection and requiring a trusted authentication (several factors) for high risk identified transactions; and
- Security improvements with a white-box cryptography and a software tamper resistance.

Merchant Wallet is used for instance by Accor, Mc Donald's France and a major petrol company.

#### Digital Signage

The Group's end-to-end data-driven digital signage solutions help companies (like retailers, hotels, bank agencies) promote shopper or customer engagement and offer targeted "in-store" promotions cross-channel. The Group works closely with partners in developing these services. As an example, Worldline partnered with Metro to help heads of departments to manage and centralize communication to customers with real-time and scheduled publications, prices and promotions modifications allowing giving autonomy to End-customers in-store.



## The Group's business

### Description of the Group's three Business Lines services [GRI102-2]

#### Digital platform

The Digital Platform is a real-time oriented, scalable and secure core platform linked with commerce, payment, data and marketing applications. It allows to merchants a progressive digital approach by connecting new applications to legacy assets in an easier and cost-effective way and orchestrating business applications, unique referential and business data to enhance the user experience.

Digital Platform is a high-availability platform connecting all existing services, with real-time capabilities to heterogeneous legacy information system. It is leading the unified customer experience. Through API management, Worldline Digital Platform is highly customizable with minor impacts on the existing IT assets. It accelerates the pace of the digital businesses enabling our clients to run the new digital experience faster whilst optimizing IT investments.

#### C.1.1.2.2 Private Label Cards

The Group offers retailers and service providers an end-to-end set of solutions that allow them to outsource some or all of the process of offering private label payment cards, including closed loop payment cards that can be used for payment only at certain affiliated sales points. The Group offers merchants the full range of services necessary to set up a private label card, including card application processing, card issuing and replacements, online card validation and balance checking, electronic invoice generation and payment processing, credit management, collections and dedicated call center support. The Group provides private label card services primarily to oil, hospitality, leisure and fleet companies in France, the United Kingdom, and Spain and in the oil and gas sector in India. Key customers for the Group's private label cards include, Eni, Repsol, Fuelgenie, Cineworld and Premier Inn.

#### C.1.1.2.3 Loyalty Services

##### Loyalty Programs, BI (Business Intelligence) & Big Data

The Group offers retailers tailored solutions for loyalty program management, sales promotion tools and innovative self-service kiosks to enhance their relationships with their customers across the different stages of the customer journey, before, during and after the sales process. These services help merchants better target and adapt their offers to evolving customer expectations, increase the frequency of customer interaction to create new sales opportunities, and improve returns on marketing and promotions through a better understanding of their customers' needs.

##### Loyalty programs

With over 20 years of experience in implementing and managing loyalty programs, the Group manages loyalty cards primarily in France, the Benelux region, Germany and Spain. The Group offers merchants a range of services including:

- Customer database setup, storage and management to control customer data from enrollment to loyalty activity follow-up;
- a loyalty and sales promotion rules engine that provides a flexible tool to generate loyalty rewards and promotional coupons;

- Analysis and interpretation of customer data to better understand customer behavior and expectations and adapt marketing programs; and
- Marketing support to help design the loyalty program and customer offers.

The Group offers its loyalty program services primarily to large merchants such as retailers, transport and leisure companies and petrol companies in France and Spain.

##### Big Data (Business Intelligence)

Based on its technical skills (Data cleansing/Ad-hoc analysis and reporting/Integration & hosting of BI solutions), its statistical skills (Customer segmentations and clustering/Lifestyle analysis/Predictive analysis/Fraud detection) and its marketing skills (Define high qualified profiles/Target and recruit new consumers with attractive offers/Marketing consultancy), Worldline proposes different offers:

- *BI On Demand*: Set-up and hosting of BI applications leverage by datamining consultancy skills;
- *Customer Interactive Marketing and Sales Promotion Services*: Omni-channel solution to promote personalized and geolocated offers in real-time based on big data analysis. Through the analysis of purchasing and other data collected during interaction with their customers, merchants can develop targeted and more effective offers, coupons and other promotional messages, and thereby enhance customer loyalty;
- *Connected Data*: Creation of new services by transforming machine to machine data into valuable and actionable information.

Some major retailers like U, Feu Vert, Flunch, Roche and a railway company in Scotland and England use the Group's offers.

##### Digital Self-Service

Worldline's Digital self-service allow merchant customers in the restaurant, hotel and travel sectors to increase customer satisfaction by speeding up the food-ordering or check-in process to reduce the amount of time customers spend standing in line. In addition to reducing the number of customer "turn-aways" due to frustration at long lines, key benefits to merchants include better use of personnel and less need to deploy staff to cover peak check-in times, as well as seamless integration with back office systems. Digital Self Services also offer the potential for revenue enhancement through systematic integration of upselling opportunities as well as on-screen advertising revenue. Around 2,000 kiosks are in operation for its customers.

The Group currently offers self-service kiosks principally in the United Kingdom, but is expanding this offering to other key markets, often in connection with other solutions. The Group typically offers customers an end-to-end solution that it customizes to their needs using several components including the kiosks themselves and data processing services that are typically hosted on Worldline's servers. Many of the Group's *e-Ticketing* clients use its kiosks as one means for selling or delivering tickets to customers. Depending on the merchant's needs, the Group may also offer other services, such as analysis of customer data to propose targeted offers. Worldline designs the kiosks and manufactures the kiosks at its assembly plant in the United Kingdom using components sourced internally and from partners and other third parties.

The Group's digital self-service current customer base includes:

- **Railway customers.** The Group serves more than a dozen train operating companies in the United Kingdom, providing kiosks that allow customers to purchase and pay for tickets and to collect pre-paid tickets;

- **Hotel customers.** The Group provides kiosks for check-in, hotel restaurant reservations and payment services to a number of hotels in the United Kingdom, the Netherlands and the United States.
- **Movie chains.** The Group provides kiosks for ordering and purchasing movie tickets or picking up prepaid tickets at movie theatres in UK.

## C.1.2 Financial Services

The payments industry has entered a new era triggered by transformative, technological innovation and increasing competition. Consumers want to be able to initiate payments in every context or channel. Financial institutions are challenged to adapt to the new reality of instant payments and digital transactions, transforming their business and operating models, to anticipate European regulatory changes and to manage risk and fraud. Meanwhile financial institutions have to remain competitive and seize the opportunities that arise.

The Financial Services *Global Business Lines* (including expert brand equensWorldline) is the trusted business partner for payments and transactional services. The Group provides financial institutions with services, products and solutions to make and receive payments seamlessly, securely and efficiently. The Group invests intensively in new and innovative solutions and the completeness of the service portfolio is unique in the industry as it connects payers and payees via any type of electronic transaction.

The Financial Services *Global Business Lines* is grouped in four business areas and operates under two brands, viz. equensWorldline and Worldline:

- issuing;
- acquiring;
- *account payments*;
- *Digital banking*.

EquensWorldline is the industry's largest transaction processing company in Europe. More than 250 financial institutions trust their services to equensWorldline. The company has circa 100 million payment cards under management and processes circa 7 billion card transactions and more than 121 billion payment transactions per annum. The company employs more than 3,000 payment experts and has an undisputed pan-European reach with offices in 8 European countries and leading market positions in key geographic markets including France, Germany, Benelux and Italy. Key clients of equensWorldline include major financial institutions such as BNP Paribas, DZ Bank, Nexi and ING.

In addition to the equensWorldline activities in Europe, the global business line Financial Services is also present with the Worldline brand in Iberia, the Nordics, the Baltics and outside

Europe. The Group offers Software Licensing solutions to financial institutions throughout Asia and Pacific region, where in China three of the top five banks payment business are powered by Worldline's products and services. In addition, we are also serving other key Players in credit card & consumer finance market.

Financial Services generated a revenue of € 708.3 million in 2017 with an OMDA margin of 28.5% (€202.1 million).

### C.1.2.1 Issuing

The Group offers a broad variety of solutions along the issuing value chain. The Group's issuing portfolio includes among others *Issuing Processing*, Digital Enablement Services, Trust & Authentication and Loyalty Solutions.

#### Issuing Processing

The Group offers issuing banks a complete end-to-end set of solutions for outsourcing some or all of the process of issuing and managing debit, credit, prepaid and commercial cards and processing the related authorization requests and clearing transactions. These services are not only available for classic payment cards, but also for virtual-cards that can be stored in a digital wallet. When a cardholder presents a card for payment or for ATM withdrawals, the acquirer transmits a request for an authorization across the card network to the issuing bank, which provides an authorization that guarantees payment of the transaction amount. These processing activities are carried out on the Group's servers, which are housed in its data centers and use the Group's software platforms on behalf of the issuing bank. The Group's robust, industrial scale processing systems are designed to securely, reliably and efficiently handle large transaction volumes with minimal lag times, and include interfaces that allow the issuing bank to monitor the status of authorizations and transactions. In addition to technical processing of transactions, the Group offers issuing banks solutions to outsource every stage of the card life cycle, including application management, card issuance and personalization, statement production, chargebacks processing, settlement and call-center support. In 2017, the Group managed over 100 million cards. The Group's largest markets for these services are Germany, France, Italy, Benelux, Nordics and Baltics.





## The Group's business

### Description of the Group's three Business Lines services [GRI102-2]

#### Digital Enablement Services

The digital ecosystem is becoming more complex – new regulations are emerging and at the same time less traditional 'new' players are entering the payment market. The good news is that mobile technology can provide opportunities, new revenue streams, and an enhanced user experience. The Group understands the challenges financial institutions face in adjusting to constantly changing digital requirements and it can support them with a comprehensive and future-proof digital payment portfolio. Key digital enablement services are digital wallets and person-to-person payments.

- **Digital wallets.** The Group offers digital wallet platform services. A digital wallet is an application that simplifies the payment process, particularly on mobile devices, by storing payment instruments credentials like debit card, bank account and other data (loyalty, coupons, etc.), by removing the need to insert a payment card at a merchant location or enter card information on the Internet or mobile. This also makes the payment process more secure for consumers and merchants. Cloud-based wallets also enable issuing banks to capture a richer stream of transaction data than typical credit card transactions. They can, for example, generate additional revenue from higher value targeted advertising (such as card linked offers) and other loyalty services that make use of such data. The Group provides a full range of services to support digital wallets, from the design, implementation and management of digital wallets to payment processing and secure tokenized transactions.
- **Person-to-person payments (P2P).** The Group provides a modular white-label mobile P2P solution, which can be customized to reflect the look and feel of the issuing bank. Various funding methods can be implemented based on customer demand. Through the P2P APIs, the service can also be integrated into an existing mobile banking app. The app is available for the most recent Android and iOS devices and can be extended to further platforms on request. The standard service can easily be enhanced with value-added services like payment requests (invite) or bill-sharing.

#### Identity, Trust & Authentication

The growing number of online Financial Services – such as payments, Online Banking, portals, etc. – provides users with immediate, universal access to services that meets their daily needs. However, this progress also entails risks – there has been an increase in fraud cases related to identity theft or reuse of the same password for several services. Faced with these new threats financial institutions must offer appropriate tools for strong customer authentication. The group's portfolio includes among other services authentication services and payment modulator.

- **Authentication Services.** The Group offers strong authentication services for access to Online Services or to enhance the security of internet transactions, such as through the 3-D Secure architecture, which redirects the cardholder to the issuing bank's authentication server. The strong authentication tools also include OTP (One Time Password). This additional step makes it more difficult for a person other than the cardholder to use the card to make a payment, reducing the risk of fraud. Trusted Authentication is a strong authentication solution arising from the Group's research and development teams. This strong authentication solution combines end-user convenience with strong security and addresses consumers' expectations (multi-device, omni- and cross-channel, online and offline functionality).
- **Payment Modulator.** This is a product that allows the cardholder to control the usage of their payment card as well as get information and set alerting rules on the actual usage. Cardholders are able to set the rules *via* mobile phone or on a web portal. Alerts are sent to the customer's mobile phone via SMS or App notification or sent to their email address. The Cardholder can, for example, set the card limits, control usage in a particular country, control usage in certain points of sale.

#### Loyalty Solutions

The Group offers issuing banks specialized processing that give the bank's cardholder immediate benefits such as "cash back" discounts when purchasing the products or services offered by certain merchants. These "Cash Club" services are based on data mining and retail marketing expertise. They generate personalized offers for cardholders by cross-referencing their payment history with merchants' promotional offers.

The Group's principal clients within the issuing business area include Rabobank, ABN AMRO, ING, OP, LCL, Caisse d'Epargne, Group Banque Populaire, Commerzbank and Landesbank Berlin.

### C.1.2.2 Acquiring

The Group offers a broad variety of solutions along the acquiring value chain. The Group's acquiring portfolio includes among others *Acquiring Processing*, Fraud risk management, ATM management.

#### Acquiring Processing

The Group's *Acquiring Processing* solution covers the full acquiring value chain ranging from merchant contract set-up to merchant post-settlement activities. It is optimized for domestic and international card schemes on any transactional device.

When a cardholder presents a card for payment, card data are captured either by a terminal or ATM or entered in the payment page of a web-shop. From there, a transaction request is generated with the card being either authenticated at the POS or online by the authorization system. After authentication, an authorization request is sent to the issuing bank. The Group's servers and software applications allow a financial institution to outsource this function. The Group handles the authentication of the card, the transmission and processing of authorization requests on behalf of the acquirers as well as the processing of the related clearing and settlement process. The Group's processing systems accept payments made through a broad range of domestic and international card schemes,



accommodate a full range of transactional devices, including POS Terminals, ATMs, and e/m payments and include interfaces that allow the acquirers to monitor the status of authorizations and transactions.

Value added services such as self-service-tools for merchants, DCC (dynamic currency conversion) and fraud prevention solutions support acquirers in their daily business. In addition, the Group offers services to allow the acquirer as well as the merchant to reconcile transactions and to capture financial data in their respective accounting system. The Group generates special reports to help follow up on transactions that include services as DCC, surcharge or non-financial transactions such as balance inquiries. Leveraging its centralized IT-infrastructure and cross-border connections between its subsidiaries, the Group can provide centralized reporting to acquirers or merchants doing business in different countries, together with support for multiple currencies.

### Fraud risk management

The Group offers an end to end portfolio of effective fraud control services. These services include the creation and management of rules, the deployment of the rules for alert creation and the operational handling of alerts. For fraud detection, these services analyze the nature of a transaction, a customer's behavior profile and other data to help identifying suspicious transactions made with a payment device. The Group also offers solutions to protect the mobile payments devices against intrusion.

### ATM management

Managing an ATM network today is getting increasingly complex in an ever more competitive environment. Clients expect extra services at ATMs, while business is complicated by increased regulation. Moreover, digitization forces financial institutions to rethink their branch strategy.

The Group has numerous years of proven experience and covers the whole ATM value chain from site search to installation, and from logistics management to transaction and quality management. Financial institutions can either make a selection of the Group's modular services or choose global outsourcing. This way they can optimize and simplify their ATM management with one single point of contact.

A few examples of clients in the acquiring business area are: BNP Paribas, Kalixa, Postfinance, Nexi.

## C.1.2.3 Account Payments

The Group offers financial institutions a complete end-to-end set of solutions that cover the full range of needs in the domain of payments, including Instant Payments, Payments Processing Back-Office, Trusted Transactions, Clearing & Settlement.

### Instant Payments

The need for speed is generally increasing, and is impacting customer demands. This also applies to payments. Banks and financial institutions nowadays are expected to offer instant payment capabilities. As a frontrunner in payments, the Group has been pioneering Instant Payments for the last few years. The Group has the unique capability to cover the whole value chain for Instant Payments, from payment initiation and channel solutions that directly benefit the end-customer, to back-office processing and clearing & settlement.

- **Instant Payments - Channel solutions.** A white-label mobile banking and mobile P2P applications and value-added services such as an alias conversion service and real-time fraud detection.
- **Instant Payments - Payments Processing Back-Office solution.** Allows financial institutions to offer Instant Payments to their customers without the need to invest heavily in an 'always available, low-latency' payment-processing engine. Financial institutions can benefit from economies of scale by using the Group's shared platform and have the security of remaining compliant.
- **Instant Payments - Clearing & Settlement service.** Offers pan-European secure, low-latency clearing to all PSPs in Europe.

The Group's solutions are separate components that can be procured as an integrated offering or as individual components, depending on client needs.

### Payments Processing Back-Office

The Group has an extensive portfolio of secure, cost-efficient solutions that allows financial institutions to outsource their back-office processing for payments. This enables financial institutions to substantially reduce their total cost of ownership while relieving them of the burden to keep up with increasing pace of change in the payments industry. The Group comprehensive portfolio includes the following services: SEPA and Domestic Payments, Instant Payments, Multi-Currency Payments, High-Value Payments, Swift Services and Compliance Services.

### Trusted Transactions

Businesses and public service providers are looking for efficient solutions in the digital world for identity, electronic payments and e-Mandates. They need solutions that can be easily integrated into their own business processes. Financial institutions are trusted partners that can offer these services using their Online Banking systems. The Group supports financial institutions in operationalizing digital transactions through cost-effective and reliable routing services, in a way that is convenient and fully compliant. The Group's service portfolio consists of three main areas: e-Identity, e-Mandate and e-Payment solutions. The different services are delivered using a multi-purpose, state-of-the-art platform.





## The Group's business

### Description of the Group's three Business Lines services [GRI102-2]

#### Clearing & Settlement

The Group operates a highly scalable Automated Clearing House (ACH) platform and provides SEPA Credit Transfers (SCT), SEPA Direct Debits (SDD) and instant payments (SCTinst) services. The Group ensures full market reach across Europe. Next to its reach within the Group community, we offer reach through an Inter-CSM network of ACHs based on the EACHA (*European Automated Clearing House Association*) interoperability framework, and by facilitating a link to the EBA network. The Group has established reach to the USA through a partnership with the Federal Reserve Banks.

A few examples of clients in the *account payments* business area are: ING, Banque Raiffeisen, Rabobank, DZ Bank, SEB, De Volksbank.

#### C.1.2.4 Digital Banking

In this digital age, the move to a cashless economy is gathering pace every day. More and more businesses shift to digitally focused operating models and they require a higher level of innovation and security from their payment services than ever before. Additionally, the smartphone's hegemony and the increased presence of cloud services have changed customers. They are more connected, better informed, and experienced in e-commerce. Customers want more transparent banking services which need to be more accessible than ever. The Group helps financial institutions to strengthen their digital position and renew the customer interest with advanced and innovative *digital banking* services including *Digital Banking Platform*, *Mobile Banking*, *Open Banking*, *Trading System & Financial Information*.

#### Digital Banking Platform

The Group's flexible and modular *Digital Banking Platform* provides the back-end that supports fast channel development. As a service-layer, composed of a collection of business enablers, the digital platform enables simple data coming from the bank information system or third-party to be processed, valued, and properly displayed on the mobile or web applications. The platform allows customers to consult account balances, transfer funds, consult stock prices and purchase securities, interact with financial advisors, consult digital versions of account documents and many other banking services. The Group's *digital banking* platform service portfolio consists of *Trusted Interactions*, *Payment Modulator*, *Trusted Authentication*, *Digital Preservation* (e-archiving / e-safe), *Digitization* (e-contract), *WL Contact*.

#### Mobile Banking

The Group offers an innovative and comprehensive catalog of services to build a unique customer experience, whether on a smartphone or tablet and for any operating system (e.g. iOS, Android or Responsive Web Design). Based on an agile *digital banking* platform, the Group's solution boosts innovation in terms of payments, security and bank account management. The Group's mobile banking solution includes comprehensive and "easy-to-integrate" mobile services (SDK, API) for security (WL Trusted Authentication, Fraud Detection), payments (Wallets, P2P, NFC Payment, QR code, Payment Modulator, Instant Payments) and channel solutions (Alias conversion, White-Label Mobile Banking App).

#### Open Banking

The revised EU Payment Service Directive (PSD2) caters for access to bank accounts by third party providers. Specifically, this means that financial institutions need to open up their infrastructure and allow third parties access. PSD2 is much more than making an API to connect to the core banking system. Innovation is, in essence, what PSD2 is about. PSD2 is a way to shape and create what the Group believes will be the platform economy of retail banking and payments.

Although complying with PSD2 requires a massive effort on the part of the banks, it also offers financial institutions the opportunity as PSD2 gives the bank account, and thereby the banks, a whole new central position in future services.

The Group helps financial institutions and third-party providers to be timely compliant for PSD2, and become a provider of access to the account (XS2A) services, allowing them to reap the benefits PSD2 brings along. The Group's Open Banking service portfolio consists of XS2A Services, Authentication Process management, Trusted Authentication, Open Financial API Services and *Digital Banking Platform*.

#### Trading System & Financial Information

The success of online Financial Services is closely linked to the quality of market data and the associated processing tools. The Group's online trading platform allows brokers, banks, and other financial institutions to manage multi-asset orders from collection of the order to delivery to market for execution. The Trading System solution offers a global and open brokerage platform for all types of orders: equities, derivatives, OTC products, and investment funds. In addition, the Group offers financial information that aggregates market data from all major global sources, including stock exchanges and news providers.

A few examples of clients in the *digital banking* area are: LCL, Société Générale, BNP Paribas, Fonds de Garantie des dépôts, Boursorama, CortalConsors and Euronext.

### C.1.2.5 Deployment Models

Financial institutions can choose a flexible deployment model fitting their strategy as the Group offers models based on:

- Payment Software Licensing;
- Hosting services;
- Application management; and
- Business process outsourcing.

Clients can choose hybrid models ranging from full deployment at client site (client operates and hosts the Group's solutions), to partial deployment, through to full deployment in the Group's data centers (the Group operates and hosts a tailor-made application environment for the client).

#### Software Licensing

Full deployment at client site. The client's staff operates and hosts the application environment based on software delivered by the Group. The Group's main software solutions include its Cardlink II and ASCCEND mainframe applications, COSES, an integrated switching solution that manages communications with a bank's servers, the WL Pay end-to-end integrated payment software solution and other specialized software programs. WL Pay is a family of solutions designed to deliver generic core functions using a service-oriented architecture (SOA). In addition to the software itself, the Group can also

provide all the required resources and support to customize the final product and integrate the software in the client's environment.

#### Hosting services

The Group provides hosting services for financial institutions. Software solutions are deployed at certified datacenter facilities and servers of the Group and system management is performed by highly qualified IT staff.

#### Application management

The Group provides operational application management services and is managing the operation, maintenance, versioning and upgrading of the software solutions. By using best practices, techniques and procedures the Group ensures for a deployed application optimal operation, performance and efficiency. No in-house expertise is required at the client site for operational application management.

#### Business Process Outsourcing

Financial institutions can also choose to outsource their business processes. From payment processing and booking information to investigation and risk management services, the Group is highly experienced in every step of the transaction process.

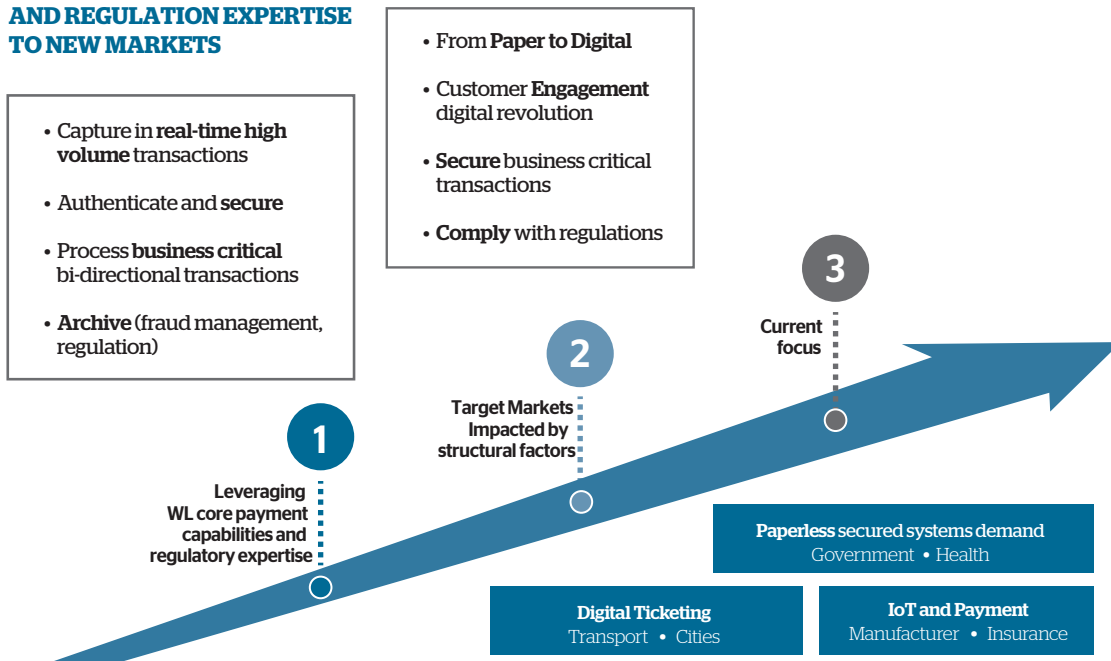


### C.1.3 Mobility & e-Transactional Services

The Group's Mobility & e-Transactional Services is leveraging Worldline core payment capabilities and regulatory expertise to capture in real-time high volume transactions, authenticate and secure, process business critical bi-directional transactions and archive (fraud management, regulation).

Hence Mobility & e-Transactional Services is targeting those markets that are impacted by the same structural changes than the payment market is facing: the move from paper to digital, the revolution in customer engagement created by Digital, the need for secured business critical transactions and to comply with regulation.

#### BRINGING PAYMENT AND REGULATION EXPERTISE TO NEW MARKETS



Mobility & e-Transactional Services offers clients a breadth of solutions designed to accelerate and enhance new digital services and new business models that take advantage of the increasing digitization of the physical world. The emergence of new digital businesses has been fueled by an explosion of new types of consumer needs. More and more devices are becoming connected—from smartphones and tablets to cars, trucks, and buildings. New digital services are generating huge volumes of consumer data, which can be used to further enrich customers' experiences. Moreover, consumers benefiting from these new digital services are becoming more mature, more active and are ever increasing in number. Meanwhile, companies and government entities are being forced to evolve in order to adapt to new technologies, new usages, new customer expectations, and new payment means, while having to optimize processes that are becoming more and more costly. Together, these businesses help differentiate the Group from numerous players in the market and demonstrate an ability to

help the Group's partners with all aspects of their transactional related businesses.

Mobility & e-Transactional Services generated revenue of € 350 million and an OMDA margin of 12.5% in 2017 (€ 43.6 million).

The Group is focusing its efforts on several areas where it believes new digital services have significant potential:

- *e-Ticketing* covers a full set of solutions and services to Public Transport Authorities, Passenger Transport Operators, Government Agencies and Infrastructure Providers,
  - including Digital Ticketing open payment solutions leveraging the groups payment capability,
  - revenue settlement services, service planning, resource allocation and real time proactive decision support;

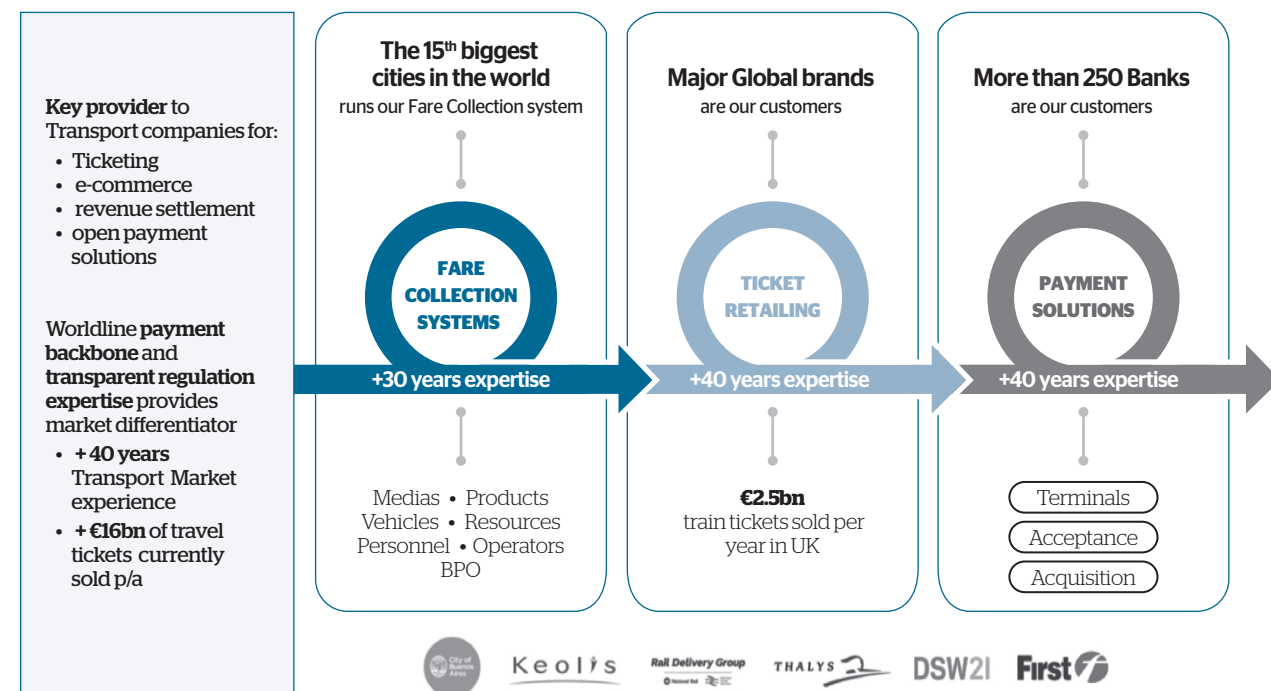
- *Trusted Digitization* provides paperless secured systems to public and private organizations for better services through the digitization of processes for citizens, including the enabling of electronic payments (taxes, fines, etc.), automated traffic enforcement solutions, and e-healthcare services, as well through a variety of trusted services for customers, including e-contracts and electronic invoicing, legal archiving solutions for companies and e-safe services for individuals;
- *e-Consumer & Mobility* provides cloud contact and consumer cloud services that improve the customer engagement and generate new business models, as well as Connected Living solutions that offer context-driven mobility solutions for consumers, patients and citizens and with the Industrial IoT solution highly secure solutions for the connection of globally spread machines in the after sales area.

In addition to those identified below, principal clients of the Group for this global business line include the European Commission, ASIP Santé, DSW21, Météo France, O<sub>2</sub>, France Télévisions, M6, Virgin Train and Rail Delivery Group.

### C.1.3.1 E-Ticketing

Public transportation enables the cities of the world to prosper and grow, access to the transportation systems is moving to a Digital Ticketing strategy where open payment and account based ticketing allow passengers to enter and exit transportation systems at ease. In addition improved route management and enhanced customer information systems for both the operator and the passenger bring efficiencies into transportation systems. The Group provides into the transportation market a range of solutions designed to help deliver new digital services to their customers.

### E-TICKETING



From sale to financial settlement, the Group provides content, payment and access solutions across the business process areas that deliver a better journey experience; a set of specialized back-office and retail-channel software platforms, desktop, internet and handheld “on-Board” devices to manage the process of issuing and validating printed and electronic tickets. The Group is focused on Digital Ticketing where through the development and delivery of open payment and account based ticketing solutions the Group will utilize the strength of the payment capability to provide market changing solutions to its customers.

In parallel, the Group provides fare, tariff and revenue capture and apportionment solutions for railways and public transport systems. The Group typically acts as the primary systems integrator and general contractor for a project, presenting its clients with a full end-to-end solution that the Group implements directly and through partners and subcontractors. The main markets for the Group's *e-Ticketing* business are Europe (principally in the UK, France and Germany) and Latin America (mainly in Argentina and Chile).



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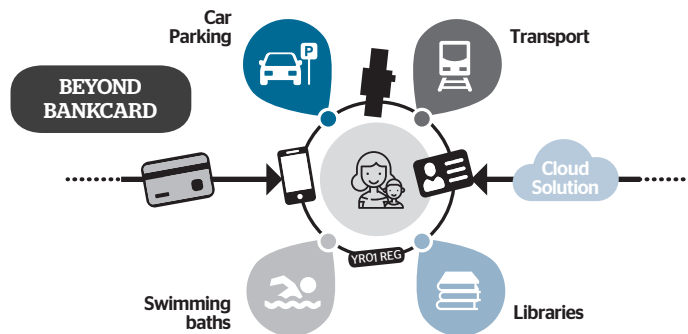
## The Group's business

Description of the Group's three Business Lines services [GRI102-2]

The Group's line of *e-Ticketing* solutions includes applications that allow customers to check schedules and order and pay for tickets online for delivery directly to their mobile device or a desktop printer. For real time transaction sales and journey validation the Group provides mobile technology to railway personnel that integrates industry leading digital devices with ticketing and payment. This solution is called WL Mobile Ticket Issuing Service. Tickets can also be delivered at the station using self-service kiosks provided by the Group's kiosk business or

third-party providers. The Group's *e-Ticketing*, validation and payment systems are used by a large number of franchised railway routes in the United Kingdom and the THALYS high speed rail network in Europe. The WL Mobile Ticket Issuing Service solution is also being rolled out to other station retailing channels giving Operators greater channel flexibility and comes complete with a comprehensive back office analysis and reporting tool.

### DIGITAL TICKETING



**Digital Ticketing market**  
to grow at a CAGR of 19.7%  
during the forecast period 2017-2023  
to aggregate \$14.19b by 2023

*Infoholic Research*

#### Major market trends

- **Digital Convergence** of ticketing and payments.
- **Combination** of ticketing and **contextual data**.
- **AI and mobile** integration.
- **Multi-modal** passenger transport.

#### Key investment areas providing foundation for growth:

- WL Tap 2 Use
- WL Smart Ticketing
- Mobility solutions integrated with worldline payment backbone

The Group also offers contactless "smart card" ticketing schemes for multi-modal transit platforms that, among other things, allow passengers to use travel cards, payment cards and mobile wallets to "touch in" and "touch out" at the start and finish of their journeys and automatically calculate and process fare prices. There are now several contactless smartcard schemes being delivered by the Group in Latin America including Transantiago in Chile, Lima in Peru and Cordoba, Mendoza, Salta, Tucuman, La Rioja and the SUBE system the Group operates for the public transit system in Buenos Aires, in Argentina.

As passenger and Transport Operator demand increases for dematerialized ticketing the Group has recently delivered the latest in account and identity based travel with the WL Tap 2 Use solution. This enables passengers to move seamlessly between travel modes and multiple Transport Operators. Bank cards and smart devices that confirm identification can be used to pay or post pay for journeys, users and Operators can monitor all travel activity *via* a comprehensive account

management system. The Group is delivering into a city in France to power the public transport Digital Ticketing strategy with WL Tap 2 Use technology.

#### Itinerary management and Internet travel booking

Worldline's multi-modal itinerary management and booking software platforms allow the Group to help travel planning and booking sites that enable users to compare and plan travel options across multiple modes of transport and to book and pay for their journey. The Group provides these services across multiple platforms, including online and via mobile devices. The Group's services are designed to provide users with comprehensive, easy-to-use travel information across transportation types (bus, coach, tram, rail, taxi, car and airplane) in order to enable passengers to plan their journeys effectively and efficiently. The Group's Avantix WebTIS online booking applications allow railways to sell rail tickets, including season tickets, online alongside additional products and services such as hotels and car hire.



**Route management and Resource Allocation**

Worldline offers railway service Operators and railway infrastructure network providers a series of “smart” route management services that allow them to optimize railway schedules, to allocate resources (rolling stock and crew) in real time and to immediately adjust and replan those resources when planned and unplanned disruption happens. Worldline’s offering includes the route management platform ROMAN, a system for the process of timetable creation and management, as well as its Cargo Information Systems (offered under the names CIS and CPI), a highly automated integrated software system that helps to support the business processes of sales, billing and invoicing for rail freight transportation. The Group has also developed a control room solution called “Integrale” to help UK railway companies manage disruption of traffic and improve operational efficiency. “Integrale” is in live operation with the Arriva Cross Country and First Great Western rail franchises. Worldline is the leading supplier of rail operations systems to the train operating companies in the UK.

**Other main clients**

In addition to those mentioned above, the Group’s principal clients within this business line include Network Rail in the United Kingdom and ÖBB as well as global transport operators including First group, Stagecoach, Abellio, Go Ahead and Keolis.

**C.1.3.2 Trusted Digitization**

The Group helps public and private organizations harness the power of digital services to increase efficiency and transform the way they interact with their customers, allowing them to improve collection of payments, provide better services to end-users and optimize costs in an era of shrinking public budgets. The Group’s key areas of expertise include, among others, taxation, tax and fine payment solutions such as for parking enforcement, online and digital archiving services for governments and public services providers and digital healthcare information services. The Group also provides digital safe content services for companies and administrations to help securely capture and archive digital copies of legal documents.

**Secured law enforcement solutions**

The Group provides local, regional and national law enforcement authorities with efficient end-to-end automated traffic and parking enforcement services. The Group’s hardware and IT services, which can be purchased together to provide a complete solution or separately to cover specific functions, cover the entire automated enforcement process, including automated detection of offenses, mailing of fine notifications, records management, fine payment processing and appeals services. The Group also provides its clients with traffic data and radar performance statistics. The Group currently offers these services primarily in France, Luxemburg, Spain and Latin America. The Group’s clients include, among others, ANTAI (National French Agency) for various services including fine payment on 6 channels (web, IVR – Interactive Voice Response, mobile app...), the DGT (Direccion General de Trafico) in Spain, the Ministry of Sustainable Development and Infrastructure of the Grand Duchy, a parking payment system, which is deployed in several cities in Austria and Slovakia, and enforcement systems in cities such as Buenos Aires, Argentina. The Group also provides the French Ministry of Justice with an information

system to manage the provisioning, supervision and maintenance of the electronic bracelets (electronic tags for inmates on probation).

**E-Government online and data services**

The Group offers national, local and regional government authorities and other public sector organizations a wide range of digital services to collect and manage data and develop Online Services and services to allow users to find government information, carry out administrative procedures and make payments to governments online. The Group develops and manages Online Services for a large variety of government and public sector related entities. Examples of the Group’s services include payment processing and other services for the Pari Mutuel Urbain (PMU) state-run betting service and management of online tax collection sites for several provinces in Argentina. The Group also provides government certified archiving services for government entities, and collects and stores biometric fingerprint data for services such as biometric identification cards in Austria. The Group also counts DILA (*Direction de l’Information Légale et Administrative*) among its public sector clients in France.

**E-/m- Digital Signature & E-/m- Digital Preservation**

The Group offers businesses a wide range of solutions to securely sign and archive digital documents. Among other solutions, the Group helps *B to C* companies to design and implement digital contract platforms to allow digital validation and signature plus probative value preservation. These solutions are widely used by numerous customers such as Bouygues Telecom, SANEF, AG2R, Protys. The Group also manages secure digital archives for legal documents such as the Doccle platform that the Group operates in Belgium, which allows users to securely archive documents such as account statements from participating banks and other entities and the Cyberdoc program in Austria, which stores electronic copies of notarized deeds. Since January 2016, the Group has been combining their solution with Bull’s assets to address new European Regulations on digital identity.

**Shared digital healthcare information services**

The Group provides a range of services to governments and public sector entities involved in healthcare. In Argentina, the Group manages and processes transactions for the FarmaLink health insurance institution, which connects patients to the health service system and links pharmacies, healthcare providers, pharmaceutical companies and health insurance schemes to manage the process of healthcare reimbursement. In France, the Group’s subsidiary Santeos leverages its 16 years of experience in hosting and sharing healthcare information systems. Santeos holds an ASIP Health certification from the French Ministry of Health, and believes that it is the leading hosting solutions provider of patient healthcare data in France, and, in this regard, hosts sensitive medical data through the Personal Medical File (Dossier Médical Personnel). Santeos partnered with Agfa Healthcare to create a new offer that adapts to the regional challenges of shared medical imaging and is being delivered for several Regions in France. Santeos delivers the new information system for the Emergency Care call centers (*SI SAMU*) in France. The Group also provides an health information system to the French Ministry of Army, for the management of health data of the Armed Forces.



## The Group's business

Description of the Group's three Business Lines services [GRI102-2]

### C.1.3.3 E-Consumer & Mobility

Consumer demand for multimedia and storage solutions for their mobile devices makes cloud storage a powerful tool for generating customer loyalty. The Group provides telecommunications companies with cloud storage solutions to offer their customers private cloud data vaults as well as convergent messaging services or multichannel interaction management services.

The Group is also working with manufacturers to develop innovative services for connected vehicles and connected appliances that use machine-to-machine communication.

#### Consumer Cloud Services

The Group provides telecommunications companies with convergent messaging services as well as a range of consumer cloud storage and applications solutions to provide cloud-based services to their customers for e-mail and other digital media. The Group develops customized consumer cloud offerings tailored to the telecommunication company's business model. Solutions the Group offers include services for structured rich media storage, retrieval and advanced cloud storage for personal content such as pictures, video, music, email and text messages, and multimedia services such as content streaming and address book management, as well as convergent messaging services that allow cross-platform delivery of messages (e.g., by delivering copies of voicemail to a user's e-mail box). The Group currently provides these solutions to a number of telecommunications companies, including Orange and SFR in France.

Since March 2014, the Group is very active in the area of digital education. The Group provides SQOOL, with a partner, a fully integrated digital education solution and a cloud service which allows for the storage of educational content and students' personal data on secure hosting platforms.

#### Cloud Contact Services

The Group provides a range of omni-channel customer contact solutions to help companies optimize their interaction with their customers. The Group's customer relationship management solutions include services such as interactive voice response systems that allow certain queries to be answered by automated systems and automatic smart call distribution services to improve the routing of calls to the right persons based on the nature of the customer's query. The Group provides multichannel interaction management offered on a SaaS basis. This service manages interactions through a range of contact channels (email, chat, SMS, social networks, mobile

devices and web self-service) to deliver a unified omni-channel contact center solution. The Group currently provides this for several clients such as C-Discount and a public sector social security body and large banking and insurance institutions. Such services enable large multinational in their "follow-the-sun" strategies to have a global support for their worldwide operations. As an extension to the payment business, the Group provides a voice-payment system that allows customers to securely pay for telephone orders. The Group also provides other systems to send automated SMS and e-mail services to clients. Key clients for these services in France include SFR-Numericable, Bouygues, PMU, and BNP Paribas, while the Group offers services also in Germany and the United Kingdom.

#### Connected Living Solutions

Connected devices are now a reality for individuals and in the industrial world. Energy meters, production machines, connected vehicles, vending machines, washing machines, etc. The volume of data produced by connected machines is increasing exponentially. The first stage of Internet of things (IoT), which used to focus on the implementation and collection of data, is now shifting to business innovation.

The Group assists its customers in implementing their digital transformation strategies and evolving towards new customer centric and service oriented business models (e.g. pay-per-use, pay-how-you-drive). Through a unique combination of services (IoT/ M2M, mobile applications, data analytics and payment), the Group's Connected Living solutions allow its customers to go from Product sellers to Digital Services providers. The Group has a proven experience, replicated in several markets (automobile, household appliances, industry, insurance, retail, health, etc.) and offers a unique and flexible business model that is built around a portfolio of adaptable global service offerings that enable end-to-end solutions. The Group's goal is to federate value-added services from a large ecosystem of best in class providers that share the same secured access to a connected object. The Group's Connected Living platform, delivered via a Software as a Service (SaaS) model, guarantees secure access to users' data.

The Group's Connected Living solutions provide innovative solutions and business models adapted to:

- the connected vehicle, aimed at automotive insurance and lease, cars and truck fleets, etc.;
- the connected home (objects from daily life, household appliances, energy management and building infrastructures), aimed at multi-services operators like insurances, utilities, home appliance manufacturers, telcos and retailers;



- the Industrial IoT (remote access and predictive maintenance for connected industrial devices) aimed at industrial device manufacturers;
- the connected patient (various social services and medical frameworks and associated quantified remote medicine services).

Connected Living solutions include applications to handle:

- Data management, including solutions to collect, secure, store and analyze data;
- User management, including authorization and access, identity verification, privacy safeguards, subscription and billing;
- Application management, including management of the application framework, data sharing and integration with third party systems and enterprise information systems;
- Connectivity and devices, including solutions to secure, provision, monitor and manage communication and processing flows among various network components.

The Group's Connected Living solutions are recognized by market and industry analysts and are provided to and used by among others the following clients:

- Renault, for whom the Group is implementing the R-Link cloud services platform, an on-Board connected multimedia system that is already included in many Renault vehicles. Through the R-Link tablet that is available in several Renault models, the Group offers the possibility to make secure purchases from the vehicle. The ergonomics and functionality of the system were designed to make Renault R-Link the most secure solution on the market for the driver and for the automobile. At the Renault Supplier Awards, the Group received the Renault-Nissan Purchasing Organization Innovation Award for this innovation;
- a large European OEM relies on the Group's connected vehicles solution to offer advanced fleet management services to its customers (fleet owners), which include a secure extranet portal where its customers can control their fleet activity (online dashboards, comprehensive fuel reports, critical alerts). A telematics unit installed in the vehicle that registers data such as mileage, fuel consumption, global positioning, speed, driving time, etc. is connected with the Group's telematics platform which applies the retrieved data to provide insights into fleet use, geolocation, driving time & performance, fuel consumption, vehicle health & connected maintenance planning. This enables the OEM to optimize maintenance plans and introduce pay-per-use business models and supports fleet owners to increase vehicle availability, optimize logistical efficiency and reduce operational costs;
- using the Group's expertise, BSH offers Home Connect to its customers allowing them to use a standard home Wi-Fi

connection *via* the Home Connect cloud servers to operate their appliances remotely. It offers secured connectivity *via* smartphones and tablets and will be based on an open standard, meaning that a range of home appliance manufacturers will be able to use it. It was launched on iOS and Android, now rolled-out in several worldwide geographies. Using its expertise in processing transactions the Group has developed the solution and runs the Cloud platform where the Household devices are connected to;

- as part of a strategic transformation from a product-centric to a service-centric business model, Home appliance manufacturer Gorenje is introducing a range of connected appliances based on the Group's connected home platform. Hosted on a secure cloud platform, the Group's solution allows consumers to securely interact with their home appliances remotely through an intuitively designed mobile application;
- Siemens is deploying in all its business units Industry, Energy and Healthcare the core Communication Platform (cRSP) giving them a secure access to the machines that are spread all over the world in production sites as well as hospitals and trains. Having access to the machines and the data gives them new possibilities on solutions they can offer to their customers. The time to repair can be reduced and the first time fix rate can be increased. On top of that Siemens is offering specific vertical applications and data analytics solution for the different market segments;
- Worldline has joined in 2014 the EEBus Initiative e.V, the broadest platform worldwide in terms of the definition of new content for Internet of Things (IoT) and Cloud services. Demand for connected home solutions is growing. By working with EEBus Initiative e.V, Worldline can deliver the next generation of connected home solutions that can communicate with different branded devices, security and smart energy solutions.

#### Competence Center Mobility

The Competence Center Mobility offers clients its innovation skills for the development of applications based on the Group's Connected Living services. This mobile competence center has delivered a range of mobile applications covering mobile services for retail, shopping and travel, with services focused on messaging, e-Commerce and mobile payment. The Group also operates The Studio in France, which analyzes, designs and evaluates interfaces across all channels: web, mobile phones, tablets, televisions, and Terminals.

#### Other main clients

In addition to those mentioned above, the Group's principal clients within this business line include Dräger, Shell, ERDF and E-Plus.



## C.2 Technology

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Worldline operates its business as one global factory that serves each of the Group's three *Global Business Lines*. Under this approach, Worldline continually seeks ways to leverage its industrial scale, processes based on standardized tools, shared

best practices and efficient use of global resources to deliver services at competitive prices. Worldline's competence centers, IT platforms, data centers, and hardware are central assets in this effort.

### C.2.1 IT Platforms

Worldline currently provides its payment acceptance, card and non-card payment data processing, support to payment mean issuance, customer relationship management (CRM) and fraud detection and dispute handling services, using a series of separately developed specialized IT platforms coming from Worldline (WIPE program) and Equens (notably the Payment 2.0 program) investments. The integration plan defined will ensure

the progressive convergence of these platforms towards a unified infrastructure, between 2017 and 2021, with most of the benefits expected as soon as 2018. This will enable the full delivery on the European continent of the scale benefits linked to the combined volumes of the two companies, while enabling immediately investment sharing on new technological innovation.

### C.2.2 Data Centers and Hardware

In Europe, Worldline operates a network of eight interconnected, highly secure and fully redundant data centers located in France, in Germany, Belgium, the Netherlands and Italy. Worldline's European data center hub covers an area of more than 6,000 m<sup>2</sup>, and runs approximately 19,000 servers with a storage capacity of approximately 18PB of data. In total, Worldline's European hub data centers process approximately 85% of the Group's total transaction volumes. All of Worldline's European hub data centers, which are tailored to fit the needs of its specific businesses, are compliant with the Payment Card Industry Data Security Standard (PCI-DSS and 3DS) required for payment service providers to accept, transmit or store cardholder data, and are also certified under ISO 9001 (quality management) and ISO 14001 (environmental management), DK (Deutsche Kreditwirtschaft), as well as ISO 27001 (security) that is being finalized. All of these data centers meet at least Tier 3 "Telecommunications Infrastructure Standards". Worldline's European hub data center facilities are all connected for back-up and are compliant with IT Infrastructure Library (ITIL V3) IT service management "best practice" standards and applicable banking standards. Worldline ensures that strict security

measures are taken at all of the data centers it uses, including video surveillance, access control, a limited staff policy, infrastructure monitoring, annual risk management reviews, regular business continuity procedures and internal and customer audits. Worldline also operates a small data center in India. In addition, Worldline contracts to use a number of additional highly secure and standard certified data centers operated either by Atos or by other third party data center providers. In total, these data centers process approximately 15% of the Group's total transaction volumes. These data centers are distributed globally, and are located in the United Kingdom, Spain, Germany, Argentina, the USA, Russia, China, Hong Kong, and Malaysia, among other countries. To benefit from maximum network connectivity, the Group uses four European telecommunications centers (located in France, Belgium and Germany) rented from external parties that are interconnected with its data centers through high capacity optical fiber networks. Worldline's data centers, networks, servers, and telecommunications centers are operated and maintained by a global infrastructure and operations team of approximately 1,200 information technology experts.

## C.3 Sales and marketing

Worldline commercializes its products and services through different approaches and dimensions. Sales activities take place mainly on two dimensions:

- Global business line: under the supervision of the global and local management of each global business line, who establish the overall strategy to develop their portfolio of offerings in coordination with the various geographic entities. The global business line managers are also involved in overseeing sales initiatives and approving major bids in connection with the "Rainbow" procedures; and
- Geographic market: by the sales teams in each region in which the Group operates. Each sales team is led by a coordinator at the regional level; the teams cover one or more countries depending on the size of the markets in question (France, Benelux, United Kingdom, Germany, Spain, Italy, Latin America, India, Asia-Pacific, Central Europe, Baltics, Nordics).

As of December 31, 2017, the Group had approximately 515 employees dedicated to sales and sales-related activities (approximately 230 sales representatives employees and 285 employees in business development, pre-sale, bid management and marketing). These figures include the acquisitions the Group had made during the year (Digital River World Payments, First Data Baltics and MRL Posnet in India).

Except in Benelux and in Czech Republic, where the client base is composed of a large number of small merchants (the "mass market"), the Group's customers are primarily large clients. In India, where the client base was composed mainly by mass market and some major banks, after the acquisition of MRL Posnet, the Group has access to a new market segment composed of numerous medium-sized banks.

The Group's sales efforts differ according to the type of client:

Except in Benelux, in Czech republic and in India, where the client base is composed of a large number of small merchants (the "mass market"), the Group's customers are primarily large clients. The Group's sales efforts differ according to the type of client.

For large clients, managed by dedicated manager in charge of the quality and development of the relationship, the sales teams work in close collaboration with the technical teams to answer clients' requests based on solutions from the Group's existing

commercial portfolio and, where relevant, build tailored solutions using in the vast majority of the cases modules or components that already exist. The approach for developing existing business is based on a systematic process of "client account planning". For each large account, the Group sets development goals, identifies additional services that might be sold and, while ensuring the quality and satisfaction of existing contracts, establishes an annual plan, with ad-hoc commercial actions and focused or customized innovation workshops, supported by targeted communication and marketing actions. This approach represents the main sales channel for the Group's products and services.

In addition, a second approach, in constant evolution, is centered on acquiring new clients. Client acquisition initiatives of course include submitting bids in competitive public tenders initiated directly by clients, but indeed also proactive market specific prospection, in particular through industry groups (in such sectors as Financial Services, retail, telecommunications, and transportation), networking and lobbying. In public-sector accounts this approach is obviously different, due to the obligation to comply Public Procurement Codes, which in most countries requires public entities to launch competitive bids both for the initial contract and for each renewal.

Finally, for the "mass market" (acquiring business) clientele in Belgium, Czech Republic and India, marketing efforts are divided into direct sales and indirect sales. Direct sales include telephone sales and sales made face-to-face by sales representatives. Indirect sales are made through independent parties and corporate partners, as well as by banking partners. These sales efforts are supported by a marketing campaign management team, which determines pricing policies, creates various promotions and identifies target markets, as well as by a standard-defining team that formulates the Group's standard sales offers, which generally combine different products in one offer.

In India, direct sales rely on a team of sales representatives and a call center, which primarily markets cheque verification services. In Belgium, direct sales rely mainly on a call center for sales of payment acceptance services (including Terminals) and payment acquisition by bank card. Indirect sales in India relate to distribution of white label electronic payment services. Indirect sales in Belgium are made through resellers who distribute the Group's branded payment services.



## C.4 Procurement and suppliers

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The Group's procurement division analyses markets and then selects and manages the Group's relationships with the suppliers of the externally-sourced goods and services that it needs for its business and internal requirements. The Group conducts its procurement activities in coordination with those of Atos, enabling it to benefit from scale effects (*i.e.*, volume purchasing) through framework agreements negotiated at the Atos level, while remaining focused on the specific requirements of the Group and its client projects. The Group's and Atos' procurement teams jointly conduct periodic analyses and reassessments of procurement costs by category and implement programs aimed at reducing supply costs through negotiations with suppliers, standardization of contracts and specifications and demand volume management.

The primary categories of products and services that the Group sources externally, and which account for the majority of the Group's procurement costs, comprise the types of items that are typically sourced by companies in the IT services sector, particularly IT hardware and software, subcontracted services such as software development and maintenance and telecommunications services. The Group principally uses these products and services in connection with its data centers and project development needs. The Group's main suppliers of IT hardware and software are HP, IBM, Dell, Oracle and SAP. The Group's business involves extensive data processing which itself requires bandwidth intensive telecommunications services, its main providers of which are Orange, Proximus and Verizon. Other important categories of products and services that the Group sources from third parties include POS Terminals and their component parts, printing and postal operator services and, currently to a much lesser extent, hardware used for the manufacture of the Group's connected vehicles products and other M2M and "connected" solutions.

The Group designs most of its payment Terminals and related products in-house and outsources their manufacture and assembly to multiple contract manufacturing companies, including Toshiba, Flex, and Connectronics, located principally in Asia and Eastern Europe. The Group procures the few Terminals that it does not design itself from Ingenico, Verifone and Pax. The Group is also a substantial consumer of printing and postal services, particularly in its e-Government business (and more specifically its automated traffic and parking enforcement solutions) and bank processing activities in Belgium. It has subcontracting relationships or contracted partnerships with La Poste, Docapost, Bpost and Pitney Bowes in this respect.

The Group's procurement strategy is to rationalize the volumes necessary for its operations and optimize purchase prices and the total cost of ownership. So as to reduce the risks of supply shortages and over-dependency on any single supplier, the Group aims to identify critical points in the supply chain and develop plans to guarantee multiple component and service suppliers. The Group's approach to sourcing products and services from third parties depends in large part on the nature and use of the products and services it requires.

Notwithstanding its multi-source policy, there is one important component used by the Group in its business that has a single supplier: the innovative Samoa II application-specific integrated circuit (ASIC) chip used in all current models of the Group's payment Terminals range. This chip is sourced from Faraday/UMC, which manufactures it to the Group's specifications in the context of a long-standing relationship and pursuant to a long-term pricing agreement. To safeguard the continued production and supply of this critical chip, the Group ensures that Faraday/UMC at all times maintains a stock of chips sufficient to cover several months' supply needs. Additionally, if necessary, Faraday/UMC has the ability to manufacture the chip at multiple factories, initiate production and deliver the chips within three months.



KRIIs	North America	Europe & U.K.	APAC	KRIIs	North America	Europe & U.K.	APAC
• AML/ATF 4 <sup>th</sup> Directive	■	■	■	• Large-Value Payment Systems Upgrades	■	■	■
• Bank Payment Obligation	■	■	■	• National e-Payments System in Thailand	■	■	■
• BSA/AML Guidelines for Prepaid Products in the U.S.	■	□	□	• Regulatory Framework for FinTechs	■	■	■
• CPSS IOSCO	■	■	■	• SEPA/e-SEPA	□	■	□
• EMV Adoption	■	■	■	• SEPA for Cards	□	■	□
• Financial Transaction Tax	□	■	□	• Interchange Fee Regulation	■	■	■
• Internet Payment Security	■	■	■	• Regulations on Payment Platforms in China	□	□	■
• Intraday Liquidity Norms and Reporting	■	■	■	• Australia Payments Plan	□	□	■
• Mobile Payments Security in Euro	□	■	□	• Cross-Border Low-Value Payments Processing	■	■	■
• Stored Value Facilities Ordinance in Hong Kong	□	□	■	• Financial Inclusion	■	■	■
• Virtual Currency/Distributed Ledger Regulations	■	■	■	• Global Payments Innovation Initiative by SWIFT	■	■	■
• Access to Clearing	■	■	■	• Mobile Wallet	■	■	■
• Data Privacy and Protection including Cyber Security	■	■	■	• Open API Banking Platforms	■	■	■
• Electronic Identification and Trust Services	■	■	■	• Payment Security and Technology	■	■	■
• Immediate Payments	■	■	■	• PSD II (Access to Accounts)	□	■	□
• ISO 20022 Standards in Payments	■	■	■	• U.K. PSR (Payment System Regulator)	□	■	□
				• Unified Payment Interface (India)	□	□	■

● KRIs cited in previous WPRs    ● KRIs introduced in WPR 2016

Impact on Banks

High   
  Moderate   
  Low   
  Not Applicable

Note: Payment Security and Technology includes Contactless, Near Field Communication (NFC), Tokenization, Biometric Authentication, and Mobile Point of Sale (mPOS)  
 Source: Capgemini Financial Services Analysis, 2016; WPR 2015, 2014, 2013, 2012 and 2011; SME Input

## C.5.2 European Regulation

### C.5.2.1 Regulation of payment services in Europe

The provision of payment services is a regulated activity that requires a license when carried out in European Union member states that have implemented the PSD, which regulates payment services in domestic markets.

Under this regulation, the following activities, in which the Group participates, are considered to be payment services:

- (i) Issuing and/or acquiring of payment instruments;
- (ii) Execution of payment transactions through a payment card, or a similar device, whether such transaction originates from a payment account or is covered by a credit line;
- (iii) Money remittance;

- (iv) Execution of funds transfers and debit payments, including standing orders, whether made through the payment account with the user's own payment services providers or with another payment services provider or covered by a credit line; and
- (v) Execution of payment transactions where the consent of the payer to execute a payment transaction is given by means of any telecommunication, digital or IT device and the payment is made to the telecommunication, IT system or network operator, acting only as an intermediary between the payment service user and the supplier of the goods and services.

As an example, the Group's Commercial Acquiring activities, which, in the context of payments made by card or online, consist in receiving and transmitting the payment order to the cardholder's bank so that the bank may determine if the transaction can be effected, constitute the provision of payment instrument acquiring services. Similarly, the Group's processing and execution of debit (Bancontact, Maestro and VPay) or credit (Visa and MasterCard) card payment orders constitutes the provision of services for the execution of payment transactions through payment cards.

Conducting regulated payment services in a European Union member state requires prior approval from the relevant national regulatory authority as either a licensed credit institution authorized to provide payment services, a licensed payment institution or as an issuer of electronic money. Licensed institutions are allowed to operate in the member state in which they are licensed as well as in any other member state in which they are authorized to operate either pursuant to the European principal of freedom to provide services, through a subsidiary or a branch located in the host member state or through an agent.

In order to be able to carry out its regulated activities, Worldline NV/SA, a subsidiary of the Group located in Belgium, possesses a payment institution license in Belgium, which allows it to carry out the services described above. In accordance with the European Regulations described above, payment institutions that are licensed in one European Union member state are allowed to establish themselves or provide payment services in any other European Union member state without having to obtain a license from that state, either pursuant to the European principal of freedom to provide services or through a subsidiary (a system referred to as the "European passport"). Worldline NV/SA's license in Belgium has been "passport" to Austria, the Czech Republic, Germany, Spain, France, the United Kingdom, Italy, Luxembourg, the Netherlands, Norway, Poland, Slovakia, Bulgaria, Croatia, Denmark, Estonia, Finland, Iceland, Lithuania, Malta, Romania, Slovenia, Greece, Ireland, Latvia, Portugal, Sweden, Cyprus and Hungary. Worldline NV/SA has also a subsidiary in the Czech Republic and a branch in Slovakia.

Worldline NV/SA has a subsidiary in Sweden (Worldline Sweden AB) which has a money remittance license delivered by the local regulation authority (SFS / Finansinspektionen). Such license is passported in other EEA countries.

Also, the payment institution license held by Paysquare, a Worldline BV subsidiary, in the Netherlands, was "passport" in Austria, Finland, France, Germany, Luxemburg, Poland, Portugal, Spain and in the United-Kingdom.

Payment institutions are subject to specific regulations resulting from the PSD, in particular in regard to own funds and internal controls procedures that they must put in place to comply with the various applicable regulations, such as anti-money laundering measures, corporate governance rules and prudential regulations. The Group also has vigilance and reporting requirements regarding the identity of its clients and beneficiaries of payment transactions. The European Union member states' national regulatory authorities may impose stricter prudential regulations in light of the specific activity of the regulated payment institution. For example, the Group's Belgian entity Worldline NV/SA has a "hybrid" license as a result of its payment terminal manufacturing business that, according to the Belgian regulatory authority, represents a potential risk to its payment services activities, given security flaws or failures could affect the Terminals sold by the Group. Accordingly, the

Group is subject to more extensive prudential constraints, especially as pertains to own funds requirements. For example, Worldline NV/SA was required to have around € 34.14 million in own funds during the fourth quarter of 2017.

As a provider of these services, the Company is required to comply with certain administrative obligations and provide ancillary services, such as issuing confirmation receipts for transactions (in paper or electronic format), providing installation services, monitoring and maintaining hardware and software or developing client-oriented applications for Terminals. The Group is subject to these requirements either as a result of its carrying out the activities of a payment institution, or in its role as subcontractor carrying out the activities of credit institutions. As a subcontractor, the Group acts as a processor on behalf of credit institutions and must therefore provide its services in compliance with the regulations applicable to credit institutions. For a description of the services that credit institutions outsource to the Group (for which the Group does not require a license), see Section C.1.2 of this registration document.

The regulations applicable to payment services are constantly changing. On January 13, 2016, the revised Payment Services Directive (PSD2) entered into force. By January 13, 2018, Member States shall adopt and publish the measures necessary to comply with this directive -as PSD1 Directive 2007/64/EC is repealed with effect from that date. For implementation the European Banking Authority EBA is mandated to develop 6 Regulatory Technical Standards (RTS) and 5 sets of Guidelines (GL) within defined deadlines ranging from 12 to 24 months after the date of entry into force. The directive enlarges the scope of the existing PSD regulation by limiting the exemptions provided for in the PSD and extending its applicability to "third-party payment service providers" who provide remote access to payment account services or payment initiation services through online platforms in relation to payment accounts held by other payment service providers. PSD2 will result in the creation of new regulations applicable to payment initiation services and services for accessing account payment balances. This directive could have an impact on certain payment activities carried out by the Group, in particular services related to the iDEAL and MyBank e-payment platforms and WL Sips card payment platform, and would require a review of the authentication and authorization procedures that would be implemented in the context of PSD2 in order to adjust the Group's payment platforms, as necessary, so as to comply with the applicable regulation. For a description of these services, see Section C "The Group's business" of this Registration Document. Worldline has set up an internal PSD2 transformation program to analyze and mediate the impacts and to contribute actively to the consultation of EBA developing RTS and GL in 2016 and 2017.

Finally, the Group has indirect access to the interbank payment systems, in order to carry out payment transactions and clearing operations processed in the context of the Group's Commercial Acquiring activities. The Group is thus subject to certain specific operational regulations developed by the companies that manage these interbank systems, such as STET in France and the CORE (Compensation Retail) system in Belgium.

The Group has implemented an internal monitoring system to follow legislative and regulatory developments applicable to its activities.



### C.5.2.2 Regulations applicable to outsourced credit and payment institution activities

Credit institutions can also be authorized to provide payment services. Like all activities exercised by credit institutions, these services can be outsourced, meaning that the institution entrusts to an external service provider, which may or may not be a regulated entity, the running of its operational activities. In France, such outsourcing activities are regulated by CRBF regulation 97-02 of February 21, 1997 relating to internal controls within credit institutions and investment firms. Under the provisions of this regulation, a credit institution's external service provider must comply with the credit institution's established controls procedures in respect of services provided and must communicate any information that could have an impact on its ability to undertake the functions that have been outsourced to it. For example, the Group issues payment cards and bank statements on behalf of its credit institution clients and, as a result, is, in France, subject to the supervision of the French Prudential Supervisory Authority (*Autorité de Contrôle Prudentiel et de Résolution*).

Similarly, a licensed payment institution may outsource some of its activities provided it comply with its internal controls procedures. In this regard Atos Worldline NV/SA entrusts to the company certain operational functions related to the provision of payment services such as managing its data centers, and to equensWorldline SE the acquiring processing services. As a result, Atos Worldline NV/SA is, in Belgium, subject to both the Belgian law of December 21, 2009 regarding the status of payment institutions, access to payment services providers' activities and access to payment systems and the Belgian Banking, Finance and Insurance Commission's PPB 2004/5 circular of June 22, 2004 regarding sound management practices regarding subcontracting carried out by credit institutions and investment firms.

### C.5.2.3 Single Euro Payment Area Regulations

In the context of the implementation of the Single Euro Payment Area ("SEPA"), the European Union adopted SEPA Regulation n°260/2012/CE of March 14, 2012 (the "SEPA Regulation"). This regulation seeks to create a single domestic market for credit transfers and direct debits in euros. In particular, this regulation, which is directly applicable in European Union member states, harmonizes the format of credit transfers (SEPA Credit Transfer ["SCT"]) and debit transfers (SEPA Direct Debit ("SDD")). As an example of this harmonization, the bank account information for beneficiaries of credit transfers must now be presented using an International Bank Account Number (IBAN) and a Bank Identifier Code (BIC). The new regulations require a complete migration to the SEPA system as from February 1, 2014. However, credit transfers and direct debits that do not conform to this system continued to be accepted by credit and payment institutions until February 1, 2016.

As a provider of e-payment solutions to merchants and Online Banking services to credit institutions, the Group has had to adapt its services offering, including the provision of payment card statements, and has also assisted its customers in their efforts to comply with these new requirements.

The SEPA Regulation also seeks to enhance the interoperability of payment infrastructures, so that processing credit transfers and direct debits is not hindered by commercial regulations or technical obstacles, by, in particular, opening payment schemes used by payment services providers to credit transfers and direct debits.

For example, the Group participated in the transition of the Bancontact payment scheme in Belgium, as required by the SEPA Regulation. In the past, in order to access the Bancontact payment scheme, it was necessary that the Group and its merchant clients first enter into a payment services contract. Accordingly, a merchant was only able to accept a Bancontact card if it was the Group that undertook the Commercial Acquiring activities in respect of the relevant payment transaction. Now, as required by the SEPA Regulation, the Bancontact scheme would, in such a scenario, be accessible to other licensed commercial acquirers, so long as they make the necessary technical and operational investments to be able to undertake acquiring activities in respect of domestic Bancontact debit cards. Additionally, the Group has collaborated with Dutch banks to render its iDEAL e-payment platform compliant with the SEPA Regulation.

## C.5.3 Regulation applicable outside of the European Union

The Group is not subject to any particular regulation concerning its activities outside of the European Union, with the exception of India, where the Group conducts Commercial Acquiring and *Issuing Processing* activities for limited amounts, which are subject to local regulations.



## C.5.4 Compliance with technical standards

Payment services providers, and, in particular, terminal manufacturers must comply with a number of security standards, including, in particular, standards established by the Payment Card Industry - Security Standard Council ("PCI-SSC"). These security standards seek to improve payment card data security by adopting a broad range of specific standards that apply to the various components of payment card transactions. The main such standard is the Payment Card Industry - PIN Entry Device standard ("PCI-PTS," formerly PCI-PED), which applies to devices that require the entry of a PIN. The aim of this standard is to guarantee that cardholders' confidential PINs are always processed by payment acceptance devices in a manner that is fully-secured and to ensure the highest level of payment transaction security. Other PCI-SSC standards have emerged, including PCI-DSS (Payment Card Industry - Data Security Standard) aimed at preserving the confidentiality of payment transaction data and PCI-UPT (security standard specific to unattended payment modules). The development of these standards, which requires continual modifications to existing requirements, is managed by the PCI-SSC's founding members: Visa, MasterCard, JCB, American Express and Discover in consultation with other electronic payment industry players

(payment terminal manufacturers, regulatory bodies, retailers, banking associations, banks, processors, etc.). This system thus allows companies to participate in the development of standards and the rules established to implement them. The Group participates in the European working group on protocol standardization.

By way of example, the Group has obtained the PCI-DSS (Payment Card Industry - Data Security Standard) certification for its secure online payment platform and its Pay-lib service (cloud-based electronic wallet). This standard aims to ensure that the cardholder's confidential data as well as any sensitive transaction data are always securely processed at the systems and databases level.

The Group is also subject to international certification standards such as ISO 9001, which relates to requirements for quality management systems and ISO 14001 which relates to environmental requirements for technological infrastructure. Lastly, the Group is subject to international security requirements such as the international standard for payment card security, established by the Europay MasterCard Visa User Group ("EMV User Group"), in which the Group participates.

C

## C.5.5 Protection of personal data

In connection with its business activities, the Worldline Group collects and processes information subject to personal data protection laws and regulations in Europe as well as in other regions in which the Worldline Group operates. Such personal data processing is carried out on behalf of both Worldline Group companies themselves and their customers.

### C.5.5.1 Personal data processing within the European Economic Area

Until May 24, 2018, Directive 95/46/CE of October 24, 1995 (the "Personal Data Directive") is the point of reference for personal data protection regulation within the European Economic Area (the "EEA," which includes the European Union, Iceland, Norway and Liechtenstein). In France, the Personal Data Directive was implemented through various amendments to law no. 78-17 of January 6, 1978, which relates to information technology, filing system and civil liberties, with the main amendment having been adopted through law no. 2004-801 of August 6, 2004. From May 25, 2018, the General Data Protection Regulation (GDPR) will replace the directive and the national laws within the EU member-states. National legislation will give further regulation regarding opening clauses in GDPR in order to embed this European law into national contexts.

The Personal Data Directive and subsequently GDPR apply to automated or non-automated personal data processing when the relevant data is included or is meant to be included in a filing system. "Personal data" is broadly defined as all information relating to a natural person who has been identified or is identifiable directly or indirectly, regardless of his or her country of residence or nationality. The Personal Data Directive and subsequently GDPR require persons and entities responsible for processing personal data that are either incorporated in an EEA member state or have recourse to data processing functions in an EEA member state, to put in place a number of measures prior to and at the time the relevant data is collected, while it is stored and until it is erased. According to the Personal Data Directive and subsequently GDPR, the person or entity that, alone or jointly with others, determines the purposes and means of the processing of personal data (as opposed to a simple subcontractor acting on behalf of a third-party), is considered to be a "data controller". Any person or entity processing personal data on behalf of a data controller, based on the instructions of the data controller and for the purpose defined by the data controller, is considered to be a "data processor".

With respect to each of its activities that involve personal data processing, each Worldline Group entity in Europe conducts an analysis on a case by case basis in order to determine whether it is acting in a data controller or data processor capacity.



Where a Worldline Group entity functions as a data controller (for instance those entities that handle employees' personal data or anti-fraud measures), it is subject to the following obligations:

- To satisfy the criteria set forth in the Personal Data Directive and subsequently GDPR and local laws and regulations for making data processing legitimate, which include, among others, that the person concerned has given his or her consent or the processing of personal data is necessary for the purposes of pursuing a legitimate interest or for the performance of a contract to which the person concerned is a party;
- To ensure that the personal data is (i) processed fairly, lawfully and in a transparent manner, (ii) collected for specific, explicit and legitimate purposes, (iii) adequate, relevant and limited to what is necessary in relation to the purposes for which it is processed, (iv) accurate and, where necessary, kept up-to-date, (v) kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data is processed, and (vi) processed in a manner that ensures appropriate security of the personal data, including protection against unauthorized or unlawful processing and against accidental loss, destruction or damage;
- To be able to demonstrate compliance with the principles relating to processing of personal data;
- To take particular precautions before processing special categories of personal data (e.g., health or biometric data) by assessing the potential risks stemming from such processing and by checking that the explicit consent of the person concerned was received or that the processing is based on one of the exceptions that permit such processing as provided for in applicable law implementing the Personal Data Directive and subsequently GDPR (for instance when processing is necessary to defend the vital interests of the person concerned or of another person, or when the processing relates to data that was manifestly made public by the person concerned or is necessary to recognize, exercise or defend a right before courts);
- To put in place technical and organizational measures to protect personal data against accidental and unlawful destruction, accidental loss or unauthorized modification, dissemination or access, taking into account measures like pseudonymization and encryption of personal data, ensuring availability thereof and implementing a process for regularly testing, assessing and evaluating the effectiveness of these technical and organizational measures;

Except in certain instances set out in the valid data protection legislation

- Until May 24, 2018 (under Personal Data Directive), to inform the persons concerned of (a) the fact that their personal data is being processed, (b) the identity of the recipients of the data, (c) the identity of the data controller (d) the purpose of the data processing, and (e) their access and rectification rights and, in certain cases, their right to object to such processing (and, as the case may be, allow them to enforce these rights);
- From May 25, 2018 (under GDPR), to inform persons concerned about the fact that their personal data is being processed and (a) the identity and contact details of the data controller, (b) the contact details of the data protection officer, (c) the purpose of the processing as well as the legal basis, (d) if applicable the legitimate interest, (e) the recipients or categories of recipients of the personal data, (f) where applicable, the fact that Worldline intends to transfer personal data to a third country, (g) the period for which the personal data will be stored, (h) the existence of the right to request from the controller access to and rectification or erasure of personal data or restriction of processing concerning the data subject or to object to processing as well as the right to data portability, (i) the existence of the right to withdraw consent at any time, (j) the right to lodge a complaint with a supervisory authority, (k) whether the provision of personal data is a statutory or contractual requirement, or a requirement necessary to enter into a contract, as well as whether the data subject is obliged to provide the personal data and of the possible consequences of failure to provide such data, and (l) if applicable the existence of automated decision-making, including profiling;
- To refrain from transferring personal data outside of the EEA unless the European Commission considers that the recipient country ensures an adequate level of protection or the transfer is governed by contractual clauses of the type established by the European Commission. In this respect, it should be noted that, in November 2014, the Atos group was the first IT service company to obtain the validation of its "Binding Corporate Rules" (or "BCR") both as a data controller and as a data processor. The positive consequences of this validation are detailed in Section C.5.5.2
- To only use data processors providing sufficient guarantees to implement appropriate technical and organizational measures;
- To maintain a register of processing activities as data controller;
- To follow the principles of data protection by design and data protection by default when designing solutions and preparing processing activities;

To carry out the formalities required by the relevant national authorities that regulate personal data protection (such as the *Commission nationale de l'informatique et des libertés* in France) prior to effecting data processing operations; these formalities vary according to national laws.

Until May 24, 2018, depending on the country, the violation by a data controller of such obligations may result in administrative, civil or criminal sanctions, including fines that may amount up to € 15 million for legal persons in France. With GDPR coming into force on May 25, 2018, the violation by a data controller or by a data processor may result in administrative, civil or criminal sanctions, including fines up to € 20 million or, in the case of an undertaking, up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher.

In respect of its other activities, the Group acts in a capacity as "data processor" within the meaning of the Personal Data Directive or of the GDPR. In such cases, the Group processes personal data with which its clients entrust it and in respect of which such clients are the sole data controllers. In such instances, the above-described obligations applicable to data controllers apply only to such clients. However, the Group nevertheless provides guarantees to its clients that it will (i) put in place technical and organizational measures to protect the personal data they have provided, especially against accidental loss, unauthorized modification or dissemination, or malicious or unlawful access and (ii) process such data in accordance with the client's exclusive instructions and for no other purpose than those established by such client. With GDPR coming into force on May 25, 2018, the Group will especially fulfil the following obligations:

- To process such data in accordance with the client's exclusive documented instructions and for no other purpose than those established by such client;
- To put in place technical and organizational measures to protect personal data against accidental and unlawful destruction, accidental loss or unauthorized modification, dissemination or access, taking into account measures like pseudonymization and encryption of personal data, ensuring availability thereof and implementing a process for regularly testing, assessing and evaluating the effectiveness of these technical and organisational measures;
- To not engage any other processor without prior specific or general written authorization of the data controller;
- To assist the data controller in ensuring compliance with the relevant obligations of GDPR;
- At the choice of the data controller, to delete or to return all the personal data to the data controller after the end of the provision of services relating to processing, and to delete existing copies;
- To make available to the data controller all information necessary to demonstrate compliance with the relevant obligations of GDPR;

- To maintain a register of processing activities as data processor;
- To follow the principles of data protection by design and data protection by default when designing solutions and preparing processing activities.

Although the law applicable to personal data has to a large extent been harmonized throughout the EEA, the implementation of the Personal Data Directive by the EEA member states has given rise to a certain degree of variation among the regulatory regimes that have been established, and some of which are more restrictive than those established by the Personal Data Directive. With GDPR coming into force, this harmonization will be strengthened; nevertheless the opening clauses within the Regulation will still allow a more narrow range of national variations within data protection legislation and regulatory instances. In order to ensure a coordinated and harmonized approach respecting the applicable national laws, the Atos group has adopted a "Group Policy related to personal data protection (AP17 policy)" that is applicable to all of its entities and their employees, including those of the Worldline Group. This policy is founded on three key pillars:

- (i) A set of principles based on those set forth in the Personal Data Directive and subsequently GDPR;
- (ii) A set of procedures that ensure that such principles are implemented; and
- (iii) A training program for all group employees, tailored to their positions and responsibilities.

As requirements regarding notification of Data Protections Authorities as well as data subjects in the case of personal data breach will be adapted with GDPR coming into force, the Group will update, in that respect, the process already implemented for personal data breach notification based on the Atos group policy "Personal Data Breach Policy (AP21 policy)".

The Group's compliance with the various national laws and effective implementation of the above-described policy is ensured and managed by a personal data protection network, relying on a twofold legal and technical expertise, comprising Data Protection Officers and designated paralegals in each Worldline Group entity, resulting in Local Offices dedicated to personal data protection that are coordinated at Worldline Group level by the Worldline Global Data Protection Officer and at Atos group level by the Group Data Protection Officer, responsible for the Global Office.

The measures described above have been put in place to comply with GDPR. An overall Worldline GDPR compliance program, in accordance with the Atos group GDPR compliance program and supported by different sub-tracks, focuses both, the initial implementation of the new data protection law as well as preparing continuous compliance.



### **C.5.5.2 Data processing carried out outside the European Economic Area**

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The Worldline Group carries out personal data processing operations in numerous countries outside of the EEA. Such processing is in some instances conducted on behalf of customers themselves located outside the EEA, while in others it is conducted on behalf of customers located within the EEA to whom the Worldline Group provides "offshore" services as an integral part of the services it offers.

Although there is no international regulation that harmonizes all of the principles applicable to personal data protection, the regulatory framework applicable within the EEA is seen as the authority on such matters due to its strict and pioneering nature and the influence it has had on legislation that has emerged in numerous countries that have used it as a model, such as in North Africa, Latin America and Asia.

This is why the Atos group, which includes the companies of the Group, chose to adopt and implement the Binding Corporate Rules (or "BCR") aimed to ensure that all entities worldwide whatever the country they are located in, give a high level of

protection to the personal data they process, either as a data controller or as a data processor.

The BCR constitutes stringent commitments for all Atos and Worldline Group entities, whatever the country they are located in (Europe, Latin America, Africa, Asia, etc.), whereby they commit to respect numerous principles related to the personal data they process. These principles are based on requirements defined by the Personal Data Protection Directive and subsequently GDPR. These commitments were recognized by a large number of European personal data protection authorities as enabling a high level of data protection, when such data is processed on behalf of the Group's clients (the Group acting as a data processor) or for itself as a data controller. They allow Worldline entities to transfer such data out of the European Union to other Atos' entities in a simplified, easy and secured fashion.

These commitments are voluntary, unilateral, rare in the IT service industry as they cover both Atos and Worldline entities, acting not only as data controllers but also as data processors (*i.e.* when data is processed on behalf of their clients) and demonstrate the focus given to personal data protection.

## C.6 Investments

### C.6.1 Investments of 2017

In 2017, the Group's total capital expenditures (purchases of tangible and intangible assets recorded on the balance sheet) were € 113.4 million. These capital expenditures comprised principally:

- **Capitalized production costs.** Capitalized production costs, which relate to the applications developed specifically for clients or technology solutions provided to a group of clients, totaled € 46.6 million in 2017. Of this amount:
  - € 34.1 million were invested in internal software development in four main areas: (i) rendering the Group's processing platform compliant with SEPA Regulations and the development of new functionalities in lines with the DSP2, (ii) adapting the Sips Internet platform, (iii) developing Connected Living offers and (iv) developing new line of payment terminals,

- € 12.5 million were spent developing software for specific customers,
- **Investments in shared infrastructure.** The Group invested a total of € 43.4 million in 2017 in shared infrastructure – infrastructure that is not dedicated to a single client – which consists principally of network equipment and servers;
- **Investments in infrastructure dedicated to specific clients.** The Group invested a total of € 20.2 million in 2017 in dedicated equipment for specific clients (principally dedicated servers and terminals leased to clients).

The following table shows capital expenditures (purchases of tangible and intangible assets) by type of expenditure for the periods indicated.

<i>(in € million)</i>	<b>12 months ended December 31, 2017</b>	<b>12 months ended December 31, 2016</b>
Capitalized production		
Development of new software platforms	34.1	34.3
Development of software for specific customers	12.5	10.4
IT Platform		0.7
<b>Total capitalized production</b>	<b>46.6</b>	<b>45.4</b>
<i>Other purchases of tangible and intangible assets</i>		
Shared infrastructure	43.4	27.3
Dedicated infrastructure	20.2	9.8
Other	3.2	0.8
<b>Total other purchases of tangible and intangible assets</b>	<b>66.8</b>	<b>37.9</b>
<b>Total capital expenditures (purchases of tangible and intangible assets)</b>	<b>113.4</b>	<b>83.3</b>

#### Gross Financial Investments

In 2017, the Group's cumulative gross financial investments (amounts paid for financial assets) amounted to € 220.1 million, corresponding to the acquisition of First Data Baltics, Digital River World Payment, MRL Posnet and Diamis, as well as the participation in "In touch".

### C.6.2 Principal Investments Currently Underway and Planned

The Group estimates that its capital expenditures in 2018 for maintaining and upgrading its IT equipment and its software platforms should stay steady in absolute value compared with 2017.

Including the investment derived from the Equens integration plan, the Group expects its average annual level of capital expenditure to be around 6% of revenue in the short term and between 5% and 6% of revenue in the medium term.

The Group self-finances the investments currently underway, and does not use financial borrowing.



## C.7 Property Plant and Equipment

### C.7.1 Significant existing or planned property, plant and equipment

As of December 31, 2017, the Group held property, plant and equipment with a total net value of approximately € 129.2 million, consisting mainly of the equipment (particularly information technology equipment) used in its production centers, more specifically its data centers. The Group leases almost all of its property & plant while IT equipment is generally purchased.

Property, plant and equipment held or leased by the Group consists primarily of the following:

- Administrative buildings and offices for the Group's administrative and commercial needs, in all of the countries in which the Group operates. The principal sites leased are located in France (in particular the Bezons site, where the Company has its registered office), Belgium, in the Netherlands, in Italy, Germany and the United Kingdom. The Group's principal data centers are located in France (at its Seclin site) as well as at its Vendôme site, in Belgium (at its Brussels site), in the Netherlands (at its Amsterdam site), in Italy (at its Pero and Settimo sites) and in Germany (at its Frankfurt site), as well as in Spain and the United Kingdom where the Group is renting some datacentre space from

Atos. Certain sites in Belgium are sub-leased by Worldline PropCo SA to Worldline NV/SA (Belgium) in connection with a long-term lease between Worldline PropCo SA and Immo Haecht 1442, which owns the Group's principal real property located in Belgium. The Group also rents, from third parties connected with its own data centers, four European telecommunications centers (located in France, Belgium and Germany). Lastly, the Group leases buildings and data centers in the emerging countries in which it operates, including India and Argentina, as well as in the USA and in Russia;

- Technical data center infrastructure, furniture, equipment (primarily information technology equipment) and data center servers, which the Group owns through its local subsidiaries;
- Assembly plant in the United Kingdom for the manufacture of kiosks.

The Group believes that the usage rate of its various tangible fixed assets is consistent with its activity and projected growth, as well as with its current and planned investments.

## C.8 Research and development, Patents and Licenses

### C.8.1 Research and development

The Worldline Group actively seeks to promote a culture of innovation designed to spur its employees to greater creativity and encourage the design and implementation of value creating projects.

The Group's Research and Development department is a key enabler of its capacity for innovation and improvement of its products and solutions, a critical strength in an industry that is constantly evolving. The Group's research and development teams, which are managed centrally from its headquarters, comprise a dedicated team of research and development engineers spread throughout the countries in which the Group operates. Many of the Group's research and development engineers are closely integrated within the Group's operational

teams and focus primarily on incremental innovation, while other research and development engineers are focused on longer-term research and development projects dedicated to disruptive innovation. The Group's dedicated research and development team supports a broader team of more than 4,500 engineers in the field working with clients to implement the Group's services. The Group's research and development expense amounted to € 48.3 million in 2017 and € 47.6 million in 2016. The Group's research and development teams indeed interact with Atos' various Service Line experienced research and development teams, like for example, Atos' scientific community or BDS (formerly Bull) R&D teams.

The Group's research and development activities are detailed in Section D.2.1.1 "Anticipate customers' expectations regarding innovation" Of the Group's Corporate and Social responsibility Report, presented in Section D.

## C.8.2 Intellectual Property, Patents, License, Usage Rights, and Other Intangible Assets

The Group owns most of the intellectual property that it uses in connection with its activity. As a result, the Group is usually able to develop its own technological solutions and to provide its products and services to clients without depending on the Atos group, competitors or other third parties.

The Group's intellectual property rights comprise a combination of complementary rights, including the following:

- Rights relating to technology, such as:
- Know-how and trade secrets whose confidentiality is ensured by the Group's internal policy as well as by contractual provisions that are binding on the persons or entities with access to such information,
- Software and information systems (which are protected by copyright) and databases. In accordance with the Atos group's intellectual property policy, most of such software has been registered for copyright protection purposes,
- A portfolio of approximately 80 patents, filed in the geographic markets where the Group is most active, including Europe, the United States, Canada and India;
- Rights to distinctive marks such as trademarks or domain names, in particular those including the name "Worldline", registered in all of the countries where the Group does business.

These intellectual property rights are held either (i) by Worldline Luxembourg SA; or (ii) by the Group entity that developed the technology in question (which is the Company, for certain patents) or that uses the distinctive marks locally.

Going forward, the Group will be responsible for filing most of the trademarks or patents relating to the Group's activity. The decision to file will be made in accordance with the Atos group's intellectual property policy applied by the Group with respect to its own research and development projects, the primary objectives of which are the following: (i) to identify the intellectual property developed by the Group's entities; (ii) to evaluate their potential and optimize their usage; (iii) to determine the form of protection best suited to the Group's activity (for example, filing a patent or protecting the confidentiality of a trade secret); (iv) where necessary, to bring legal action against infringers and defend actions brought against the Group; and (v) to ensure that the Group remains independent with regard to intellectual property and that the majority of the intellectual property used by the Group belongs to it.

In general, the Group grants licenses to use its intellectual property only on a very limited basis and only where the services provided to its clients require so. Similarly, the Group has entered into only a few material license agreements relating to technology belonging to third parties, including: (i) certain simple or cross-licenses entered into between Group entities, on the one hand, and certain Atos group entities, on the other hand; and (ii) a patent cross-license agreement entered into between Atos SE and IBM Corp., pursuant to which all the patents of IBM Corp. and its subsidiaries are licensed to the Atos group entities, including the Group's entities, and the Atos group's patents, including those of the Group, are, in return, licensed to IBM Corp. and its subsidiaries.

In addition, from time to time, some Group entities use open-source software, which may be used free of charge under licenses that sometimes include an obligation to disclose the source code developed using the open-source software. The Atos group's internal intellectual property policy provides that management must closely monitor such use from both a technical and a legal perspective in order to avoid the risks of unmonitored use of open-source software and disclosure of source codes relating to the Group's proprietary software.

The Group is involved in a small number of material legal disputes relating to intellectual property, as described in Section F.6, "Legal Proceedings".

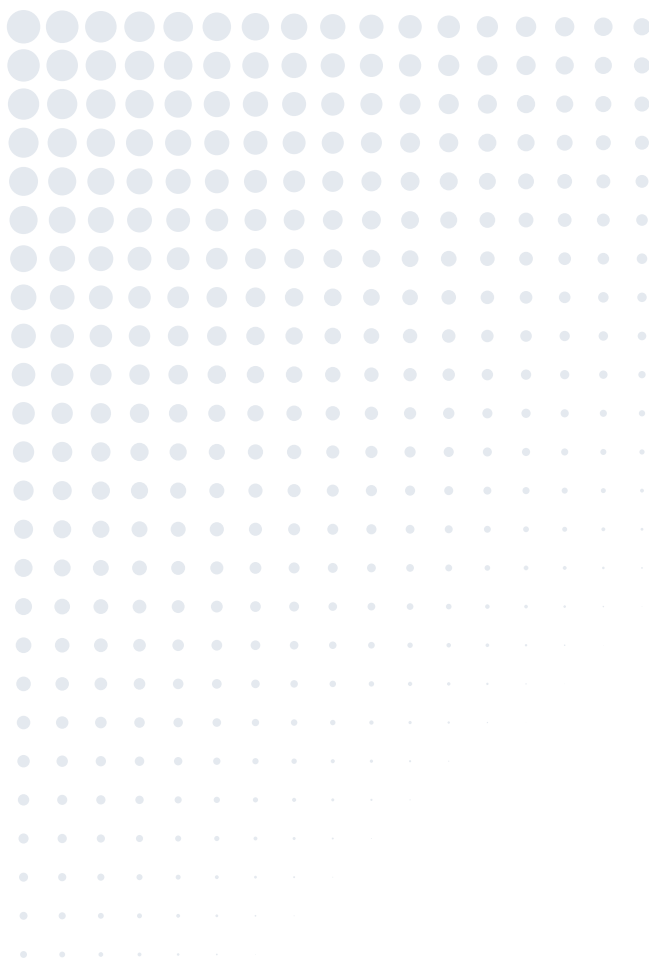


**The Group's business**



# D

## Corporate Social Responsibility report



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## D.1 Integrating sustainability in Worldline's business

### D.1.1 Building an integrated approach

#### D.1.1.1 Market trends, opportunities and risks in the digital area [GRI 102-15] and [GRI 103-1 economic performance]

The digital revolution has made its way into the payment industry to which it is bringing significant changes. Customers changing their behavior and having high demands for services that fit their needs, the constant stream of new emerging technologies, the arrival of new digital players, often with different economic models and approaches, such as the GAFA, neo-banks and Fintech start-ups and grow-ups, as well as the continuing pressure of regulatory changes, such as e-Identity and consumer protection directives as well as the coming application of the new Payment Services Directive (PSD2), are the main disruptors driving the entire payment ecosystem towards new business models that are still unstable.

##### D.1.1.1.1 Opportunity in the digitization of processes

With the digital revolution comes an increased digitization of processes which triggers growing electronic interactions between all participants involved in these transaction processes. Furthermore, the digitization of processes facilitates a seamless digital user experience, with no interruption of the customer's interaction with the Company, regardless of the means used.

Worldline encourages simple, secure and efficient systems that optimize the use of resources, for example, by removing unnecessary paper or cards.

##### D.1.1.1.2 Challenges of the digital revolution and investment for the future

Driven by the digital revolution, the classic payment value chain is radically transforming and new emerging players are entering the market. New technologies will enable Worldline to provide new entrants with access to electronic transactions and optimize the way financial transactions are currently executed for customers, involving lower costs and offering enhanced services through a seamless customer experience.

In response to this demand, and as a key player committed to sustainable progress for society at large, Worldline has significantly invested in payment and digital services assets. The Company aims to provide better support for its customers in

their sustainability challenges while developing new revenue streams and complying with their corporate objectives as well as committing to economic transparency by fighting the shadow economy, fraud, money laundering and all types of financial violations. To this end, Worldline commits to making services and products sustainable, improving and optimizing them as well as creating new ones.

By contributing to its customers' economic growth and sustainable offerings, Worldline's solutions have the following positive impacts:

#### Economic

Worldline's sensitive activities, in terms of risk, take place in an ecosystem which involves more and more stakeholders. This ecosystem is governed by international and local regulations defining payment industry sector standards, but also by user practices and habits that must be taken into account.

Worldline has a key role to play in this context by making the economy more open and transparent and by improving market access beyond online payment, personal services, mobility, digitization and secure confidence in traceability. Thanks to its innovative solutions and corporate commitment, Worldline is recognized as a trusted third-party partner supporting its customers' growth.

#### Social

To meet social challenges, Worldline fully aligns its Human Resources strategy with its operational needs, to better anticipate growth and its impact on personnel needs. This means having the right skills for a qualified workforce on a global scale, delivering development programs for its employees to grow, retaining talent and as a result, being known as an attractive player on the market.

#### Ethics

Worldline has the ambition of playing a leading role in the fast-growing and constantly evolving payment market landscape. This requires having a compass on how to conduct business. Conducting business in an ethical and responsible way in all of its spheres of influence is part of the Worldline strategy, as an absolute requirement to be integrated into the Company's thinking, decision-making and processes.

This principle applies throughout the organization as Worldline ensures that its employees are trained to adhere to those standards for ethical business practices: to act honestly, fairly and with integrity in their daily work. Moreover, this principle is also endorsed within Worldline's entire value chain including its supply chain, responsible operations and its involvement in developing local economies.

## Environmental

The IT sector has grown very significantly over the last 10 to 15 years and is still a major energy consumer. Worldline believes that technological progress also brings valuable solutions for the responsible use of resources and more specifically energy. For example, Worldline seeks to improve its environmental performance by working to make its data centers carbon neutral.

Worldline acts as a responsible player in terms of resource management and is conscious of its energy consumption and waste production, optimizing its use of resources with a special focus on cost reduction. This enables the Company to be environmentally-friendly by seeking every opportunity to save resources, while improving its bottom line.

### D.1.1.2 Vision, strategy and governance

[GRI 102-13][GRI 102-18][GRI 102-19]  
[GRI 102-20][GRI 102-21][GRI 102-26]  
[GRI 102-27][GRI 102-28][GRI 102-29]  
[GRI 102-30][GRI 102-31][GRI 102-32]  
and [GRI 103-2]

#### D.1.1.2.1 Vision

As part of the Atos group, Worldline shares the same vision, strategy and governance. Nevertheless, strengthened by a long history of shared experience, strong corporate values and a wide footprint in markets, Worldline has developed its own Corporate Social Responsibility (CSR) that are reflected in its solutions to its customers' needs. Therefore, Worldline set up its own CSR ambitions and commitments while aligning and remaining consistent with Atos policies.

Like the Atos group, Worldline's goal is to be recognized as a CSR leader in its industry, while being a European leader in the payments and transactional services industry, providing solutions to its customers to reinvent their models of future growth at a time of massive change that affects them financially, technologically, environmentally and socially.

Worldline embraces the principle of shared value, which involves creating economic value in a way that also creates value for society by addressing its needs and challenges, in other terms, by connecting the Company success with broader social progress. Worldline's ultimate mission is the pursuit of

financial profitability and value creation for all of its stakeholders while improving its responsible social and environmental footprint.

#### D.1.1.2.2 Strategy

To achieve its goal of integrating sustainability into its Business Lines and operations, Worldline's Corporate Social Responsibility strategy is based on three strategic focuses:

##### 1) to reinforce IT leadership to promote sustainability

Consolidating and improving Worldline's position in recognized sustainability rankings such as EcoVadis, Great Place to Work®, etc., as well as in extra-financial ratings for investors (Gaia Index, OEKOM, Vigeo, MSCI, Sustainalytics, etc.) requires constant attention on its part. This enables the Company to take on the non-financial performance challenge and consolidate its credibility in the market. The most recent CSR awards received during past months reflect the growing importance of Worldline's commitment to sustainability matters worldwide.

##### 2) to embed corporate responsibility at the core of Worldline's business and processes

As a subsidiary of the Atos group, Worldline makes sustainability a component of its DNA through its corporate values, innovation, environmentally-friendly operational excellence, social responsibility and business development. Sustainability is part of Worldline's innovation process, enabling the creation of new secured solutions in different fields of expertise such as energy and carbon management, social collaboration, public services, etc. By making sustainability part of its business and the IT transformation process,

Worldline is convinced that its customers can better improve their organization, create new opportunities, encourage innovation and ensure competitive advantage.

Worldline's goal is to gradually embed Corporate Social Responsibility in its employees' everyday working life regardless of their culture or location. Continual efforts are made to bring all the regions within a consistent approach that strengthens Worldline's position as a multinational company that takes into account local needs and concerns.

##### Worldline is working in several partnerships and associations to develop its CSR performance.

To stay abreast of the latest market trends and industry best practices, Worldline is an active member of three bodies recognized for their expertise in the field of CSR:

- United Nations Global Compact: Worldline joined the United Nations Global Compact, committing to improve human rights, to comply with employment and environmental regulations and fight against corruption. In this regard, Worldline is committed to contributing to the Sustainable Development Goals (SDGs) of the United Nations;



- Global Reporting Initiative Gold Community: Worldline is a member of the GOLD Community and supports the mission of the GRI to empower decision makers everywhere, through GRI Sustainability Reporting Standards and its multi stakeholder network, to take actions towards a more sustainable economy and world; and
- Sustainability Directors' Club: Worldline is an active member, making regular presentations at conferences organized by C3D with a view to sharing latest practices and regulations.

### 3) Identifying challenges, establishing priorities, measuring performance

Worldline strives to strengthen dialog with its stakeholders in order to share the Company's strategic challenges as well as the key performance indicators that will measure and publicly report the progress made through its sustainability approach. Managing stakeholders' expectations in line with existing regulations helps to better focus on relevant areas of action and improve transparency on appropriate topics. To this end, Worldline continuously strives to enhance its dialog with its various stakeholders, sharing its ambitions and challenging its actions.

Early 2016, after defining and consolidating its CSR strategy, based on the most critical challenges identified through its materiality analysis, Worldline has strengthened its commitment to sustainable development by launching its TRUST 2020 CSR program: trust at the heart of everything we do."

#### D.1.1.2.3 Trust 2020 ambition

Worldline has defined its TRUST 2020 CSR ambition for each of its material challenges in order to reinforce its leadership and define its roadmap for the coming years. This long-term commitment, strongly bolstered by Worldline general management, aims at positioning "trust at the heart of everything we do" within the Worldline ecosystem. The Company has set specific and measurable CSR objectives that it intends to achieve by 2020, and announces progress on a yearly basis. Worldline has defined 14 Key Performance Indicators (KPIs) that are based on the Company's four strategic areas of focus: business operations, employees, the value chain and the environment:

- Ensuring service availability and 100% response time in line with the commitments made in the Service Level Agreements;
- 100% incident response in compliance with Worldline's security policies;
- Privacy Impact Assessments (PIA) performed on critical services;
- Generating €725 million in turnover through sustainable solutions;
- Increasing customer satisfaction to 8/10;
- Being listed in at least five employer brand rankings;
- Increasing overall employee satisfaction by 10% (through the Great Place to Work® survey);
- More than 90% of employees satisfied with the trainings provided by Worldline;

- Promoting gender equality within the Company by increasing the number of women in managerial positions;
- Improving responsible supply chain performance by obtaining the EcoVadis "Gold" Label and by monitoring supplier performance improvement;
- Being carbon neutral by offsetting all CO<sub>2</sub> emissions linked to Worldline's activities and Terminals.

The program is intended to enhance the sustainability of Worldline's operations in years to come, thereby improving its non-financial performance and consolidating its position as a CSR market leader. This program is a key market differentiating factor and a crucial element for Worldline for building and developing trusting relationships with its customers and partners as well as with its employees, investors and suppliers.

Worldline is increasingly a reference among payment services companies in terms of CSR and has built a trusting and transparent environment with its stakeholders:

- Customers will continue to benefit from value-added products and solutions, better quality services and high-level communications as well as increasingly innovative energy-saving solutions;
- Employees will see the quality of their working environment improve with the introduction of new technologies, as well as career opportunities;
- Investors and analysts will be able to access transparent and certified information, year by year, which they can use to measure progress in terms of operational efficiency;
- Suppliers and partners will receive a great deal of attention, thus enabling them to strengthen their business links and create growth;
- Communities will have a partner that is increasingly aware of the social, environmental and economic aspects of the ecosystem of the region where the Company is located;
- Public bodies will be able to continue to guarantee that Worldline complies with various regulations and standards, a source of sustainability within its sector.

Two years after the launch of its TRUST 2020 program, Worldline has been able to create strong internal momentum to support its CSR ambition and move towards its long-term transformation objectives by presenting already significant progress on all of its strategic challenges in terms of sustainable development:

#### Making Worldline a great place to work

- In 2017, the Great Place to Work® index continues to increase (+1 point) while covering a larger perimeter of employees from Worldline's new entities. Overall satisfaction rate reached 58% compared to the target of 60%.
- 88.4% of employees have declared themselves satisfied with the training provided.
- The "Happy Trainees" label was renewed, reinforcing Worldline employer brand.

**Improving Worldline impact on the Planet**

- Worldline now offsets 83% of its CO<sub>2</sub> emissions, adding to its perimeter the compensation of its CO<sub>2</sub> emission relating to its business travels in addition to its data centers. Also, 100% of emissions from the payment Terminals lifecycle have been offset once again in 2017.

**Building trusting and long-lasting relationships with customers**

- In 2017, Worldline reached its customer satisfaction objective with 8.1/10, increasing by 0.43 points.
- Worldline reached its objective of turnover achieved through solutions contributing to social and environmental progress with an amount of 770 million in 2017 [AO7]. This was notably possible thanks to its new acquisitions that brought offers providing new sustainable contribution.

- In 2017, 57.3 % of Privacy impact assessments (PIA) have been performed on critical services, increasing by 11 points regarding last year.

These significant results for 2017 reinforce the credibility of Worldline's CSR approach and give the Company a solid foundation and a good level of maturity to continue its progress towards its TRUST 2020 ambition. This broad commitment to sustainable development represents a tremendous catalyst for transformation at all levels of the Company. Worldline intends to continue its momentum and intensify its efforts by mobilizing all its employees and taking all the necessary actions to achieve its TRUST 2020 CSR objectives to ensure responsible growth and create lasting value for the Company and its stakeholders.

CSR Challenge	Indicator	2015 Baseline	2016 Achievements	2017 Achievements	2020 Targets
<b>Building client's trust with fully available and secured platforms and reinforcing value for clients through sustainable &amp; innovative solutions</b>	% of alignment with the Service Level Agreements (SLA) on service availability*	-	95.54%	<b>95.49%</b>	100%
	% of alignment with the Service Level Agreements (SLA) on response time*	-	98.52%	<b>98.58%</b>	100%
	% of incident responses compliant with Worldline security policy	-	97%	<b>98.67%</b>	100%
	% of Privacy Impact Assessments (PIA) performed on critical services	-	46%	<b>57.3%</b>	100%
	Revenue generated through sustainable solutions that contribute to societal and environmental progress in €m	575	586	<b>770</b>	725
	Overall Customer Satisfaction (OCS) score	7.26	7.67	<b>8.1</b>	8
<b>Being a responsible employer by revealing our employees potential</b>	Number of employer brand study citations	0	1	<b>3</b>	5
	% of employees satisfied with the trainings provided by Worldline	-	86%	<b>88.4%</b>	90%
	% employee satisfaction as measured by the Trust Index of the Great Place to Work® survey	50%	57%	<b>58%</b>	60%
	Gap between the % of females in management positions and the % of females in the overall workforce (target range of +/- 10%)	10%	9%	<b>9%</b>	0
<b>Endorsing our business ethics within our value chain</b>	Level obtained in the EcoVadis supply chain assessment	Silver	Gold	<b>Gold</b>	Gold
	% of suppliers evaluated by EcoVadis with a score below 40 that are encouraged by Worldline to have an action plan to solve critical findings identified**		100%	<b>100%</b>	100%
<b>Leveraging the eco efficiency of our data centers and offices</b>	% of CO <sub>2</sub> emissions offset from data centers, buildings and travel	32%	31%	<b>83%</b>	100%
	% of CO <sub>2</sub> emissions offset from payment terminals Life Cycle Assessment (LCA)	0%	100%	<b>100%</b>	100%

\*In 2017, we have excluded India from the calculation scope of the indicators due to a national event in this country that has entailed some Service level agreements (SLA) breaches that were not under Worldline's responsibility.

\*\*This year, we changed the title of this KPI which was before "% of suppliers evaluated by Ecovadis with a score below 40 having an action plan to solve critical findings identified". The 2016 value corresponds to the new definition.





#### **D.1.1.2.4 Governance**

The Corporate Social Responsibility Officer, a member of the Worldline Management Committee reporting directly to Worldline's CEO, is responsible for the Worldline CSR strategy and promotes CSR values, internally and externally. This officer is responsible for the Worldline Corporate Social Responsibility department composed of an international team of 35 people, present in the 25 countries in which Worldline is established and the Company's seven support functions. Weekly follow-up calls and monthly work and discussion sessions are held to monitor the progress of action plans and coordinate the work of all local CSR offices.

The Worldline CSR Officer works in close cooperation with the Atos group CSR Officer to ensure full alignment with the Group CSR initiatives and the associated teams. This person is responsible for defining the Company's CSR Strategy, taking into account the Group's policy and Worldline's business specificities according to the materiality analysis defined through the dialog engaged with Worldline's internal and external stakeholders. The CSR Officer is also responsible of the Gender Equity and Diversity Program.

Worldline's Management Committee takes part in implementing the CSR strategy and the CSR program's action plan. The CSR Officer presents the results of the CSR initiatives and their upcoming roadmap during the Worldline Management Committee's quarterly "CSR Session." The CSR Officer highlights the key successes in accordance with the committed roadmap and the agreed-upon strategy. The Worldline Management Committee is deeply involved in local implementation of the CSR initiatives and provides permanent support and sponsorship for the projects.

The Corporate Social Responsibility and Sustainability program is part of Atos group's Wellbeing@work global program which is intended to transform the Group into a Tier 1 leader and one of the best companies to work for.

#### **D.1.1.2.5 Awards and recognition**

In 2017, Worldline's CSR outcomes showed continuous improvement in ratings, with remarkable progress in the certifications obtained:

- Moving from the top 3% of the most sustainable companies in its industry to the top 1% of the most sustainable companies in all categories in 2017 (64/100 to 76/100) in its EcoVadis' third evaluation as an independent company, consolidating its "Gold" label for its strong CSR performance and its long-term commitment to sustainable development;
- Continuing to rise in the top 10 of the Gaia Index (non-financial information rating agency) from the top 9th to 7th position;
- Consolidating its performance in the MSCI Index (independent research provider for institutional investors) with an AA rating for its second certification;
- Renewing its ISO 14001 certifications for the Environmental management System in place for all of its data centers and offices with over 500 employees, except for the new site of equensWorldline in Utrecht, in the Netherlands;

- Renewing the "Happy Trainees" label;
- Remaining compliant with all of the reference guidelines of the Global Reporting Initiative in accordance with the new GRI Standards of 2016, pioneered by Worldline worldwide;
- Entering the Sustainalytics Index with a score of 78/100

Concerning its commitment to provide the United Nations (UN) with an overview of the efforts made to promote the Global Compact principles, Worldline released in 2017 its first Communication on Progress (COP). In its COP, Worldline demonstrates how it contributes and meets the UN's principles supported by its Corporate Social Responsibility strategy embedded in its day-to-day operations.

Below are the main Worldline's commitments and actions that ensure compliance with and promotion of the Global compact principles with regards to its four pillars:

- **Human rights:** Worldline is committed to ensuring the adherence to the Universal Declaration of Human Rights. To this end, the Company has implemented several measures, notably in three areas:
  - Security and data protection to ensure privacy both of its employees and its customers (through sustainable solutions). Worldline follows the Binding Corporate Rules and the PCI DSS with the utmost compliance and has been classified as "Prime" by the ESG rating agency Oekom which highlighted a key strength in this topic,
  - Most recent discrimination principles released in 2017 and signed by all employees, aiming to fight against any form of discrimination, also committing the Company itself,
  - At the same time, Worldline values extend to its suppliers who must sign a Responsible Supplier Charter and be assessed by EcoVadis (for 30% of strategic suppliers, or 49% of Worldline's total expenditure) or, as it was the case in 2017, to present action plans for improving their CSR performance [AO17].
- **Labor:** Worldline has a Wellbeing@worldline program to promote a safe, stimulating working environment as well to ensure a healthy work/life balance. In this regard, Worldline committed to increasing employee satisfaction (measured through the Great Place to Work® institute survey) by 10 points and reducing the female capital gap to zero by 2020. Worldline also gives priority to full-time working relations to ensure employee stability: 98.46% of the total work force is under a permanent employment contract [GRI 102-8];
- **Environmental:** Thanks to its sustainable solutions, Worldline promotes the digital world which alleviates the use of natural resources or reduces need for physical travel by implementing efficient collaborative solutions. In addition, as part of its TRUST 2020 ambition, Worldline continuously strives to improve the energy efficiency of its data centers, seeking to use 100% decarbonized electricity wherever as possible and is committed to reduce carbon emissions by 2% each year and compensate 100% of CO2 emissions linked to its Data Centers, offices, travel and the payment terminal life cycle. These actions have been recognized as a key performance by the ESG rating agency Oekom and MSCI;

- **Anti-corruption:** Endorsing business ethics within the value chain is one of the main challenges of Worldline's CSR strategy. The Company is committed to maintaining high business ethics standards covering compliance and ethics, data protection and supply chain management. This commitment is supported by strong policies and procedures preventing compliance risks such as bribery, corruption and violations of competition laws and exporting control laws. Additionally, the principle of anti-corruption is part of Worldline's Code of Ethics that aims to prevent fraud and non-compliance.

### D.1.1.2.6 Employee involvement in CSR

To improve Worldline CSR performance, the Company has launched a large program aiming to promote CSR within the Company to increase employee awareness and involvement in CSR matters. To this end, the CSR Officer has performed physical onsite roadshows in order to physically meet with employees, present them with Worldline CSR commitments, actions and results and get them involved.

2017 CSR Officer Agenda:

- **Meetings with all Work councils** have been scheduled. The CSR officer has met all the members of the Work councils in the geographical regions to present Worldline CSR policy and its TRUST2020 program to them. The objective of these meetings was also to enable a dialog with all the members, encouraging them to join the CSR approach;
- **CSR roadshows** have been organized. These two-hour interactive sessions enable the CSR Officer to physically meet employees, present Worldline CSR commitments, actions and results to them. All participants in these CSR sessions expressed their positive feedback and shared their willingness to be more involved in CSR topics and initiatives. These roadshows also aim to enhance managers' and sales people's concerns and participation in CSR topics. Indeed, the objective is to demonstrate how CSR is embedded in Worldline business and therefore, how extra-financial performance is closely linked to business and financial performance. Understanding this, managers are more easily able to change the mindsets of their teams;
- **Specific sessions with management** have been set up in order to share results and new ambitions of Worldline CSR policy. These are an opportunity to highlight and illustrate the key CSR messages that managers can reuse during their regular team meetings to promote the Worldline CSR approach.

Moreover, Worldline ensures that its CSR rules and practices are embedded in the new acquired companies, as for equensWorldline. Indeed, thanks to local roadshows organized by the CSR Officer and the mandatory e-learning trainings provided by the Company (especially on data protection), new employees can apply Worldline CSR practices and become involved in actions related to CSR commitments at an early stage.

### D.1.1.3 Value creation for stakeholders [GRI103-2]

#### D.1.1.3.1 Worldline stakeholders' approach and materiality analysis [GRI 102-40] [GRI 102-42] [GRI 102-43] [GRI 102-21] [GRI 102-27] and [GRI 103-1]

Worldline's Corporate Social Responsibility approach is supported by an ongoing dialog with all stakeholders including customers, employees, suppliers, local government, public authorities, non-profits and financial analysts. Dialog with stakeholders plays a critical role in business operations by showcasing Worldline's capacity for innovation, enhancing its appeal among customers, investors and employees, creating opportunities to develop services and solutions with high growth potential or by protecting Worldline's reputation.

Dialog takes place at every level of the organization under the direction of the CSR Officer:

- At the global level: corporate headquarter teams act as the primary interface to coordinate all of the Company's global initiatives and projects;
- At the country level: local teams strive to foster close ties with local stakeholders, especially national authorities.

In 2017, Worldline strengthened and deepened its stakeholder dialog in two ways:

- By extending the scope of interviews, including interviews with NGOs, associations supported by Worldline, some of the communities as well as with customers, employees, suppliers and partners;
- By leveraging Worldline CSR actions into value creation for each of its stakeholders, matching their expectations with the Worldline contribution.

To comply with the Atos group's framework regarding stakeholders' relations, Worldline's approach has been launched in order to:

- Map its own stakeholders' current expectations and define the changes required;
- Prioritize Corporate Social Responsibility issues and action plans in accordance with their relative importance to stakeholders and their criticality with respect to the Company's business activities;
- Define the Key Performance Indicators to be tracked to assess Worldline's CSR performance.

This approach is consistent with several international standards such as the AA1000 Standard and the GRI Standards (Comprehensive option) on which Worldline focused all its efforts with the aim of structuring its dialog with stakeholders and its materiality matrix, as well as steering the reporting process.



### D.1.1.3.2 Mapping of Worldline stakeholders' expectations [GRI102-40][GRI102-42][GRI102-43][GRI102-44] and [GRI103-1]

The image below shows the main stakeholders, the key challenges and the channels of communication used between these players and Worldline.



In order to select the most important stakeholders to be engaged, Worldline has set up an approach based on the analysis of two criteria:

- How are stakeholders influencing Worldline's activities?
- How can Worldline impact them?

#### Employees

Worldline relies on its human capital to develop continuous innovation in products and solutions. Human capital is a critical strength in an industry that is constantly evolving in terms of technologies and customer's experience.

#### Suppliers and Partners

Worldline leverages a selected number of third parties that supply IT hardware, software and services, and are able to meet a high level of quality of service. These suppliers and partners have demonstrated their reliability to support Worldline's platforms and services.

#### Customers

Customers' preference for Worldline products and services is based on innovation, trust, security and data protection that are the key strengths of Worldline. Overall revenue is spread among a relatively large number of customers. However, a significant percentage of revenue is attributable to a limited number of customers.

#### Investors and analysts

The financial community and shareholders expect profitability and efficiency from Worldline. They need to trust the capacity of Worldline to achieve its goals and they therefore require information and data about its strategy and its CSR components including achievements and objectives. Above all, clarity and transparency are requested.



**Institutional players**

Regulation concerning e-transactions (in particular payment transactions) has recently increased significantly and will be strengthened in the coming years. To sustain the growth of its activities, Worldline must comply with international and local laws, rules and regulations defined by the institutional players.

**Communities**

To develop its activities, Worldline needs to be fully recognized by its local stakeholders in order to recruit the best talent,

comply with local standards and create new offers that fit with the local context and perfectly meet the needs and expectations of customers. Developing its local footprint is also an opportunity for Worldline to improve its social and environmental impacts. For instance, by fostering education or association activities, Worldline strengthens sustainable development in the area in which it is located.

**D.1.1.4 Worldline's contribution to the United Nations Sustainable Development Goals**  
[GRI 201-1] [GRI 102-31]

**D.1.1.4.1 What are the Sustainable Development Goals (SDG)**

In 2015, the 193 United Nations members launched the 17 SDGs, a universal, global and inclusive action plan and roadmap to end poverty, protect the planet and ensure prosperity and peace for all by 2030. The SDGs entered into force in January 2016 and replaced the millennium development goals (MDG) adopted in 2000. The amended goals aim to address economic, environmental and social challenges and require collective action from the governments, the NGOs and the private sector.

**D.1.1.4.2 Why Worldline has decided to commit to SDGs**

As a key player of the digital transformation, the Company is convinced that it can play a significant role in carrying out the Sustainable Development Goals that aim for sustainable development.

Indeed, according to the GeSI report *How digital solutions will drive progress towards the sustainable development goals*<sup>(1)</sup>, IT technologies will be necessary for achieving each SDG through e-healthcare, e-education, smart agriculture, smart building, e-government, e-banking, traffic control, smart energy or connectivity. Thanks to its high innovation capabilities, and in line with its CSR pillars (innovation, availability and security of platforms, data protection, ethics, health & equity, environment), Worldline is able to make a significant contribution toward digital challenges that will help achieve the SDGs.



**D.1.1.4.3 How Worldline contributes to SDGs**

This is the reason why Worldline decided in 2017 to support the United Nations Sustainable Development Goals (SDGs) and integrate them into its Corporate Responsible (CSR) policy. To this end, Worldline undertook a detailed assessment in order to identify and measure its contribution to all SDGs through a two-step mapping analysis:

- From an external perspective, the sustainability of its offering;
- From an internal perspective, its internal operations and along its value chain.

(1) [http://systemtransformation-sdg.gesi.org/160608\\_gesi\\_systemtransformation.pdf](http://systemtransformation-sdg.gesi.org/160608_gesi_systemtransformation.pdf)

This panoramic view revealed that Worldline overall contributes to 11 SDGs.

Examples of Worldline external contributions to SDGs through sustainable offers:

<p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>	<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>
<p>Worldline's Fraud Risk Management, E-banking or Acquiring Processing solutions enable the decrease of fraud and corruption risks and de prevention of cyber threats.</p>	<p>By making payment easier with flexible digital business models, Worldline's Payment Acceptance, Kiosk and Digital Retail solutions enable the creation of economic value and growth for clients, via shorter time-to-market and costs reduction.</p>	<p>By making financial services accessible for small industrials and merchants, Commercial Acquiring and Acquiring Processing solutions favor the development of merchants network and their integration inot value chain and markets.</p>	<p>By ensuring access to adequate, safe and affordable basic payments services, Woldline's offers contribute to its stakeholders satisfaction. Also, the e-ticketing offer provides acces ti safe and sustainable transports.</p>	<p>Through its Cloud, Online and Digitization services that deliver environmental benefits including paper use reduction, travel minimization to access services or energy consumption optimization.</p>

Examples of Worldline internal contributions to SDGs:

<p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p><b>4</b> QUALITY EDUCATION</p>	<p><b>5</b> GENDER EQUALITY</p>	<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p><b>13</b> CLIMATE ACTION</p>	<p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p>
<ul style="list-style-type: none"> <li>• Social initiatives</li> <li>• Health and safety</li> <li>• Flexibility at work</li> <li>• Health care benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Social initiatives</li> <li>• Training plans for employees</li> <li>• Learning@worldline</li> </ul>	<ul style="list-style-type: none"> <li>• Gender Equity program</li> <li>• Diversity strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable supply chain</li> <li>• Suppliers' evaluation</li> <li>• Eco responsible transport</li> <li>• Waste management</li> </ul>	<ul style="list-style-type: none"> <li>• Climate change strategy</li> <li>• Monitoring carbon footprint</li> <li>• Environmental targets and policy</li> </ul>	<ul style="list-style-type: none"> <li>• Code of ethics</li> <li>• Data protection policies</li> <li>• BCR + PCIDSS</li> <li>• Ethics in the supply chain</li> </ul>

However, based on the most material CSR topics for its stakeholders and for its business activities, and in line with the SDGs compass guidelines, Worldline has decided to concentrate its efforts on the five most relevant SDGs for which the Company has the most significant impact and can maximize its contribution in order to:



















- Promote peace, justice and strong institutions (SDG 16);
- Ensure a decent work and economic growth (SDG 8);
- Be involved in climate action (SDG 13);
- Ensure responsible production and consumption (SDG 12);
- Ensure inclusive and equitable quality education (SDG 4).










\*complementary

In addition, Worldline also has a special impact on two complementary SDGs: SDG 3 “Good health and well-being” and SDG 5 “Gender Equality” covering two areas in which the Company is highly involved through its Wellbeing@worldline and Gender Equity programs.

With its TRUST 2020 program, Worldline already contributes to the SDGs:

CSR Challenges	Indicator	2017 Achievements	2020 Targets	Linkage with the SDG
<b>Building client's trust with fully available and secured platforms and reinforcing value for clients through sustainable &amp; innovative</b>	% of alignment with the Service Level Agreements (SLA) on service availability	95.49%	100 %	 
	% of alignment with the Service Level Agreements (SLA) on response time	98.58%	100 %	 
	% of incident responses compliant with Worldline security policy	98.67%	100 %	
	% of Privacy Impact Assessments (PIA) performed on critical services	57.3%	100 %	
	Revenue generated through sustainable solutions that contribute to societal and environmental progress in €m	770	725	       
	Overall Customer Satisfaction (OCS) score	8.1	8	
	Number of employer brand study citations	3	5	
<b>Being a responsible employer by revealing our employees potential</b>	% of employees satisfied with the trainings provided by Worldline	88.4 %	90 %	 
	% employee satisfaction as measured by the Trust Index of the Great Place to Work® survey	58 %	60 %	 



CSR Challenges	Indicator	2017 Achievements	2020 Targets	Linkage with the SDG
<b>Being a responsible employer by revealing our employees potential</b>	Gap between the % of females in management positions and the % of females in the overall workforce (target range of +/- 10%)	9 %	0 %	 
<b>Endorsing our business ethics within our value chain</b>	Level obtained in the EcoVadis supply chain assessment	Gold	Gold	
	% of suppliers evaluated by EcoVadis with a score below 40 that are encouraged by Worldline to have an action plan to solve critical findings identified	100 %	100 %	
<b>Leveraging the eco efficiency of our data centers and offices</b>	% of CO2 emissions offset from data centers, buildings and travel	83 %	100 %	
	% of CO2 emissions offset from payment terminals Life Cycle Assessment (LCA)	100 %	100 %	 

**D.1.1.4.4 Value creation for Worldline stakeholders** [GRI 103-2]

SDGs are a reading grid that allows Worldline both to:

- Select projects internally or externally taking into account these global social, economic and environmental challenges and evaluating their benefits;
- Use a universal language for sustainable development for all stakeholders, from investors to customers and NGOs, and from employees to citizens. The SDGs strengthen the Company's "outside-in" vision thus ensuring greater clarity and consistency in its actions.

Therefore, Worldline can better demonstrate and reinforce the value it brings to its different stakeholders, using a common tool that takes into account their different social, economic and environmental expectations and challenges.

Reinforcing value for customers through sustainable and innovative solutions is a key challenge in Worldline's CSR strategy, and the Company has assessed the impacts of its solutions and products on SDGs. This analysis highlights that Worldline's sustainable solutions provide their customers with benefits that mainly contribute to the SDG 16 "Peace, justice and strong institutions," SDG 8 "Decent work and economic growth," SDG 9 "Industry, innovation and infrastructure, SDG 11 "Sustainable cities and communities" and SDG 12 "Responsible consumption and production".

Moreover, as part of its TRUST 2020 CSR long-term ambition, Worldline has committed to generating €725 million in revenue through sustainable solutions that contribute to societal and environmental progress by 2020 and has also calculated its financial contribution to the SDGs due to the revenue generated by its sustainable solutions [AO7].

Thanks to this universal language, Worldline's customers can directly integrate the Company's contributions via the sustainable offers to their own, using the same reference framework. Worldline is thus strengthening its customers' commitment through their supplier chain.

Additionally, from an internal perspective, Worldline employees can better understand and participate in initiatives relating to internal organization that directly benefit their development and well-being via SDG 3 "Good health and well-being," SDG 4 "Quality Education," SDG 5 "Gender Equality." Moreover, due to the universal language allowed by the SDGs, employees can make the link between societal issues and their Company's CSR commitment. Worldline thus reinforces internal awareness of the various CSR stakes while clarifying its direct impact on society.

At a broader level, all stakeholders in public organisms, NGOs and citizens are more easily able to identify, assess and position Worldline regarding its initiatives, programs and policies on key SDGs challenges: ethics, data protection, responsible procurement, human resources, local communities development and the environment, etc.; initiatives that indirectly contribute to the SDG 12 "Responsible consumption and production," SDG 13 "Climate action" and SDG 16 "Peace, Justice and strong institutions."

By putting SDGs at the core of its CSR strategy, Worldline proactively demonstrates its willingness and actions to take into account and contribute to the resolution of societal problems and sustainable development. It implies the mapping of societal risks with related actions taken to reduce these risks. By doing so, Worldline takes a long-term perspective and gives its investors a framework that clarifies and upholds its strong commitment to sustainable development.

**D.1.1.4.5 How Worldline assesses its financial contribution relating to offers [A07]**

Worldline has calculated its financial contribution to the SDGs using the methodology used to estimate the revenue generated by its sustainable solutions (in 2017, this sustainable revenue is €770 million). First, this methodology consists in assessing the sustainable benefits of the products and services delivered by Worldline through four categories:

- 1) Economic benefits;
- 2) Social benefits;

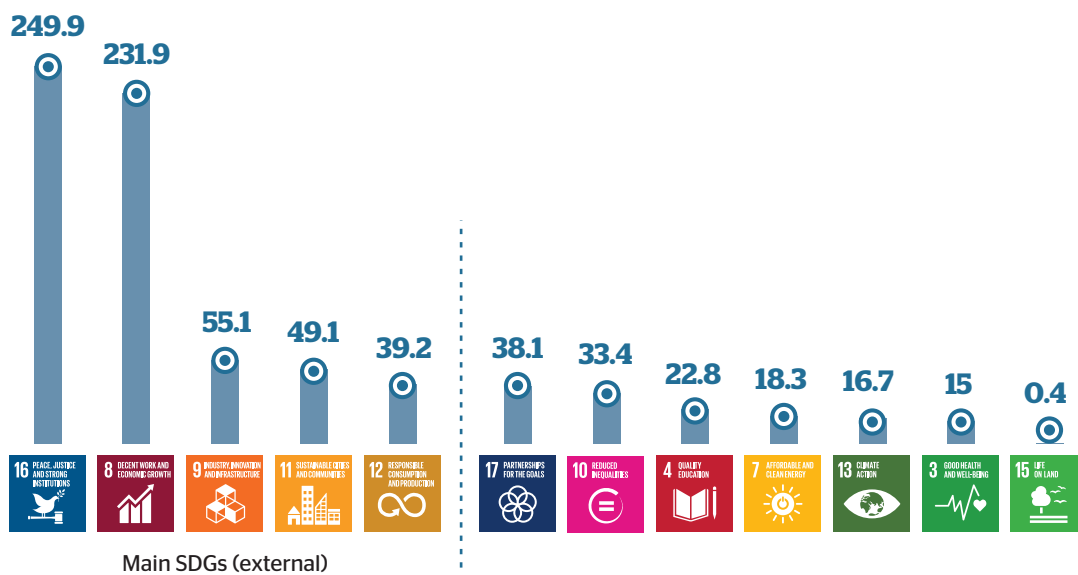
- 3) Environmental benefits;
- 4) Trust & compliance benefits.

For those four categories, subcriteria have been defined. In the initial analysis, the product manager and the CSR team calculate a weight used to determine whether the offer has an impact on the criterion and what the weight of this offer is on the criterion. Based on this, Worldline has defined some SDGs per category:



Worldline has calculated the financial part of each criterion and consequently of each SDG. This allows to know the financial contribution of Worldline's offers to the SDGs and select the five most important ones:

The figures are expressed in millions of euros.



## D.1.2 Worldline's materiality assessment & the 4 Worldline's challenges [GRI103-2]

### D.1.2.1 Materiality matrix

#### D.1.2.1.1 Worldline materiality assessment and Corporate Social Responsibility dashboard [GRI102-46] and [GRI102-47]

Worldline's Corporate Social Responsibility approach is based on a materiality analysis used to prioritize its actions in the most relevant areas, taking into account its business activities and the expectations of its stakeholders. Therefore, the materiality analysis is a quality assessment tool used to connect and prioritize financial and non-financial subjects. It allows to focus on issues that are truly strategic and critical to the sustainability of the Company's business model and enable it to achieve its objectives and manage its impact on the Company.

The 2017 materiality analysis and associated reporting process were structured and delivered in compliance with the guidelines of the New Standards from the Global Reporting Initiative and the practices of the Atos group. The approach was also developed in accordance with the principles of the AA1000 standards. Consequently, Worldline's reporting is processed through two documents:

- the Registration Document includes a whole set of Key Performance Indicators and the results of the materiality assessment, in line with Worldline's financial statements. The document is intended for the investor community. It complies with the French Grenelle II law and the Energy Transition for Green Growth law;
- the Corporate Social Responsibility report, including the main KPIs, highlights the key initiatives and case studies on important topics to Worldline. This document was prepared in accordance with the New GRI Standards "Comprehensive Option" and contains a cross-reference table showing the links between GRI information and the expectations of the French law Grenelle II law and the Energy Transition for Green Growth law contained in the Registration Document.

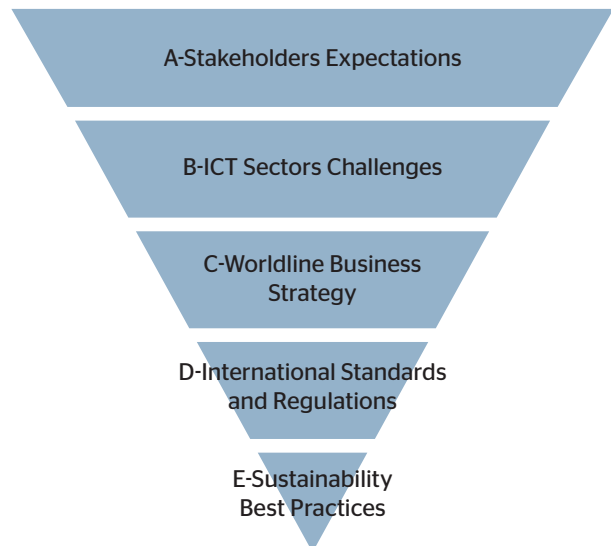
The above reports for this year do not cover all data and actions related to new acquisitions made in 2017 (First Data Baltics, Digital River World Payments, MRL Posnet and Diamis). Worldline will consider these new entities in upcoming reports, to include their data on a yearly basis.

### D.1.2.1.2 Materiality matrix

[GRI102-14][GRI102-44][WL1][WL2][WL3][WL4][WL5][WL6][AO2][AO3][AO10][AO11][AO14][AO17][GRI103-1 economic performance][GRI103-1 Market presence][GRI103-1 indirect economic impacts][GRI103-1 Anti-corruption][GRI103-1 Energy][GRI103-1 Emissions][GRI103-1 Occupational health and safety][GRI103-1 employment][GRI103-1 Training and Education][GRI103-1 diversity and equal opportunity][GRI103-1 Customer privacy][GRI103-1 Socioeconomic compliance][GRI103-1 Customer Privacy] and [GRI103-1 Procurement practices]

#### Identification and prioritization of relevant topics

Worldline performed a materiality assessment in 2014 that was revised in 2016 and confirmed in 2017 following extensive dialog with its stakeholders. The materiality assessment aims to identify the essential challenges that the market and the main stakeholders consider critical for Worldline. As presented in Section D.1.1.3, the prioritization was based on the materiality review performed in 2014 and updated in 2015 and 2016, following the Global Reporting Initiative New Standards of reporting.



A: Worldline takes into account its stakeholders' expectations identified in its regular discussions and communication with them.

B: Worldline regularly analyzes how its peers' practices are evolving in order to spot trends and adapt its own processes.

C: During the materiality review, several internal and external interviews were held to identify the impact of the expectations on the business strategy and challenge those expectations. The result was included in the materiality matrix, taking into account some specificities of the e-payment sector that are not covered in the GRI Standards guidelines. For instance, the innovation-related topic, which was the main topic raised during the interviews, was included in Worldline's materiality matrix. In 2017, a specific part on market compliance has been added to the Registration Document in order to better meet Worldline's stakeholders' expectation regarding the growing regulations in its markets, notably for financial or health sectors.

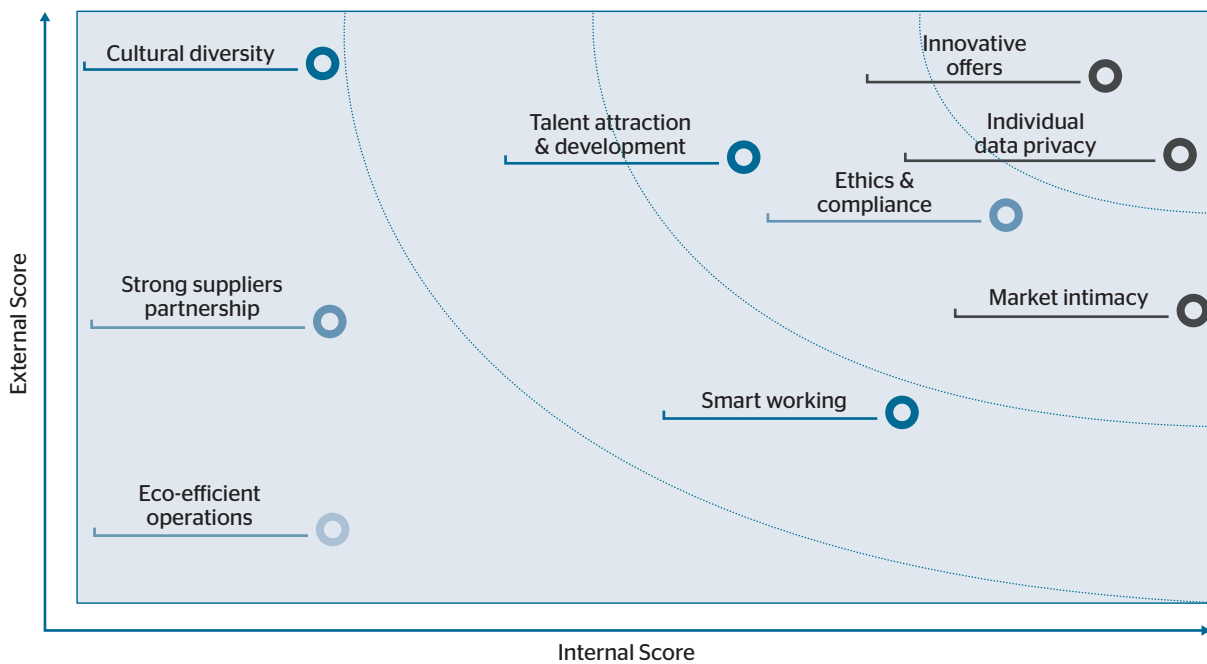
D: International standards and regulations were also taken into account in the materiality review to help the managers and the CSR team prioritize the different challenges for Worldline.

E: A comparative study of the e-payment industry identified the industry's best practices related to sustainability strategies and reporting.

**Worldline materiality matrix**

In 2014, Worldline has performed a materiality assessment that was confirmed in 2017 thanks to an extensive dialogue with its stakeholders. After the identification of its main challenges, Worldline has evaluated the interest and the financial impacts according to the stakeholders for each issue. Finally, the results have been plotted in the following materiality matrix where the external score explains the stakeholder interest for the issue and the internal score displays the impact of the issue on Worldline. Our material issues have been organized under our 4 CSR areas and each one is made of sub-issues.

Worldline defined its priority topics in accordance with its stakeholders' expectations. The result is formalized in the following Worldline materiality matrix. This matrix was reviewed by the top management of the Company and shared with the Atos group's CSR team.



- Building clients' trust with fully available and secure platforms  
Reinforcing value for clients through sustainable and innovative solutions
- Being a responsible employer by revealing our employees' potential
- Endorsing our business ethic within our value chain
- Leveraging the eco-efficiency of our data-centers and offices



### D.1.2.2 Four challenges [GRI103-2]

As a result of the material assessment process, four challenges have been selected and prioritized according to Worldline's stakeholders' expectations.

#### **Prioritization of Corporate Social Responsibility issues/Worldline areas of action:**

##### **1. Building customer trust with fully available and secured platforms and reinforcing value for customers through sustainable & innovative solutions**

During past years, Worldline has developed a strong and recognized market intimacy that enables the Company to anticipate new trends. The global payment and digital services industry in which Worldline competes is subject to rapid and significant technological changes, new products and services introductions, evolving industry standards, changing customer's needs and preferences, and the entrance of non-traditional competitors. The human value chain and Worldline's talent constitute a key element for delivering innovation and increasing value for customers. Worldline creates inspired, sustainable and innovative solutions and is committed to ensuring a high level of customer satisfaction.

To implement its solutions, Worldline must ensure a high level of security and permanent real-time platform availability to its customers. The digital sector faces growing challenges in terms of security and data protection. In this regard, Worldline solutions comply with a high level of security and data protection to ensure customer trust.

User satisfaction, innovation, confidentiality and data privacy are the main challenges for Worldline towards its customers. These essential issues correspond to the following GRI Standards elements: Product and service labeling, **Product responsibility and Customer Privacy**. For more information on GRI standards aspects, see Section D.2.

All of these challenges are covered by dedicated indicators, which are detailed in the Trust 2020 program and are regularly monitored. In 2017, progress has been made and Worldline is getting closer to reaching its 2020 targets. Some objective were achieved like the revenue from sustainable offers that reached €770 million in 2017 and Worldline's customer satisfaction that increased from 7.67 to 8.1 These sustainable offers are designed to bring additional social and environmental value, and supporting their own CSR challenges [AO7] [GRI102-44].

##### **2. Being a responsible employer by revealing our employees' potential**

In Worldline's industry, having a qualified workforce and cultural diversity is critical to the growth and the success of the Company. Worldline's business functions evolve in a context of

rapidly changing technologies, social, economic and regulatory developments that require a wide-ranging set of expertise and intellectual capital. In order to compete and grow successfully, Worldline must attract, recruit, develop and retain employees who can provide the expertise necessary to meet its customers' needs. Worldline must ensure that its workforce defines and follows individual succession plans, securing and developing essential human capabilities needed to remain the leader in its industry. This target is supported by a strong, well-coordinated and optimized use of recruitment, performance management, learning and development, mobility and succession plans, orchestrated by the Human Resources department.

Talent management, diversity, working conditions and employee motivation are the main challenges for Worldline toward its employees. These essential issues correspond to the following GRI Standards elements: **Employment, Training and education, Diversity and Equal Opportunity, Equal pay for men and women**. For more information on GRI standards, see Section D.3.

All of these challenges are covered by dedicated indicators that are detailed in the TRUST 2020 program and regularly monitored. In 2017, progress has been made and Worldline is closer to reaching its 2020 targets: the Great Place to Work® Trust Index increased from 57% to 58% in 2017, the female capital gap continue being 9% in 2017 and Worldline has been cited in three employer brand publications.

Moreover, a Gender Equity Program was launched to deliver a roadmap for the female capital gap objective.

##### **3. Endorsing our business ethics within our value chain**

Worldline is required to comply with a complex regulatory framework that must be managed to ensure the development of its business activities. Within Worldline, high ethical standards supported by Group-wide strategy, policy and training procedures underpin the delivery of excellent business technology solutions in a secure, ethical and responsible manner. Worldline engages in a permanent dialog with its partners and suppliers to enforce strong and fair relationships and ensure compliance with its rules and values. Working together in these conditions is a pre-requisite to building trust and long-term relationships. With its business offers, Worldline contributes to developing local economies and therefore, involving communities is critical to securing its license to operate.

Compliance and ethics, supply chain management and local impact are the main challenges for Worldline concerning its value chain and communities. These essential issues correspond to the following GRI Standards elements: Economic Performance, Market Presence, Indirect Economic Impacts, Procurement Practices, Anti-corruption and Compliance. For more information on GRI standards, see Section D.4.



All of these challenges are covered by dedicated indicators, which are detailed in the TRUST 2020 program and regularly monitored. In 2017, Worldline notably renewed its "Gold" label from EcoVadis' third assessment.

#### **4. Leveraging the eco-efficiency of our data centers and offices**

Operational excellence and environmental efficiency, including the reduction of energy consumption, are keys to limiting the impact of Worldline's activities on the environment and proposing sustainable solutions to customers. Reducing its environmental footprint is a key challenge for Worldline towards society at large but also for improving efficiency and developing trust with customers and partners.

These essential issues correspond to the following GRI elements: **Energy, Emissions and Product Responsibility**. For more information on GRI Standards aspects, see Section D.5.

All these challenges are covered by the dedicated indicators detailed in the TRUST 2020 program that are monitored on a regular basis. In 2017, Worldline offset all carbon emissions related to its business travels, the life cycle of its payment Terminals and its data centers.

As a result of the material assessment process, four challenges have been selected and prioritized according to Worldline's stakeholders' expectations.

### **D.1.2.3 French legal requirements of information of listed companies** [GRI103-3]

Since 2010, the French Grenelle II law (Article 225 of Law 2010-788) has strengthened the duties of companies and the publication requirements for Corporate Social Responsibility and Sustainability. This law is based on the principle of transparency, verifiability and certification by an independent third party. This law, followed by Worldline, aims to promote a comparability of reports with common calculation methodologies and assessment. There are penalties for companies that fail to meet regulatory requirements.

Furthermore, Worldline's Corporate Social Responsibility approach follows the principles of the ISO 26000 international voluntary guidance standard and the Energy Transition for Green Growth Law, thus enabling it to make a more effective contribution to the fight against climate change.

#### **D.1.2.3.1 Compliance with AA1000 Standards** [GRI102-12] and [GRI103-3]

Worldline's Corporate Social Responsibility report is prepared in accordance with the principles of inclusion, materiality and responsiveness defined in the AA1000 SES (2011) standard. The Corporate Social Responsibility report and Section D. 1.1.3 of this Registration Document present in detail how Worldline has integrated these principles in its mode of operation.

#### **Inclusion**

To ensure that Worldline's Corporate Social Responsibility strategy meets the expectations of its valuable stakeholders (employees, customers, partners, suppliers and shareholders), meetings and discussions have been initiated and will continue on a regular basis for sharing the Worldline materiality matters of concern and discuss the different business activities of the Company. The aim is to build a common vision of a more sustainable environment for Worldline, its partners and the community as a whole.

Worldline is permanently committed to a recurring and proactive structured stakeholder dialog to review its strategy and ambitions, and accelerate Corporate Social Responsibility actions and initiatives. In 2017, the CSR team once again called on several internal and external stakeholders in order to confirm and adjust the results of the materiality matrix prepared in 2014 and updated in 2016.

#### **Materiality**

The sustainability challenges considered most significant for Worldline business activities were selected in 2014. Worldline's materiality assessment is described in Section D.1.2. This selection is based on Worldline stakeholders' expectations as well as Worldline internal prioritization established on objective criteria related to its markets, opportunities and achievements. Worldline's materiality was confirmed in 2017 following dialog with stakeholders.

#### **Responsiveness**

Worldline's Corporate Social Responsibility report is published annually and incorporated in its Registration Document. It contains all the key performance indicators regarding sustainability monitored by Worldline. These documents are produced on a yearly basis. They outline the main sustainability challenges and associated actions, and include interview reports and case studies. Combined, these documents form an appropriate response to Worldline's stakeholders' expectations.

KPI monitoring and the reporting methodology are presented in Section D.6.2 The content index also included in the Corporate Social Responsibility report summarizes the KPIs used in the two documents.

#### **D.1.2.3.2 Global Reporting Initiative** [GRI102-12] [GRI102-46][GRI102-54] and [GRI103-3]

#### **Worldline's Comprehensive approach**

Since its first reporting in 2014, Worldline has prepared its sustainability report in accordance with the GRI - G4 Guidelines. In 2016, Worldline decided to become an international pioneer in terms of taking CSR reporting further and initiating the transition to the new GRI standards. This 2017 report has been prepared in accordance with the GRI Standards: Comprehensive option.

Besides including the essential elements of a sustainability report and providing background on the context in which Worldline operates, the report provides information on the impact of its economic, environmental, social and governance performance. Worldline chose to provide additional information on its strategy, vision, materiality analysis, governance, ethics and integrity. The Comprehensive Option of the new GRI Standards best meets Worldline's reporting needs and, above all, its stakeholders' expectations.





To ensure full compliance with the comprehensive option Standards, the GRI content index was designed to comply with the stipulated format in order to assess Worldline's sustainability report.

In 2017, Worldline continued to better categorize and prioritize a consistent set of issues. In 2014, Worldline took advantage of the change to GRI - G4 guidelines in order to review the prioritization of its relevant sustainability issues and its strategic focuses. A series of interviews was conducted with internal and external stakeholders in order to confirm the importance of each topic based on their impact on the evolution of Worldline's business strategy and the targets set by the Group and their implications with respect to the applicable regulations.

For each aspect, an internal and an external score were determined. All of the aspects covering a defined threshold for internal and external scores were considered as material for Worldline. Thirteen Standards topics were analyzed as material for Worldline.

Other topics were identified as material but did not match with any GRI Standards aspects. Worldline integrated these topics in its materiality matrix to reflect its business specificities and challenges. The Worldline materiality matrix presented herein better emphasizes the prioritization of Worldline's Corporate Social Responsibility challenges and enables to determine its strategy.

Material issues and new strategic focuses have been validated by the members of the Worldline Executive Committee.

### D.1.3 Table of main KPIs

Worldline challenges	Aspects	GRI	Relevant KPIs					2017		2016		2015	
				2017	2016	2015	2014	Per employee	Per revenue	Per employee	Per revenue	Per employee	Per revenue
Market intimacy	WL1		Services availability rate	99.96%	99.88%	99.81%	99.74%	-	100%	-	100%	-	100%
	GRI102-44		Overall customer Satisfaction from Tactical surveys	8.1	7.67	7.26	6.67	-	100%	-	100%	-	100%
Building client's trust with fully available and secured platforms and reinforcing value for clients through sustainable & innovative solutions	AO10		Customer innovation workshops delivered in GBU's*	9	10	17	18	-	100%	-	100%	-	100%
	WL2		Number of WIN members	45	44	45	42	100%	-	100%	-	100%	-
	WL2		Percentage of PhD and PhD students at R&D department	49%	45%	46%	30%	100%	-	100%	-	100%	-
	WL2		External awards success rate	0%	50%	20%	30%	100%	-	100%	-	100%	-
Fully available and secured platforms	GRI418-1		Total number of substained complaints	0	0	0	0	100%	-	100%	-	100%	-
	WL3		Number of security incidents	150	110	126	89	-	100%	-	100%	-	100%

\* In 2017, Worldline has attended and/or supported 14 innovation workshops in which Scientific Community members were not necessarily present or involved

Worldline challenges	Aspects	GRI	Relevant KPIs					2017		2016		2015	
				2017	2016	2015	2014	Per employee	Per revenue	Per employee	Per revenue	Per employee	Per revenue
Being a responsible employer by revealing our employees potential	Talent attraction and development	GRI 404-1	Average hours of training that employees have undertaken during the year	28.13	25.14	18.99	19.23	86%	-	100%	-	100%	-
		GRI 404-3	Percentage of total employees who received a regular performance and career development review during the year	97.4%	94.23%	96.62%	97%	66%	-	81%	-	88%	-
	Employee engagement	AO2	Participation rate to the Great Place to Work® survey	77%	79%	84%	86%	94%	-	100%	-	97%	-
		AO2	Great Place to Work® Trust index rate	58%	57%	50%	50%	94%	-	100%	-	97%	-
		WL5	Employees stockplan	Qualitative	Qualitative	Qualitative	Qualitative	-	-	-	-	-	-
	WL6	Global turnover rate	8.21%	8.42%	9.35%	7.75%	97%	-	85%	-	100%	-	
	Cultural diversity	GRI 405-1	Percentage of females	30.21%	29%	29%	29%	100%	-	100%	-	100%	-
		AO6	Diversity perception (GPTW)	82%	81%	79%	76%	94%	-	100%	-	97%	-
		WL7	Percentage of female in Worldline's top positions	14.67%	20.97%	17.74%	24.56%	100%	-	100%	-	100%	-
	Smart working	AO16	Absenteeism rate %	2.78%	2.50%	2.73%	3.02%	67%	-	76%	-	71%	-
		AO11	Total number of collaborative working communities	267	218	271	285	100%	-	100%	-	100%	-





**Corporate Social Responsibility report**  
Integrating sustainability in Worldline's business

Worldline challenges	Aspects	GRI	Relevant KPIs					2017		2016		2015	
				2017	2016	2015	2014	Per employee	Per revenue	Per employee	Per revenue	Per employee	Per revenue
Endorsing our business ethics within our value chain	Ethics and Compliance	GRI 205-2	Percentage of management employees trained in Code of Ethics - Virtual Classroom	77%	-	68%	-	100%	-	100%	-	100%	-
		GRI 205-2	Percentage of employees trained in Code of Ethics - E-learning	95%	82%	71%	50%	100%	-	100%	-	100%	-
	GRI 419-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulation	0	0	0	0	-	100%	-	100%	-	100%	
	Strong suppliers partnership	GRI 204-1	Proportion of spending on local suppliers at significant locations of operation	86%	88%	84%	85%	-	70%	-	93%	-	98%
		AO17	Percentage of strategic suppliers evaluated by EcoVadis	30%	26%	-	-	-	99%	-	98%	-	98%
		AO17	Percentage of total expenses assessed by EcoVadis	49%	47%	-	-	-	99%	-	98%	-	98%

Worldline challenges	Aspects	GRI	Relevant KPIs					2017		2016		2015	
				2017	2016	2015	2014	Per employee	Per revenue	Per employee	Per revenue	Per employee	Per revenue
Leveraging the eco efficiency of our data centers and offices	Eco efficient operations	GRI 302-1	Energy consumption within the organization (Gj)	281972	265636	248258	290552	-	83%	-	98%	-	97%
		GRI 302-3	Energy intensity revenue (Gj/million euros)	225	239.80	232.39	292.22	-	83%	-	91%	-	87%
		GRI 302-3	Energy intensity employee (Gj/employee)	37.13	42.18	41.17	52.64	87%	-	85%	-	82%	-
		GRI 305-4	Total CO <sub>2</sub> emissions (t)	11253	11842	10329.6	11415.6	-	82%	-	92%	-	92%
		GRI-305-4	CO <sub>2</sub> emissions by revenue (tCO <sub>2</sub> /million euros)	8.98	11.05	9.7	11.48	-	82%	-	92%	-	92%
		GRI-305-4	CO <sub>2</sub> emissions by employee (tCO <sub>2</sub> /employee)	1.48	1.96	1.7	2.07	84%	-	87%	-	89%	-
		AO14	Number of sites certified ISO14001	9	9	9	4	-	100%	-	100%	-	100%

GRI 404-1 Excluded: equensWorldline Finland, equensWorldline Italy, equensWorldline Netherlands, Brazil, Estonia, Latvia, Lithuania, Netherlands, Poland and Sweden

GRI 404-3 Excluded: Germany, Austria, Finland, Italy, Netherlands, Estonia, Latvia, Lithuania, Poland, Sweden and Brazil and employees that have less than 6 months seniority

AO2 Excluded: Austria, Brazil, Estonia, Latvia, Lithuania, Spain and Sweden

WL6 Excluded: Brazil, Estonia, Lithuania, Sweden

AO16 Excluded: Germany, Netherlands, Finland, Poland, Italy, Estonia, Lithuania, Latvia, Sweden, Brazil, India, Luxembourg and Czech Republic

GRI 204-1 Included: France, Germany, UK, Belgium and India

AO17 Excluded: Austria, Brazil, Estonia, Indonesia, Latvia, Lithuania, Poland and Sweden

GRI 302-1 Included: Belgium, France, Germany, Italy, Argentina, India, Spain and United Kingdom

GRI 302-3 Included: Belgium, France, Germany, Italy, Argentina, India, Spain and United Kingdom

GRI 305-4 Included: Belgium, France, Germany, Italy, Argentina, India, Spain and United Kingdom



## D.2 Building customer trust with fully available and secured platforms and reinforcing value for customers through sustainable and innovative solutions

### D.2.1 Meeting customer needs and expectations

#### D.2.1.1 Anticipating customer expectations regarding innovation [AO10]

Worldline is focusing its innovation, research and development efforts on three main areas with the potential to create new opportunities and new services for its customers:

- Trusted Services;
- User eXperience;
- High Processing and Volumes.

#### Trusted Services

This area focuses on innovations designed to make transactions and services more secure for end-customers. The key areas of focus include innovative payment solutions, advanced authentication solutions, cryptographic tools, data privacy solutions (such as secure cloud services) and network resiliency solutions. Key innovations that have come out of this process include:

- **Multi-factor authentication.** As no single means of authentication is foolproof, services requiring strong authentication, such as payments, increase the level of trust by combining several authentication methods that would be considered insufficient if used individually. Many rigorous identification technologies are available, including biometrics (fingerprint, face or voice recognition, etc.), secured element, password and use-cases. Connected services have increased the need for integrated authentication solutions. Worldline has been working upstream with researchers on continuous "biometric recognition" so as to constantly offer new authentication solutions. In contrast with fingerprint, face- or voice-type recognition, where users are required to present their finger, face or voice at a specific time, Worldline is looking into "upstream" biometric authentication. For example, smartphones that can tell their users by the way they walk. Smartphones will analyze their user's gait, which is unique, and will recognize it. Each time users unlock their smartphones, they will tap in their Code in a very personal way. This is also authenticated by the system. Worldline is, therefore, creating an array of converging biometric user authentication solutions.

- **Post-quantum cryptography.** The arrival in a relatively short but still undefined time of quantum computers endangers computer security and digital work in general. There will be a post-quantum area in computer and digital security. Worldline knows that quantum computers can "break" the security keys that today protect the entire personal, professional and payment data. With this certainty about the future, research laboratories around the world are working on security algorithms that will withstand these computers. The Company works hand in hand with these researchers, putting into practice their discoveries, and makes joint proposals to global standardization organizations like NIST to which the Group owes the standardization of many global computer standards. Therefore, it is highly likely that Worldline will be one of the major contributors to tomorrow's standards.

#### User experience

This area focuses on innovations that leverage technology to improve user experience across the spectrum of activities that Worldline's customers engage in, including banking, shopping, driving, communication and entertainment. Key areas of focus include augmented reality solutions, solutions to make interactions more intuitive, solutions to enable payments across multiple platforms, solutions to analyze data generated by connected devices, peer-to-peer solutions, recommendation services and new devices and accessories.

Key innovations that have come out of this process include:

- **PayGgy.** This innovative banking service concept is personified by a connected piggy bank that provides an educational and playful experience for children and their families while improving bank brands and loyalty. The "Internet of Things" and digitalization services have changed consumer habits, and now banks will also be impacted by the emergence of new uses. Nevertheless, coins and the need to save money will always exist: parents will always need to teach their children the value of money, how to save and how to manage it. Banks need to innovate and Worldline's solution aims to evolve with young users. As children grow, they have access to more and more services. They start saving by putting coins in their piggy bank, then have access to educational content, including managing personal finances, payments (thanks NFC and QR Code solutions for beginners), mobile credit top-up, etc. and much more!

- As one solution leads to another, the Company's ongoing dialog with its customers led to shift the PayGgy box concept towards another vertical market, for another use: as a **Donation Box**. This time, the connected object takes the form of a box (instead of a piggy bank) which can promptly accept users' individual donations simply and securely. As easily as a coin or a note can be placed in a box, a card can be presented and the set, or selected, amount can be transferred to the recipient's organization. To give donors a better idea of the real impact of their donation and the donations made by all the other donors, a digital screen shows the real-time total as it increases with each donation made;
- One of the most popular user interfaces at the moment are the **(chat) bots**, these little robots that answer questions, whether it happens through written requests by email or instant messages, or during voice requests via software interfaces like SIRI popularized by Apple, or hardware interfaces like Alexa from Amazon or Google Home. Not only are these services filled with new technologies, but they also introduce new uses, such as personal driving assistants (requests for information while driving), home assistants and all conversational channels with brands and institutions.
- This Artificial Intelligence work also complements the two previous research focuses, with the help of image recognition and searching for elements defined in an image or a video stream (searching for people in a crowd, recognition in a store, recognition of a user), the data flow analysis and weak signal detection, which allow, for example, to predict a problem, a failure, an unforeseen event from its beginning in order to trigger corrective action as quickly as possible.

Worldline has close links and established long-term partnerships with leading European universities on data analytics and encryption (University of Passau in Germany, Université Libre de Bruxelles in Belgium). Worldline's international research and development teams are working with researchers and students to find increasingly innovative solutions, pooling their knowledge and expertise to identify future technological challenges on an international scale. These close, long-term relationships between the business and academic worlds promote both university research, by providing real business opportunities to test algorithm models, and innovation for Worldline, by orienting research to critical business needs that require advanced expertise in fraud, encryption, security and data analytics. The partnerships also provide a great opportunity for Worldline to implement a worldwide technology watch, which is a key competitive advantage for meeting Worldline's international growth goals.

### High Processing and Volumes

This area focuses on innovative solutions for processing high volumes of data, proposing new generations of tools for equipment and infrastructure architecture, as well as algorithms, in order to enable "device-to-cloud" application processing and off-loading. The primary areas of focus include high-performance computing, liquid computing solutions, cloud and context services, artificial intelligence and machine learning and support for emerging business activities. Key innovations that have come out of this process or that are currently in development include the following:

- Industrial Data Analytics Platform: as Prescriptive Data Analytics are now required by almost all of its services, Worldline decided to embed all of the resources to provide best-in-class data analytics services, whether structured, contextual or real-time. Worldline is now preparing the next generation of software to benefit fully from such an infrastructure, in the form of the AiDA program (Artificial Intelligence for Data Analytics), a three year research program with four different European universities;
- To supplement its data analytics work, Worldline is also working on "Machine Intelligence" and "Deep Learning." This work is very important because it enables computers to learn by themselves, to create reasoning or rules for analyzing information in order to take the decisions expected of them. This work is vital for all real-time information processing services. Fraud detection in payments is an excellent example.

### Worldline's innovative approach <sup>[WL2]</sup>

Worldline actively seeks to promote a culture of innovation designed to spur its employees to greater creativity and encourage the design and implementation of value-creating initiatives. Worldline's research and development department is a key enabler of Worldline's capacity for innovation and improvement of its products and solutions, a critical strength in an industry that is constantly evolving.

To this end, customer innovation workshops enable Worldline to present new emerging technologies and trends to its customers. 9 innovation Workshops [AO10] were organized in 2017 to dialog with customers about their needs and expectations and the best ways to meet them. On a wider scale, Worldline has attended and/or supported 14 innovation workshops in which Scientific Community members were not necessarily present or involved.

Worldline's research and development teams comprise over 350 engineers located in most of the countries in which the Company is present. Many of Worldline's research and development engineers are closely integrated within Worldline's operational teams and focus primarily on incremental innovation, while other research and development engineers are focused on longer-term research and development projects dedicated to disruptive innovation. Worldline's dedicated research and development team supports a more extensive operational team of more than 6,000 digital specialists who work with customers in the field to deliver the Company's solutions.





## Corporate Social Responsibility report

Building customer trust with fully available and secured platforms

Worldline's staff is highly skilled and creative, as is demonstrated every year by the WIN Awards' (Worldline Innovation Network) projects. Bottom-up processes enable employees to present their innovative projects to their peers and get the best projects awarded and sponsored by management for further development. Within Worldline, 49% of R&D department employees are PhDs and PhD students [WL2]. Moreover, the Worldline Innovation Network (WIN) had 45 members around the world in 2017. [WL2].

Projects can only be launched internally or with the support of university labs and teams with which Worldline employees join forces to discover next-generation technologies and services to be amongst the first companies to bring them to market.

These bonds are also present with the major industrial and service players with which Worldline collaborates on national and European programs like H2O (following from the eGo program on which Worldline had previously worked), a skin conductivity biometric authentication system that Worldline developed with Gemalto, STMicroelectronics and others.

Worldline has a twofold approach to innovation:

### Incremental Innovation

Part of Worldline's innovations represents improvements in existing services and processes that Worldline develops in its day-to-day work with customers. Existing solutions are improved and new services are developed in response to changing business and market trends. Worldline believes that its customer-oriented approach fosters a culture of trust and intimacy that allows better understanding of customer needs and issues. The roadmap followed enhances Worldline's ability to proactively design, offer and implement solutions that solve issues and furnish the means to improve existing processes for customers.

Worldline's presence in multiple markets and its end-to-end approach to the design and development of solutions are a valuable asset that enables it to offer its solutions in new markets by applying the feedback it receives in one market to other markets. For example, one of the incremental innovation processes that has emerged from this strategy is the evolution of Worldline's offering in the telecommunications sector that grew from basic webmail services to a more advanced and innovative offering of multi-device consumer cloud solutions using convergent messaging technology. Worldline's incremental approach to innovation has also led to cross-fertilization within its connected vehicles' business, as illustrated by Worldline's connected trucks applications, which have been built upon its earlier experience with connected cars.

### Disruptive Innovation

While Worldline continues to innovate and upgrade the business activities of its existing customers, it also focuses its research and development efforts on proactively developing disruptive innovations. Worldline believes in having the potential to create new markets that displace earlier technologies and approaches. First, Worldline develops disruptive technology that solves customers' current and future issues from a new standpoint,

from a new angle. Worldline then adapts its innovations to its customers and markets them through customer innovation workshops, "proof-of-concept" demonstrations and other means to promote their adoption. In these areas, Worldline often partners with other companies with relevant expertise to accelerate some "non-critical" developments and share risk to bring the innovation to the point where it can be more broadly marketed to target customers.

Examples of disruptive innovation processes that have emerged from this strategy include Worldline's early and proactive development of BlockChain technology. Since this technology can be applied to many different markets and uses, Worldline joined its experts and engineers in one common workforce, primarily focusing on training teams to work with the technology, sharing information, market requests and customer interests, and pooling work and developments. The very first projects integrated BitCoin payments into WL SIPS (Worldline on-line payment solution) and with Worldline Terminals to enable physical use of this crypto-currency. Other uses of the BlockChain technology, such as the management of financial obligations, blacklists, digital identification and the management of vehicle service manuals were developed. These new implementations, thanks to this technology, are valuable assets in data traceability/accountability, yet preserve privacy.

### D.2.1.2 Creating a high trust environment for our customers through Compliance

[GRI 203-1][GRI 102-6]

In a context of complex and rapidly changing regulations, Worldline strives not only to ensure full compliance with the applicable laws and regulations, but also to ensure that it conducts business in an ethical, respectful, fair and safe manner. Guided by the Code of Ethics, Worldline is committed to protecting its reputation and conducting all aspects of the business in a way that promotes and reflects ethical practices.

Through a strong compliance function, Worldline aims to protect the trust of employees, customers, business partners, and other stakeholders as they recognize the characteristics of integrity, consistency, and competence in all their dealings with the organization.

### Compliance for the financial industry

As Europe's leading payment services provider, Worldline combines long-standing proven expertise in traditional mass payment systems (issuing, acquiring, intra- and interbank payment processing) and innovative e-commerce and mobile payment solutions. Worldline provides Europe's most extensive end-to-end service portfolio both for payments and card transactions and offers cross-border availability of value-added services for banks, financial institutions and corporations.

The European payments market is characterized by rapidly evolving technological, regulatory requirements, standardization trends and increased customer focus on cost awareness, process control and risk management.



The regulatory focus is shifting from a banking view towards a broader view that includes the payment industry. As new parties enter the payment landscape, the complexity and dependencies are increasing.

Worldline is equipped to ensure full compliance with its financial customers in this evolving regulatory and legal environment.

The Eurosystem, part of the European Central Bank, promotes the safety and efficiency of payment, clearing and settlement systems under its oversight mandate. The systems play important roles not only in the stability and efficiency of the financial sector and the euro area economy as a whole, but also in the smooth conduct of the single monetary policy of the euro area and in the stability of the single currency. The Eurosystem oversight of Financial Market Infrastructures is based on the internationally accepted CPSS-IOSCO Principles for Financial Market Infrastructures (PFMIs), which were adopted by the ECB's Governing Council in June 2013 as the standards for Eurosystem oversight of all types of FMIs in the euro area under the Eurosystem's responsibility<sup>(1)</sup>.

Worldline complies with these principles in all of its regulated countries. In Belgium, Netherlands and Latvia a regulatory Oversight regime is applicable. In Belgium and the Netherlands the Oversight requirements are also incorporated into local laws. In the Netherlands, Worldline is formally supervised by the Dutch National Bank and the Authority Financial Markets since 2014. In Belgium, the National Bank of Belgium issued the Act on Processors that entered into force in July 2017, also applicable for Worldline.

Along with supervision by regulators in some countries, there is also an increase in requirements imposed on the suppliers of the financial institutions, especially in the payments market. This leads to additional requirements for Worldline.

For example, in Germany the BAFIN has released in October 2017 an update of the MaRisk requirements with more strict controls/requirements for outsourcing. The General Data Protection Regulation (GDPR) (EU Regulation 2016/679) is a regulation that strengthens and unifies data protection for all individuals within the European Union and addresses the export of personal data outside the EU. Worldline will be fully compliant with GDPR by May 2018.

As a Financial Market infrastructure, Worldline further ensures compliance with applicable laws, rules and regulations and customer expectations by the standardization of key certifications. Certifications for Information Security (ISO 27001), business Continuity (ISO 22301), PCI DSS and Quality (ISO 9001) support the Company's ambition and, together with the ISAE 3402, reports provide this high level of assurance.

## Compliance for the health industry in France

Worldline's activity in the e-health sector is reflected in services that include the development of information systems that process personal health data and the hosting of this data.

This data is particularly critical since it is confidential information. The General Data Protection Regulation (GDPR) of 2016 has just broadened the definition: "personal data relating to the physical or mental health of a person, including the providing health care services, which reveals information about the state of health of that person". This definition reflects a broader concept of health data, which today cannot be limited to the sole indication of a disease. Indeed, the health care of a person includes the knowledge of their family or social situation and involves multiple health professionals and social workers. More generally, this new European Regulation strengthens the protection of citizens compared to the previous directive of 1995.

The software development and hosting activities related to these sensitive data require the compliance with a normative and regulatory framework.

## Software development, interoperability and security policy

Concerning application development, the agency of shared health information systems ("agence des systèmes d'information partagés en santé" or ASIP Santé)<sup>(2)</sup> has defined several standards allowing e-health stakeholders to adopt "good practices" in this area. As soon as these were set up in 2009, Worldline regularly took part in the discussions and consultations on these standards, in synergy with the ASIP. These are mainly the Interoperability Framework for Health Information Systems (CI-SIS)<sup>(3)</sup> and the General Security Policy for Health Information Systems (PGSSI-S)<sup>(4)</sup>.

In addition to its contributions to the CI-SIS, Worldline has also been actively involved in several working groups dealing with interoperability and, more broadly, the standardization of exchanges and the structuring of health data: Edisanté, Hprim/HL7 France, Healthcare GS1 France, IHE Europe. Since 2005, Worldline has participated several times in the "Connectathon," an Annual European Meeting which approves the interoperability of the developed solutions and allows to display true expertise in interoperability.

In terms of security, the PGSSI-S is always at the heart of the e-health projects in which Worldline intervenes, especially when such projects involve the development of solutions involving with personal health data. The framework it defines is intended for the health and medico-social players and structures, but also for the industry and the field for which it is responsible for "structuring the software offer."

The documentary corpus of these repositories aims to evolve with time. Worldline therefore conducts systematic monitoring that allows it to integrate any changes in its own analysis and in the resulting services and tools. The implementation of the principles and rules described in these standards provides Worldline's customers with the guarantee of compliance with the state of the art, and the control of these standards by Worldline's experts. Therefore, Worldline is in the position to support and advise customers on the achievement of quality and safety objectives.

(1) <https://www.ecb.europa.eu/paym/pol/policies/html/index.en.html>

(2) <http://esante.gouv.fr/asip-sante>

(3) <http://esante.gouv.fr/services/referentiels/referentiels-d-interoperabilite/cadre-d-interoperabilite-des-systemes-d>

(4) <http://esante.gouv.fr/services/politique-generale-de-securite-des-systemes-d-information-de-sante-pgssi-s/en-savoir-plus-0>

Moreover, these interoperability and security standards are to become enforceable: three computer security standards will become applicable in 2018<sup>(1)</sup>.

References and solutions developed by Worldline include, for example:

- The "INS-C"<sup>(2)</sup> referencing, intended to validate the software integrating an algorithm for calculation of the national health identifier (INS).
- The "DMP-Compatibility"<sup>(3)</sup> certification, intended to validate the software's ability to interface with the shared medical file (DMP) implemented by the CNAMS.
- The "prescription assistance software"<sup>(4)</sup> certification, obtained for two applications in order to secure medication prescriptions in addition centers on the one hand, and in maternal and child health centers on the other hand.

#### Approved hosting of personal health data

Worldline (through its health insurance subsidiary) is one of the first providers as from 2010 to be granted authorization for the hosting of personal health data. Three approvals are currently operational through various projects operated by Worldline<sup>(5)</sup>, and a fourth application for approval has just been submitted to host the health data that will be processed in the framework of the national "SI Samu" program.

In case of regulatory hosting, an approval procedure was defined by the law in 2006, leading to the production of a referral system for the constitution of accreditation application files. The law provides that this procedure will be transformed from 2018 into a certification of hosts<sup>(6)</sup>. Here again, Worldline took part in the consultation steps with ASIP Santé in order to help build a certification reference system based on its own feedback and pragmatic bases. Worldline is already anticipating the transition to the future procedure by ensuring compliance with the requirements set out in the provisional version of the certification framework.

Finally, implementation of the GDPR is the subject of an inventory of all the processing of personal data operated by Worldline on behalf of its customers, with particular vigilance on the hosting of health data. As such, Worldline offers to support its customers in order to enable them to align the compliance of their treatments with the requirements of the GDPR.

### D.2.1.3 Continuously improving customer experience [GRI102-44]

Listening to and addressing the expectations of its customers is at the heart of Worldline's business. The Worldline Customer Experience Program is built on that foundation. That is why the Company strives to build strong relationships with its customers in order to understand their objectives and embrace their culture and values and add value to their business, working together to achieve these objectives.

In this context, customer satisfaction surveys are conducted on a regular basis and the results are used to analyze whether changes need to be made in Worldline's business processes to increase its customers' overall satisfaction and loyalty:

- it allows Worldline to consistently measure customer satisfaction;
- it provides baselines for each customer contract to improve upon;
- it identifies generic areas of concern to be addressed;
- it supports communication with all stakeholders demonstrating Worldline's commitment to sustainability.

The outcome of the surveys leads to a set of fit-for-purpose improvement plans developed and implemented in close collaboration with the customers.

#### Customer satisfaction process

Once a year Worldline surveys its contracts based on Atos Methodology, targeting at least 60% of its key customers. The survey targets IT management, IT coordinators and contract managers. Using a proven methodology aligned with leading expertise from Gartner, Satmetrix and Forrester, Worldline uses the satisfaction measured together with service KPIs to help drive continuous improvement and address the needs of its customers.

Following the Tactical CSAT Surveys, Worldline committed to put in place additional controls to ensure that CSAT closing meetings are organized with customers, in which the Worldline customer-facing team confirms its understanding of customer feedback and commits to a tangible improvement plan. The implementation of this action plan, in turn, aims to improve overall customer satisfaction and experience.

Customer engagement and customer experience is continually improving in four areas:

- Strategy;
- Governance;
- Employee awareness;
- Corporate Programs focusing on Customer Experience.

(1) <http://www.ticsante.com/story.php?story=3736>.

(2) [https://cnda.ameli.fr/?page\\_id=110](https://cnda.ameli.fr/?page_id=110).

(3) [https://cnda.ameli.fr/?page\\_id=1462](https://cnda.ameli.fr/?page_id=1462).

(4) [https://www.has-sante.fr/portail/jcms/r\\_1499086/fr/referentiel-de-certification-par-essai-de-type-des-logiciels-daide-a-la-prescription-en-medecine-ambulatoire](https://www.has-sante.fr/portail/jcms/r_1499086/fr/referentiel-de-certification-par-essai-de-type-des-logiciels-daide-a-la-prescription-en-medecine-ambulatoire).

(5) <http://esante.gouv.fr/services/referentiels/secure/hebergeurs-agrees>.

(6) <http://esante.gouv.fr/files/documents/fiche-expert-hds.pdf>.

## Strategy

During 2015, additional measures were implemented to increase the overall maturity of the customer satisfaction process, and to ensure its end-to-end execution. These sustained efforts resulted in a significant improvement in the Worldline customer satisfaction process performance featuring an Overall Customer Satisfaction metric of 8.1 by the end of 2017 [GRI 102-44].

The challenge for the coming years will consist in putting Customer perspective in “everything we do” in order to achieve TRUST 2020 ambitions linked to Customer Satisfaction. Worldline has committed to achieve an Overall Customer Satisfaction metric of above 8 by 2020. During the period of 2014 to the end of 2017, Worldline has been focusing on addressing the problems and issues of its customers. The objective for the coming years will consist in promoting a more proactive approach to better anticipate the expectations of its customers not only in terms of quality of delivery but also of value for cost and innovation.

In course of 2017 and later years, additional focus will seek to improve the questionnaire and its structure, and to improve and stimulate the overall response rate to the Customer Satisfaction surveys. Worldline’s ultimate goal is to motivate its customers to answer the CSAT surveys, embrace their feedback and actively seek synergies between the customer’s expectations and Worldline’s delivery capabilities. In order to visualize the response rate, metrics are put in place to measure the effective response rate.

In 2017, it was decided to extend the current Customer Satisfaction Survey target from N-2 to top management in the customer’s organizations. The objective is to obtain the strategic feedback of customer’s top management, which will complement the opinion of people in day-to-day operations.

In an addition to the Tactical CSAT Surveys, the Worldline management team insisted on placing special attention on Promotor accounts, aiming to improve customer loyalty even more and stimulate the creation of “vocal apostles” within Worldline’s customer base.

## Governance and monitoring of action plans

Worldline has implemented a series of governance measures around the Customer Satisfaction process to ensure achievement of process targets. The implementation of improvement actions is measured, reported and reviewed on a monthly basis during the dedicated meetings and is communicated to Worldline’s Management Committee members. CSAT performance indicators are linked with the management bonus scheme. These good governance measures ensure that the appropriate amount of management time and attention is given to the process.

As of 2017, additional “effectiveness checkpoints” regarding these improvement actions were defined and implemented. By closely following up on the implementation of the defined improvement actions, Worldline ensures a direct link between the customers’ expectations and the relevance of these actions.

## Employee awareness

A dedicated training program has been designed to enhance customer experience throughout the Company.

In addition to customer experience training, regular awareness sessions are organized globally to promote the necessary behaviors - importance of understanding customers’ business needs and pro-actively adapt Worldline’s solutions and services, maximizing value and managing the relationship with customers to become a true partnership.

## Corporate Programs focusing on Customer Experience

### Voice of Customer program

This program was launched in 2017 with the goal of securing the renewal of contracts by identifying improvement areas and defining mitigation actions linked thereto. The objective of this initiative is to assess Worldline’s delivery capabilities in order to identify and ensure timely mitigation of any issue that may impact customers’ mindset/decision process during the contracts renewal phase.

Following completion of the assessment, a bi-monthly follow-up is put in place with the customer-facing team to endorse their ability to implement a set of actions which are agreed-upon with the customer and approved by the Worldline management team.

### Objective Zero Incidents initiative

As part of the corporate transformation program, Worldline would like to improve the quality of the services delivered to its customers, targeting a drastic reduction of incident occurrence and unresolved problems that hurt customer experience in terms of reliability and robustness, and dampen much internal energy.

Via the OZI initiative, a systematic follow-up of both the Incident and Problem management processes is put in place. In a continuous service improvement method, process improvements are identified and systematically implemented throughout the organizations, in all geographical areas worldwide.

### Right First Time Delivery

Worldline launched “Right First Time” in order to share the experience of better connecting the Agile, DevOps and Test Automation culture at Worldline. Worldline is seeking to refine its preferred ways of working by promoting the best examples and highlighting key lessons learned across the Group. To improve systematically and become a fully agile organization, Worldline is continuously evaluating the benefits offered by this way of conducting business and how the hurdles can be overcome.

### D.2.1.4 Building customer trust with a robust and proven IT system

#### D.2.1.4.1 Security [GRI 418-1]

##### Worldline's comprehensive asset protection approach

Worldline's and Atos' security organization has defined a set of 101 Global Security and Safety policies, standards and guidelines. These security policies are mandatory and binding for all Worldline entities and employees in order to guarantee the safety and the security of Worldline's internal and external (i.e. "Customer related") business processes. The policies apply to all staff, contractors and consultants throughout the Worldline organization.

Worldline's Security and Security policies cover the protection of all of Worldline's assets, whether owned, used or held in custody by Worldline (information, intellectual property, sites, network, personnel, software and hardware).

In order to meet the business specificities, since 2009 Worldline has developed a comprehensive set of information security policies and standards that may include some local variations for more clarity or specific local constraints. Those policies are aligned with the Worldline Group Safety and Security policies and are compliant with the ISO 27001:2013 standard.

A Security Policies Governance plan is in place to define, support implementation and maintain those policies.

In addition, Worldline has implemented measures and policies to protect its intellectual property assets and confidential information, including, but not limited to, the use of confidential agreements, encryption and logical and physical protection of information where required. Furthermore, Worldline Legal & Compliance department advises on all commercial transactions to ensure that appropriate provisions are included in its contracts with customers and suppliers and that confidential matters are appropriately handled and in compliance with applicable laws.

Worldline is also engaged in an ISO 27001 multi-site certification program with Atos group to clearly state that Worldline is engaged in a continuous security improvement process. In 2017 Worldline successfully certified 22 of its 23 eligible sites.

In 2017, 94% of Worldline's employees took part in "Security & Safety" mandatory e-learning courses in order to develop their awareness.

In addition, in 2017 Worldline's Security department again organized a special awareness event at a global level to provide its employees with a more concrete view on cyber and physical threats that they can face, through concrete examples and practical prevention actions. Concerning the growing threat of phishing attacks (malware), Worldline arranged related awareness trainings during the year.

Below is a summary of Worldline commitments on security:

- 1. a high level of ISO 27001 Security certification throughout the organization.** One of the main challenges to be addressed is the emerging cyber security related threats that potentially create new risk exposure.
- 2. services related to Center of Security operations.** Continuously changing threats require constant and proactive monitoring to identify occurrences of compromise supported by appropriate course of action.
- 3. to keep incident resolution at 100% consistent with security policy.** Incidents are reported and root causes are well understood to avoid re-occurrence.
- 4. 100% of its employees yearly regarding PCI** in order to strengthen and maintain awareness concerning data security.

##### Security Key Performance Indicators and reporting

In addition to these high-level indicators, technical monitoring and reporting are in place to proactively act on security anomalies (weekly security watch analysis, monthly monitoring of firewall configurations, weekly vulnerability scans, yearly penetration tests, reviews of access rights, intrusion detection systems including DDoS mitigation systems, and monitoring and logging of system events). All of these measures are part of the Worldline security framework.

##### Data Protection Procedures

As "privacy by design" drives data protection at Worldline, the second pillar includes procedures that are also described in the Atos group Data Protection Policy. These procedures ensure that privacy is embedded in all processing of personal data by Worldline on its behalf or on behalf of its customers. In 2017, Worldline received zero complaint concerning a breach of customer privacy [GRI 418-1].

Reported security incidents provide the basis for a thorough root cause analysis supporting the continuous improvement of risk mitigating measures.

Thanks to proactive and regular Security Risk Assessments, the existing risks should be remediated to attain the agreed upon residual risk level. Nevertheless, the remediation in-place might not be as effective as intended or the outcome of the security risk assessment could be based on inaccurate assumptions. It might well be that new threats and evolving attack vectors appear that could suddenly have a negative impact on Worldline's data security.

The reporting and recording of Security Incidents accompanied by sound root cause analysis help maintain existing risk mitigation at the right level and provide valuable input for regular Security Risk Assessments. This practice is even more valuable in the international context as Worldline provides its services to customers worldwide.

Weekly communication between the Worldline Chief Security Officer and all regional Security Officers ensures close monitoring of recorded Security Incidents and follow up on agreed upon improvement actions.

#### **D.2.1.4.2 Industry 4.0: Robust business IT infrastructure [WL1]**

##### **Platform robustness**

Worldline delivers highly available services to its customers. These strong levels of availability are achieved by implementing multiple levels of redundancy: robust base hardware (redundant components, RAID, etc.), sub-services running on several distinct servers, servers located in separate data centers, data centers located in different countries. This design allows high global resiliency, preventing a single element outage to generate unavailability of the global service. Worldline integrates the high availability requirement at the earliest design step of all platforms.

Thus, in 2017, Worldline's services availability rate was over 99.96% for WL SIPS Solution highlighting a secure and robust platform [WL1].

In practice, this is implemented by traffic load-balancing (active-active) or failover (active-passive) on multiple sites. In the case of a breakdown, traffic is directed to another available site, ensuring that users can always reach an available service. Similar redundancy principles are applied for servers, databases and storage, to prevent any single point of failure. Data replication ensures that business continuity can be achieved, with several technologies available depending on the RTO/RPO (Recovery Time Objective/Recovery Point Objective).

Regular tests are conducted for each key component of the Company's infrastructure to verify the redundancy effectiveness and the robustness of the platforms.

Security is at the heart of Worldline's systems and therefore security audits, penetration tests and scans are regularly performed on its platforms. Moreover, a patching process is in place to cover the security breaches detected by the software vendors or open-source community. This is translated in its diverse security certifications (PCI, ISO 27001, TÜV IT).

In order to optimize the infrastructure's efficiency, Worldline has implemented a worldwide technical operational organization to benefit the most from shared international infrastructures (data centers, internet, storage, virtualization etc.). Worldline is able to deliver scalable and evolving solutions at an optimized cost through its implementation of a high level of standardization and industrialized infrastructure services.

Because technology and organization are not enough to ensure a good level of availability and security, Worldline rolled out international processes in line with the ITIL best practices, such as change management, configuration management, incident management.

Worldline has developed a strong expertise in data center infrastructure design and management. From the building itself

to the cooling, energy and data room equipment, each asset is managed by real-time centralized monitoring. This end-to-end management is key for delivery of High Critical Real-time Services with strict Service Level Agreements (SLA). In this area, energy consumption and carbon emission optimization are also sensitive topics managed through dedicated, continuous-improvement programs for reducing environmental footprint. These key topics are shared frequently with the market and many customers. Based on Power Usage Efficiency (PUE) metrics, Worldline has carried out an audit on the entire scope of infrastructures and identified levers of improvement. This study leads to main evolutions such as free chilling and adiabatic systems deployment, low power servers implementation and carbon free contracts with electrical energy providers.

In addition to PUE enhancement, an ISO 14001 certification project was completed in 2017. The data centers at La Pointe, Dassault, Vendôme, Brussels and the technical room in Frankfurt are certified today, rewarding the efficient work accomplished by all teams in charge of IT infrastructure and meeting customer expectations. This certification also provides new levers on IT waste reduction, especially on the server recycling process.

Virtualization is systematically considered in all deployments, allowing significant consolidation and optimal use of technical resources. The largest part of new deployments including rebuilding the existing platform, use of virtualization technologies and private or public Cloud, all contributing to better energy management.

Thanks to those Green IT Solutions, the main benefits are:

- Energy consumption efficiency;
- IT infrastructure optimization;
- Reduction/neutralization of carbon emissions;
- High quality and agility for services production;
- Cost reductions (virtualization, SaaS, Red Current).

##### **Worldline monitoring process**

To ensure the highest level of platform availability, Worldline data centers and the services delivered to its customers are monitored by a 24/7 First Line Support team. The role of the First Line Support team is to:

- Ensure the permanent follow-up of the correct availability of the customer services;
- Fix any incident with a maximum of autonomy in accordance with the SLA;
- Track all the incidents and report to the management;
- Coordinate with the second Level Support teams if needed.

To deliver high quality problem solving, the First Line Support team receives training to obtain a broad range of technical skills. The team is dispatched on two different sites to ensure a non-stop service in case of major disaster.



## Corporate Social Responsibility report

Building customer trust with fully available and secured platforms

The Monitoring is fully automated and industrialized:

- Any risk of potential dysfunction is automatically detected and sent to a centralized tool;
- The information received is analyzed in a global context and then a predefined procedure is applied;
- Any alert received or action launched is tracked and auditable.

Worldline is committed to a permanent process to strengthen monitoring by providing its pilots with reliable monitoring tools including a high level of industrialization and robustness.

The high availability of Worldline's platforms is related to a secure and redundant technical infrastructure and the monitoring team that is responsible for ensuring that applications, network, servers remain fully operational to deliver the services to its customers.

Worldline provides services with its own IT infrastructure solutions. This strategy gives to the Company all the necessary levers to minimize the delivery impacts on costs and environment, with a special focus on Green data centers.

### D.2.2 Extending offer possibilities through strategic partnership ambition

The digital world is evolving quickly and innovations are multiplying, particularly in the field of electronic transactions. To manage the complexity of this new world, Worldline needs to reach the highest level of agility and credibility through partnerships and alliances with specific solutions that complement its capabilities and geographic footprint.

These partnerships and alliances can also result in acquisitions, but not necessarily through a traditional M&A process. The first objective is to generate new business opportunities at the local level, win deals by teaming with local partners and generate additional profit by pooling marketing, listing and training costs.

Medium-term partnership objectives are to:

- Bring disruptive and innovative offerings to market and pursue strategic partnerships with technology leaders;
- Further expand Worldline's foothold in Europe and accelerate growth in emerging markets.

To achieve these objectives, Worldline is creating its own ecosystem through leveraging:

- The experience of innovative partners and customer relationships to pro-actively propose transformation initiatives to customers;

- Long-term bilateral industrial partnerships with large industrial groups to improve the innovation portfolio;
- Commercial partnerships to deploy joint projects to improve the rate of new contract signatures.

In 2016, Worldline implemented several methods to increase the number of partnerships. A dedicated team reporting to the global sales management team under the responsibility of the Chief Sales Officer has been set up to accelerate the first partnership signing.

The team is centrally managed and has built a dedicated network in the main Worldline geographic areas to be able to work with global strategic partners. The team has initiated focused discussions with key market players to leverage Worldline's strengths and quickly capture significant opportunities.

In 2017 Worldline has extended its portfolio of partners by signing agreements with such Fintech companies such as Accepteasys in e-billing or Isignthis in remote identity verification. Worldline collaboration with Fintech is growing and will remain a priority for Worldline as a way to bring more and quicker innovation to its customers.

Worldline is also teaming with partners to address large digital transformation opportunities on smart ticketing and Digital identify and in the IOT domain.

## D.2.3 Driving customer sustainability challenges with Worldline sustainable portfolio [GRI 203-1][AO7] and [GRI 103-2 Indirect Economic Impacts]

### D.2.3.1 Identifying and enhancing the sustainability performance of our portfolio

Worldline has embedded sustainability in its corporate purpose and actively supports its customers to efficiently manage the sustainability challenges that they face in their activities and markets. Indeed, Worldline customers receive a large range of sustainable offers that take into account the customers' environmental, economic and social needs, adding value to the services provided.

#### Sustainability Analysis

To measure the high business value of the contribution to the sustainable performance of its customers, the Company has performed, with the Atos group, a detailed and analytical sustainability analysis of all of its offers, to highlight the following:

- Innovative and sustainable solutions and value creation for customers;
- Reduction of environmental impact of the Company portfolio along the value chain;
- Mitigation of risks associated to data privacy, Human Rights and cyberattacks.

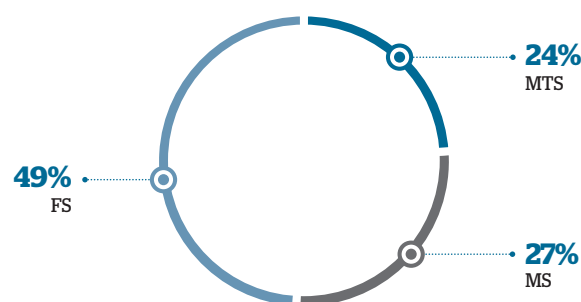
Each offer has been screened by product managers and sustainability experts over four categories of benefits: economic, social and well-being, governance, trust and compliance and environment footprint and climate change. The entire analysis enables to determine a sustainability weight for each offer of Worldline and was the basis of the evaluation of the offers' contribution to the SDGs as mentioned in the Section D.1.1.4 SDG@Worldline.

In 2017, Worldline has included equensWorldline offers in its sustainable portfolio: Trusted Transactions Services, Access to Account and Clearing & Settlement (Instant payments).

As a result, Worldline payment and digital solutions positively leverage the different dimensions of sustainability of the markets in which it operates by contributing to the customers' business transformation.

#### Results

In 2017, Worldline has generated €770 million of sustainable revenue



**The offers related to the FS GBL** provide significant benefits to customers on topics related to Governance, Trust & Compliance challenges, reduction of fraud risks, for example. These solutions contribute to the development of citizen services like e-government, more collaborative ways of working with the organization of schemes and greater accessibility and flexibility for customers with Online Banking mobile apps, thus contributing to digital inclusion.

**The offers related to the MS GBL** bring major economic benefits for customers by making payment processes easier due to new digital business models that enhance the customer experience and leverage market growth. These solutions enable the development of new payment methods and more customized customer relations by bringing new payment solutions to the market more rapidly and facilitating the circulation of e-money. These benefits therefore strengthen customer loyalty.

**The offers related to the MTS GBL** provide various benefits to customers in the different economic, social, governance and environmental dimensions. These offers contribute to improving the quality of life of end users by preserving health and safety and by contributing to the environment for example by optimizing CO2 emissions.

Worldline has embedded sustainability in its corporate purpose and actively supports its customers to efficiently manage the sustainability challenges that they face in their activities and markets. Indeed, Worldline customers receive a large range of sustainable offers that take into account the customers' environmental, economic and social needs, adding value to the services provided.





### **D.2.3.2 Bringing value to our customers through our sustainable solutions by meeting their sustainability challenges**

The sustainability performance of Worldline solutions and the benefits it brings to Worldline's customers is thus expressed through the four dimensions described below. By committing to a sustainable solutions objective in its Trust 2020 program, Worldline strives to increase the economic, ethical, social and environmental impacts of its offers.

#### **Economic benefits**

Worldline's solutions enable its customers to save time due to a more efficient user experience that reduces processing times and reduces the need for a physical wallet and increases customer loyalty by interacting in real time with them through personalized notifications from Worldline's CRM services, among others. For example, Worldline Payment Acceptance, Kiosk and Digital Retail solutions reduce merchants' time to market and help reduce the total cost of payment acceptance.

In a nutshell, Worldline's offers generate economic growth by making payments easier with flexible digital business models.

#### **Social and well-being benefits**

Worldline's sustainable portfolio contributes to the protection of vulnerable populations with its payment solutions that support financial and social inclusion such as the e-health solution. It promotes digital inclusion and online accessibility by easing the payment phase and making accessible operations that previously represented some type of restriction such as payment Terminals that can be used by blind people, for example (Voice Over POS device). For example, In Payments solutions support financial and social inclusion, as well as small business or business without a bank account. Additionally, the Company's offer Offense processing center reduces fatalities and serious roadway injuries and its E ticketing provides information tools for both transport operators and passengers to facilitate the use of transport.

#### **Governance, trust and compliance**

Worldline's sustainable solutions contribute to the promotion of Human Rights, notably by ensuring security, privacy and data protection through solutions like e-signature or e-government, contributing to citizenship and democracy. Its solutions strengthen the fight against fraud and corruption risks and are produced with the aim of preventing cyber threats.

To this end, Worldline's digitization solutions are in conformity with the European Identification and Authentication Service and Commercial Acquiring, payment acceptance and other electronic payment services ensure trust and compliance with

laws and mitigate supply chain risks. Additionally, Worldline Pay for acquiring and authorization, in combination with the online fraud detection application, dramatically reduces card fraud and the tolling solution prevents tax evasion and promotes anti-money laundering.

#### **Environment and Climate change**

Worldline's digital solutions contribute to the fight against climate change and preservation of the environment by reducing the pollution and production of waste. For example, digitization and Online Banking solutions enable to reduce transportation and use paperless methods that contribute to the fight against deforestation and CO<sub>2</sub> emissions. Providing Online Services, Cloud solutions or remote payment solutions thus allows the possibility of eliminating travel to access the services.

Moreover, connected vehicles and the Live Traffic solutions enable customers to have access to traffic flow anticipation, eco-driving practices and monitor fuel consumption. Additionally, smart home solutions (smartgrid) enable the optimization of energy consumption.

#### **Specific offers presented below have been screened as having a bigger impact on sustainability.**

##### **Digital Payments**

Worldline's digital payments solutions embrace a wide range of offerings and services covering the whole payment value chain: processing services for customers related to non-card payments, interbank clearing & settlement, payment back-offices and secure transactions.

Worldline is ideally positioned to benefit from recently adopted regulatory changes, as the PSD2 legislation encourages account-based payment solutions and the EPC's instant payment scheme quickly completes the entire payment process. Both involve complex new solutions and processing offers with a major aim: to make payments easier, safer and less expensive for citizens.

##### **Digital Banking**

Worldline's *digital banking* solution enables its customers to provide *digital banking* services at any time and place, contributing to the reduction of transportation and promoting paperless processes, contributing to saving natural resources because it is possible to view digital versions of account documents.

Worldline's *digital banking* services also allow end users to save time in daily life by viewing account balances, transferring funds and purchasing securities online. Worldline facilitates transactions through the use of mobile applications. Finally, this service help banks and financial institutions develop and enhance their customized secure Online Banking services in countries with limited access to banking services, boosting digital inclusion.



### **Digitization**

Worldline offers e-contract, e-signature, e-archiving and e-safe solutions that are secure, simple and efficient, enabling improved citizenship empowerment, providing easily accessed digital services and information for everyone, and that also promote digital inclusion by increasing connectivity: services available everywhere and anytime.

Additionally, the digitization solutions contribute, through paperless processes, to the fight against deforestation and the reduction of energy costs, for example for document storage and transportation.

This also means greater efficiency, accuracy and traceability for customers, in line with the European Identification and Authentication Services, therefore reducing fraud and cyber threats.

Worldline also supports citizens by collaborating in their road safety, via automating speed, traffic and parking fines, also helping Governments collect fines via automated Plate Recognition and fine delivery. It also provides mobile telecommunications services with cloud storage solutions for their customers' data as well as a multi-channel interaction management service, while also keeping safe content, helping them to securely capture and archive digital copies of legal documents.

### **Terminal Services**

Worldline's Terminals are covered by the ECMA 370 declaration that includes essential environmental measures, positioning its devices in the industry best of class for the parameters evaluated. With this, the Company ensures that its Terminals are part of a certified system for the collection and recycling of end-of-life products, batteries and packaging materials, free from ozone depleting substances and in full compliance with the Reach and RoHS directives.

In addition, thanks to its Voice Over POS terminal, that was an idea of its employees, Worldline makes the lives of disabled people easier by providing blind people with a secure way of making physical payments through the use of audio assistance via their smartphone, guiding them in the transaction on the payment terminal.

### **Transport e-Ticketing**

Thanks to the digitalization and automation of processes that provide electronic transport ticketing services from Worldline, it is possible for railway and bus operators to improve their route management and also their internal efficiency and service.

Therefore, more real time, digital and secure information as well as advanced analytics allow to reduce pollution and waste by reducing the amount of printed paper used. By merely by providing accurate travel information it is possible to improve energy efficiency by route optimization.

### **Connected Living**

Internet of Everything (IoE) is a fast-expanding market, where Worldline Services Delivery platform jointly with business partners such as manufacturers of home appliances, industrial appliances or vehicles, are developing solutions that help citizens while making their lives easier, more comfortable, safer, economically less impacted and sustainable.

Some examples of this ecosystem could be the User Based Insurance, where you pay depending on how you drive, connected home, where your refrigerators make weekly home purchases considering your wishes and needs, avoiding journeys to the supermarket, or where you can pay for your gasoline directly from your car, saving time and energy.

All these offerings, solutions and services are part of a bigger project: **Digital Transformation Factory**. The Digital Transformation Factory capitalizes on the Atos group technological strengths and people skills by bringing to market four end-to-end, customer-driven offerings that will help enterprises address the main challenges of their digital transformation.

The Digital Transformation Factory combines pioneering expertise in digital applications, digital infrastructures, electronic transactions and security technologies. This ensures that Atos will remain the trusted partner of its customers as they address core transformation challenges in customer experience, business reinvention, operational excellence and trust and compliance on their journeys into the digital age.

The sustainability performance of Worldline solutions and the benefits it brings to Worldline's customers is thus expressed through the four dimensions described below. By committing to a sustainable solutions objective in its Trust 2020 program, Worldline strives to increase the economic, ethical, social and environmental impacts of its offers.





## D.2.4 Table of main KPIs

GRI code	KPI Name	2017	2016	2015	2014	2017 Perimeter		2016 Perimeter		2015 Perimeter	
						Per employee	Per revenue	Per employee	Per revenue	Per employee	Per revenue
<b>WL1</b>	<b>Services availability rate</b>										
	Services availability rate	99.96%	99.88%	99.81%	99.74%	-	100%	-	100%	-	100%
<b>WL2</b>	<b>Innovation &amp; Business</b>										
	Percentage of PhD and PhD students at R&D department	49%	45%	46%	30%	100%	-	100%	-	100%	-
	Number of WIN members	45	44	45	42	100%	-	100%	-	100%	-
	External awards success rate	0%	50%	20%	30%	100%	-	100%	-	100%	-
<b>GRI102-44</b>	<b>Customer satisfaction survey</b>										
	Overall customer satisfaction from Tactical surveys (scope from 0 to 10)	8.1	7.67	7.26	6.67	-	100%	-	100%	-	100%
<b>GRI201-2</b>	<b>Financial implications and other risks and opportunities due to climate change</b>										
	Financial implications and other risks and opportunities due to climate change	Qualitative	Qualitative	Qualitative	Qualitative	-	-	-	-	-	-
<b>GRI203-1</b>	<b>Development and impact of infrastructure investments and services supported</b>										
	Development and impact of infrastructure investments and services supported	Qualitative	Qualitative	Qualitative	Qualitative	-	-	-	-	-	-
<b>A07</b>	<b>Revenue of "sustainability offering"</b>										
	Total revenue of "sustainability offering" (M€)	770	586	575	-	-	100%	-	100%	-	100%
	Mobility and e-Transactional Services - Total revenue of "sustainability offering"	186	180	186	-	-	100%	-	100%	-	100%
	Mobility and eTransactional Services - Percentage of total revenue of "sustainability offering"	24%	31%	32%	-	-	100%	-	100%	-	100%
	Merchant Services - Total revenue of "sustainability offering"	207	175	166	-	-	100%	-	100%	-	100%
	Merchant Services - Percentage of total revenue of "sustainability offering"	27%	30%	29%	-	-	100%	-	100%	-	100%
	Financial Services - Total revenue of "sustainability offering" (M€)	377	231	224	-	-	100%	-	100%	-	100%
	Financial Services - Percentage of total revenue of "sustainability offering"	49%	39%	39%	-	-	100%	-	100%	-	100%
<b>A010</b>	<b>Initiatives regarding Innovative Services / Products Developments</b>										
	Customer Innovation Workshops delivered in GBU's*	9	10	17	18	-	100%	-	100%	-	100%
<b>GRI418-1</b>	<b>Customer complaints</b>										
	Number of third party complaints regarding breaches of customer privacy higher than 100 000 €	0	0	0	0	-	100%	-	100%	-	100%
	Number of customers complaints regarding breaches of customer privacy higher than 100 000 €	0	0	0	0	-	100%	-	100%	-	100%

GRI code KPI Name	2017	2016	2015	2014	2017 Perimeter		2016 Perimeter		2015 Perimeter	
					Per employee revenue	Per employee revenue	Per employee revenue	Per employee revenue	Per employee revenue	Per employee revenue
<b>A03 Data Security incidents</b>										
Number of security Incidents	150	110	126	89	-	100%	-	100%	-	100%
Percentage of Open Security Incidents Open vs closed	10.7%	1.06%	0.79%	1.12%	-	100%	-	100%	-	100%
Percentage of Employees attended Safety & Security E-learning**	94%	90%	86%	77%	-	80%	-	100%	-	100%
Percentage of Employees attended Data Protection E-learning**	90%	89%	77.86%	77%	-	80%	-	100%	-	100%
Percentage of Compliance to Virus Defense Policy	-	75%	79%	75.55%	-	-	-	100%	-	100%

\* In 2017, Worldline has attended and/or supported 14 innovation workshops in which Scientific Community members were not necessarily present or involved.

\*\*A03 excluded: equensWorldline Germany, equensWorldline Italy, Austria, Brazil, Estonai, Germany, Latvia, Lithuania, Sweden

## D.3 Being a responsible employer

D

### D.3.1 Ambitions, challenges and opportunities

#### Wellbeing@Worldline program

Worldline pays special attention to its employees and places them at the heart of its business plans as the true catalyst for innovation, creator of value for its customers and driver of growth for the Company. Through its WellBeing@Worldline program initiated by the Human Resources department in 2015, Worldline's priorities are the wellbeing, health, motivation and creativity of its employees. Worldline therefore fosters a working environment and the right conditions for the development of skills and talents and encourages the work-life balance of its employees. That is why the Company's strategy is to increase employee satisfaction through the Great Place to Work® institute.

#### Human Resources Trust 2020 objectives and actions

In order to drive this dynamic and strategy of continuous improvement in its performance, the Human Resources department at Worldline has committed, through the "TRUST 2020" CSR initiative, to making further progress in terms of the following objectives:

- To increase employee satisfaction by 10% as measured by the Great Place to Work® survey;
- To increase overall employee satisfaction related to training programs offered;
- To be cited in at least five employer brand rankings;

- To promote gender equality within the Company by increasing the number of women in management positions.

Worldline has therefore rolled out a comprehensive strategy and various actions to address these different Human Capital challenges:

- **To be an attractive Great Place to Work® company,** Worldline has deployed a strong policy to attract and retain Worldline talent by improving the recruitment strategy and the sense of belonging. Through the Great Place to Work® Institute, Worldline has launched a survey to assess employee satisfaction and areas of improvement. Consistent with this survey, Worldline updates its Wellbeing@Worldline program that is structured around top-down and bottom-up actions. Top-down actions consist in the recruitment and the integration of digital talents (Integration@Worldline). Bottom-up actions aim to ensure a greater sense of belonging and commitment among employees, with a focus on WorkingConditions@Worldline and Recognition@Worldline;
- **To develop and engage Worldline talent,** the Company has implemented structured and efficient integration of new employees through several measures such as the individual development plan. The Company encourages professional (mobility and internal promotion as key priorities to allow each employee to evolve, learn and develop their own professional career path, through diverse programs and trainings. (Growing@Worldline and Learning@Worldline);

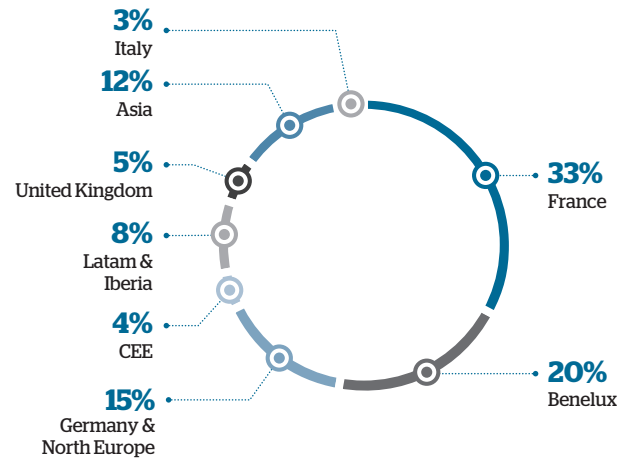
- **To stimulate innovation and increase the Company's expertise**, Worldline has put in place a recognized expert network with top notch technological skills, developing an innovative mindset and facilitating knowledge-sharing across the Group.

These pragmatic and realistic action plans are the result of discussions and sharing best practices between Worldline employees, and are systematically approved by the local management and Human Resources department in each country before being implemented. Senior management in each country is involved in the process of motivating its management staff for the deployment of the WellBeing@Worldline action plans.

These different plans, deployed to achieve these goals as part of the TRUST 2020 program, have delivered the first successes and gained recognition, thus enabling Worldline to publish, in 2017, a progress report on its goal of becoming a responsible employer by developing the potential of its people. Indeed, Worldline received three brand employer recognitions in 2017: the French entity renewed its Happy Trainees label in 2017 for the quality of the internships it offers to students attending its target schools and was selected as a "best recruiters company" by the French newspaper Figaro, whereas Worldline Chile was recognized for its wellbeing commitment to its employees with the "Best Chile 2017" award.

### PEOPLE, WORLDLINE'S MAIN ASSET [GRI102-7] AND [GRI102-8]

Worldline's human capital consists of 9340 people [GRI 102-8]. The company MRL Posnet (about 125 employees) has been excluded from the reporting scope in 2017. The Worldline's human capital breaks down as follows:



## D.3.2 Starting my career at Worldline: Integration@Worldline [WL6]

The hiring of high-skilled and talented people and the integration of each employee in Worldline are key components of its corporate social responsibility policy and major commitments of the WellBeing@Worldline program.

### D.3.2.1 Talent acquisition strategy [GRI 401-1] [GRI103-2 Employment] and [WL6]

Worldline is a constantly growing, dynamic company. To attract and recruit the best talents from various backgrounds, mainly in information technologies, but also expert profiles in Big Data or cyber-security for instance, Worldline has made extensive efforts to reinforce its employer brand and to develop close relations with the leading Engineering and business Schools and Universities. This has resulted in the strengthening of the Company attractiveness, especially towards juniors, who are the core target of its hiring policy. This strategy has already paid off, as Worldline achieved its strategic objectives in 2017 thanks to a hiring team that worked closely with Operations, and whose mission is to attract the best talent in the market by calling on their spirit of initiative and innovation. To ensure high-quality recruitment, Worldline has implemented a selective and qualitative hiring process, including an interview with HR, an operational interview, and a behavioral test in the working environment. Worldline has focused its talent acquisition strategy on a three dimensional action plan.

### Being recognized as a first choice employer

In order to be recognized as a first choice employer and a learning organization, Worldline's Human Resources has set up a wide recruiting campaign on Jobteaser and via different events to hire trainees, interns and young graduates. In order to ensure a high-quality workforce by attracting students from leading universities, engineering and business schools, Worldline has launched a Tier 1 program. Worldline's Tier 1 strategy with academia has been based on its Campus Manager Program, whose goal is to manage close relationships between an internal volunteer network of alumni and target universities and major schools of approximately fifty members. Created in 2010, the Campus Manager program was redesigned in 2017 to better suit the needs and wishes of the new generations. To this end, the role of Campus Student was created to work in collaboration with the Campus Manager, and above all to represent Worldline within its school/university and inform interested students about the experience of working at Worldline. Activities of the Worldline Campus Manager and Student community are varied: participation in student forums, running conferences, organizing visits to data centers, providing courses among others.

Job or internship opportunities are offered in all the Company's functions: IT development, infrastructure management and support functions. After their internship, most of the talented and best-performing students have an opportunity to join Worldline with a long-term employment contract. It allows Worldline to synchronize the required profiles with business needs and create agility in new technologies and new geographical areas with business opportunities.

Against this background, Worldline has made a commitment through its TRUST 2020 CSR program, to appear on five "Hiring" rankings by 2020 in order to enhance its visibility and appeal, and position itself as a first choice employer.

**Attracting top-notch talents through the employer brand** [GRI 103-2 Employment]

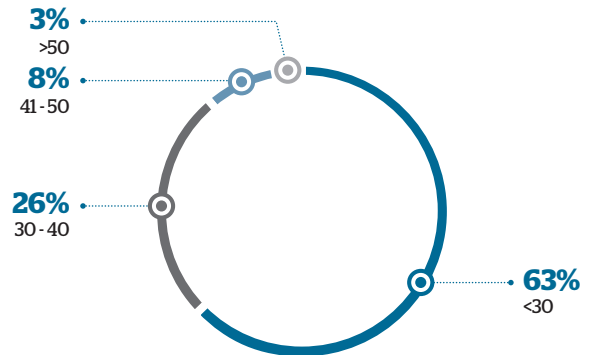
Worldline works on its brand as an employer in order to enhance its visibility on the market, and therefore its appeal and attractiveness to support its development ambition. As a leader in the payment and digital industries, Worldline is well-positioned to cover numerous business activities in all industries, to address emerging technological areas, to embrace all the professions of the IT value chain and to offer numerous career development opportunities. These assets represent the core components of Worldline successful talent attraction approach.

More generally, Worldline has begun an extensive program to improve its brand awareness in the marketplace. This strategy was built on four distinct pillars: Talent attraction, Talent development,

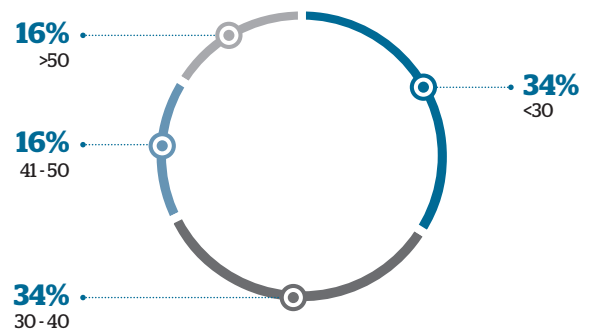
WellBeing@Work and Sense of belonging. A specific communication campaign was implemented based on these four pillars to be able to meet the expectations of the new generation, with an emphasis on authenticity and concrete examples to promote the Company's values. Worldline chose to rely on its employees to testify and share their experiences and daily lives within the Company.

In terms of hiring, the past 12 months have proven to be positive, with a 45% increase in the headcount, of which 29% are women, who joined the Company around the world in 2017 [GRI 401-1]. The increase in hirings takes into account new equensWorldline entities in 2017 with respect to 2016. Worldline plans to continue this pace of hiring young talent in 2018.

**BREAKDOWN OF NEW EMPLOYEES BY AGE**



**BREAKDOWN OF LEAVERS BY AGE**



Turnover 2017 [WL 6]	Women	Men	Total
Hirings	29.08%	70.92%	11.75%
Exits	27.64%	72.36%	8.21%

**Welcoming and onboarding new joiners**

Building on its long history marked by significant acquisitions, Worldline has developed a real and solid expertise in newcomers' welcoming and integration that allows a seamless onboarding in the Worldline journey and to be immediately infused with the Company culture, values and way of life.

At both global and local level, numerous best practices are implemented to ensure a successful integration of new joiners, including the distribution of a welcome booklet detailing Worldline's corporate history, culture, strategy and engagement and the organization of on-site welcome breakfasts to provide an overview of the Company internal organization, processes and activities.





### D.3.2.2 Taking into account employee expectations [WL4] and [AO2]

Employee satisfaction – Great Place to Work survey® [AO2]	2017
Great Place to Work® Trust Index	58%

Great Place to Work survey® [WL4]	2017
Response rate	77%

	2017
management trusts people to do a good job without watching over their shoulders	71%
People here are given a lot of responsibility	67%
management shows appreciation for good work and extra effort	46%
management genuinely seeks and responds to suggestions and ideas	50%
management involves people in decisions that affect their jobs or work environment	41%

In addition to holding formal discussions with staff representative bodies, Worldline asks all of its people to complete the annual satisfaction survey entitled Great Place to Work®. This international survey, which is administered by the independent Great Place to Work® institute, provides a detailed view of employee objectives and expectations and the areas for improvement that they would like to see the Company address. The survey is structured in five dimensions: credibility, respect, fairness, pride and camaraderie. In 2017, 20 countries took part in the Great Place to Work® survey, representing 94% of Worldline's employees [AO2].

The response rate for the participating countries was between 60% and 100%. This clearly means that the results obtained can be considered as representative. A global action plan will be established for Worldline and each individual country based on analysis of the results. The purpose of the action plans will be to increase the overall level of employee satisfaction by 10% by 2020.

Following this survey, specific workshops are held on a regular basis in response to requests from managers in order to share information about the results of Great Place to Work® and to discuss the support received from HR teams and management to employees.

### D.3.2.3 Worldline initiatives fostering dialogue and well-being among employees

To move towards its ambition of being a Great Place to Work®, Worldline, through its local entities, has implemented many well-being initiatives with different purposes. The Company has identified an action plan that is adapted locally to cover specific needs and entails three dimensions of well-being:

- **Top-down initiatives.** Indeed, reports from the GPTW survey showed a strong need for information and communication on news and business strategies across all regions;

- **Bottom-up initiatives** to encourage dialog, better collect employees' expectations and foster the employees' team spirit;
- **Networking and teambuilding initiatives,** in addition to the annual wellbeing@worldline week organized in all countries, during which many different activities are proposed each day, from the health day (with healthy breakfast and workshops on health related topics), to the strategy sharing day, or the festive day with funny activities.

#### D.3.2.3.1 Top-down initiatives

Indeed, reports from the GPTW survey showed a strong need for information and communication on news and business strategies among employees, across all countries.

Therefore, two different kinds of actions have been implemented:

- **management roadshows** to better communicate about the Company vision and challenges.

For example, at least once a year, the Manager of Production Services organizes General Meetings in the main European sites to present the strategic guidelines. All entities have implemented their own management roadshows to share top management's vision and forthcoming challenges, wherever it was possible: whether with the annual Claude France General Meeting in France, with the Town Hall meetings in Belgium, India and LATAM countries, with the quarterly executives roundtable at each site in the UK or with the "World Café" workshops in Belgium to enable employees to discuss vision and strategy with their management. Each region set up one or more management sessions per year that highlight business priorities, insights, the management vision, ongoing projects and achievements. Another appreciated initiative is the CEO Breakfast organized mainly at European sites and in France.

Moreover, against the background of the recent equenWorldline joint venture, management initiatives were specifically strengthened in order to facilitate integration. For example, the equenWorldline management team in France and some international managers gathered during a two-day seminar. The goal to move forward together in this new joint venture context was successfully achieved.

- **Global and local newsletters or magazines** to provide Worldline business and well-being related information to all employees on a regular basis. In addition to global newsletters managed on a world-wide level, some entities issue their own publications like the monthly newsletter “*Sabías que*” in Spain (launched in 2017) or the bi-annual Worldline-India Magazine that focus both on the Company’s business news as on employees’ contributions.

#### **D.3.2.3.2 Bottom-Up initiatives**

Bottom-up initiatives include the following three different actions:

- **Establishing working groups to encourage dialog** and better understand employee expectations.

Worldline France has been a pioneer in this regard by implementing the “Bottom-up initiative” that consists of ten working groups that help to understand everyday reality and identify areas for improvement. More than 110 volunteers have joined these working groups to address issues in the WellBeing@Worldline program (notably topics such as communication, sharing, recognition and working conditions). These working groups represent a special channel for communication with employees as the participants are regularly informed about latest events and other changes in the Company. One of the new actions that resulted from this initiative is called “innovative management,” whose goal is to train managers in new methods of management and collaborative sharing based on agile techniques. A pilot program was carried out in November 2017. Similar initiatives have been organized in other regions such as the Dhamaal Buddies meetings in India, the HR Newsflash webinar for all managers in Belgium (launched in 2017) or the Culture Program in the Netherlands that consists in brainstorming around the appropriation of Worldline values for newcomers (especially for Paysquare employees) in order to ease and give meaning to their integration.

- **Recognition actions.** The new Accolade Reward Program launched in 2016 and carried out in 2017 aims to strengthen the sense of belonging and recognition among employees.

This program consists in enabling each employee to reward a colleague or a team that stands out for their work and involvement within the Worldline Group (a successful project, a commitment from a team, etc.). There are four types of Accolade Rewards: three individual rewards (gold, silver and bronze) and one team reward “Champagne”. The first 2017 Accolade reward program in France resulted in 55 awards given by the employee representative jury out of the 67 applications received. A total of 234 employees were rewarded: 46 individual awards (13 gold, 17 silver and 16 bronze) as well as 9 teams including a special prize of the Jury awarded to the operating teams “First Line support of Vendôme and Seclin.” Beyond the numbers, Accolade rewards have confirmed the commitment of employees to appreciate, highlight and say thanks to their peers, across business line (43% of cases). This initiative was also implemented in Spain, LATAM countries and the UK (together with the Worldline Star program).

In addition, Worldline Luxembourg is well represented in the Innovation Award category (winning an innovation award three years in a row and Worldline India has its Spot Awards that reward employees on the floor during the workday for an extraordinary achievement or putting in extra effort to achieve business goals.

More generally, India and LATAM regions celebrate employees completing long service in the organization (5 years, 10 years, 15 years & 20 years, etc.).

- **Working conditions actions.**

Worldline constantly strives to improve the work environment of its employees, whether through the renovation of the building planned in Belgium or the different work practices that improve motivation and productivity (such as the pilot “No meeting day” that is ongoing in MTS Business Lines in Worldline Iberia every Tuesday afternoon) and foster a work-life balance (such as the development of remote work).

#### **D.3.2.3.3 Networking and teambuilding initiatives**

The networking and teambuilding activities can be divided in the different following types of action:

- **Networking events** are organized in all regions, in the form of the “Fresh Connection” event in France and “Young Worldline” Belgium (gathering trainees, interns and young employees), regular different events in the UK (Sports Days, Cinema Events), regular informal sessions in the Netherlands (notably to ease Paysquare employees integration), “happy hours” after work in Germany (to celebrate contracts won) or through the “Fun Committee” in Luxembourg. These initiatives are often completed by an annual party/special day or a teambuilding event, such as the New Year’s Evening Party in Germany, the Annual Event in Luxembourg or the Republic Day and Independence Day celebrations in India. APAC countries like France also put a special focus on networking with local universities to promote Worldline brand and facilitate future recruiting. Additionally, France set up in 2017 Christmas decoration competitions involving more than 500 people. In Germany, health events are organized regularly. In India, celebrations happen throughout the year such as Diwali celebrations, the Traditional Day or the Dandiya Evening or the Women’s Day celebration. For this latter event, a representative of Art of Living held in 2017 an educative session for women with a one-hour self-defense training session;
- **Sportive events** are also highly valued as part of the well-being program. France and the UK organize “Corporate Games,” inter-company sporting events where employees proudly representing the Company colors are organized. In France, the games gathered for the second time in 2017, involving 28 employee participants in a three-day competition. In addition, Worldline participates in different runs such as the Corporate Chase in Frankfurt. The Company is notably involved in the Standard Chartered Mumbai Marathon. Worldline India also organized its first own marathon in 2017 at the end of the “Health Week.” Over 120 employees participated in this run held in Sanjay Gandhi National Park in Mumbai and in Indichess Delhi with two routes (5 km and 10 km). Football and cricket tournaments were held in 2017 in India with enthusiastic participation from Worldline employees.

### D.3.2.4 Promoting diversity and equality [GRI 202-2][GRI 405-1][GRI 103-2 Diversity and equal opportunity] and [GRI 103-2 Market Presence]

Worldline seeks to ensure that all forms of diversity are represented in the Group: cultural differences, experienced staff, disabled employees and gender equality. For this purpose, various task forces have launched long-term action plans. These actions aim for:

- **Gender equality:** equal opportunities for men and women, equal access for all to the same level of responsibility within Worldline. The right balance of men and women in Worldline enables innovation, creativity and collaboration in each team;
- **Cultural differences:** capitalizing on Worldline's international diversity by learning to work better together and by encouraging the development of talent wherever Worldline operates. International diversity is the guarantee of the development of Worldline's global and cross-functional organizations;
- **Experienced staff and intergenerational skills transfer:** making sure that Worldline employees, at whatever stage of their career they are in, are given professional opportunities in line with their skills and experience. The active career policy must ensure the right transfer of expertise and skills within Worldline;
- **Disability:** inclusion of disabled people, to ensure continued employment and access to training and equality in career development. The policy of employment and employability of people with disabilities is at the heart of Worldline's CSR commitments.

Some of these measures have already been implemented and completed in 2017, among which:

- **Gender equity** in launching a Gender Equity Program in 2017. Through the Atos UK initiative, Worldline also joined the LGBT (lesbian, gay, bisexual, and transgender) network;
- **Diversity initiatives** in the form of trainings, such as "Working with" Aktéos trainings in France, Belgium and Germany or the e-learning on diversity in Chile and Argentina;

- **Intergenerational skills transfer with the Mentoring and Reverse Mentoring Programs.** These annual or multi-year programs support employee development and networking in the Company, through learning from younger generations or sharing with more experienced colleagues;
- **Specific initiatives concerning disabilities.** In France, Worldline has renewed in 2017 the signature of the Group's agreement applicable since 2008 Worldline promotes the inclusion of disabled people, as well as continuous employment and access to training and equality in their career development. Specific programs have been set up at various sites in collaboration with employees' representative bodies.

The local initiatives are analyzed so that Worldline can assess their possible development across the Company.

Although most of Worldline's employees are located in Europe, the Company employs people of 90 different nationalities and is present in 26 countries [GRI 405-1]. Furthermore, Worldline supports local recruitment [GRI 202-2]: 92.52% of experienced managers are local, and 93.01% of the Company's employees in 2017 were local.

#### D.3.2.4.1 Promoting gender equality [GRI 401-1] [GRI 103-3 Diversity and Equal Opportunity] and [WL7]

In Worldline's highly competitive markets, attracting, retaining and motivating the best talent is one of the most important levers for consistently reaching excellence. A growing part of this attractiveness is now based on the fairness, transparency and equity given to people in terms of recognition and promotion, notably in the form of broader responsibilities during their careers, regardless of gender and wherever the Company operates. Worldline commits to ensuring collective fairness, equality of treatment between genders and balanced access to managerial positions in order to work better together.

Many countries have adopted laws to enforce equal compensation for men and women for equal work value. This issue is the subject of International Labor Organization (ILO) Convention 100 concerning "equal remuneration for men and women workers for work of equal value."

In France, since 2017 the law recommends the internal preparation of an action plan aiming to significantly reduce these inequalities. Worldline did not wait for these instructions before making gender equality one of its top priorities across all its geographies. Although the fields of IT and engineering mostly appeal to men, Worldline employs 30.21% of female employees worldwide and constantly strives to improve this proportion. 75 people are employed in Worldline's top management team, 14.7% of whom are women [WL7]. In addition, out of 111 employees in Top management in 2017, 22.52% are women.

In Europe, in France and Spain in particular, plans and agreements promoting professional equality have been signed with the social partners. Among other things, these plans aim to promote gender equality at all organizational levels, ensure equal pay for men and women, and secure conditions favorable to the women's career development. Joint bodies have been created to manage and follow up on these measures. This is why Worldline is committed in the long term with its CSR ambition TRUST 2020 aiming to reduce the female capital gap to zero by 2020 (target range of +/-10%).



For this purpose, in 2017 Worldline launched its "Gender Equity program" with a dedicated diversity steering Committee to be able to develop the needed action to achieve this objective. This program aims to ensure that the Company applies the principle of equity for management positions and has been built around three main streams: Diversity stream, Human resources stream and Communication stream.

**Diversity stream**

The diversity stream is responsible for setting the Gender Diversity program as a critical component of Worldline people strategy. Its scope is notably covering the initiatives promoting Gender equity awareness and neutral mindset, the creation and deployment of a dedicated professional network regrouping women and men from Worldline to elaborate and sustain a concrete action plan for Gender Equity. It will also be instrumental in implementing coaching sessions to strengthen womens' assets to better manage their careers.

**Human resources stream**

The Human Resources stream is responsible for formalizing, promoting and deploying in all Worldline regions, the adjusted HR rules and actions to grant equal treatment for men and women in terms of recruitment, retention, evolution, promotion, mobility, talent management and training.

**Communication stream**

In alignment with both the Diversity and Human Resources streams, the Communication stream is responsible for driving and ensuring consistency in gender diversity in internal and external communication campaigns. These different communication deliverables aim to boost awareness and best practices, foster equal representation of women and men in testimonials and speaking opportunities, and ensure that corporate materials and recruitment messages are aligned with Worldline Gender diversity vision and strategy.

**Gender equity monitoring**

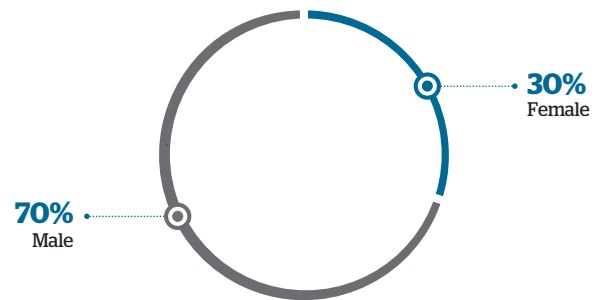
To ensure that the Company reaches the Gender Diversity program objectives, specific Key Performance Indicators (KPI) have been identified to track, locally and globally, its progress in term of woman manager representation, woman retention, attraction and evolution. These KPIs and corrective action requirements have been shared with each regional and Business Line Directors to improve its results. The evolution of these KPIs will be monitored monthly with the Gender Diversity steering Committees and shared quarterly with Worldline management Committee.

Along with the Gender Equity program, various initiatives are contributing to gender equity such as:

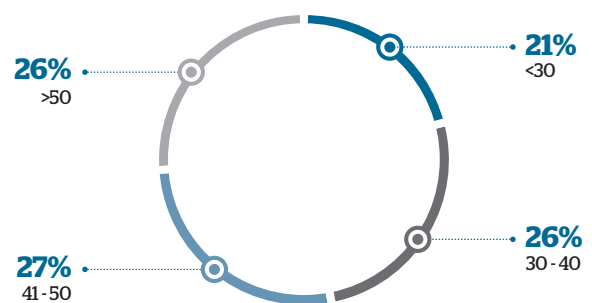
- Leadership development programs existing across the organization, mostly in Europe. For example, 23% of the participants in the mentoring program in 2017 are women.
- Another initiative consists in giving some additional free days to employees in order to promote associations ("*Duchess Ingénieurs et Femmes Ingénieurs*") that encourage women to pursue an engineering career and provide presentations on the place of women in the digital world.

Moreover, in 2017, the French contest "Worldline realizes your dream" created an association to promote the diversity of workers. This associative network called "MixIT by Worldline" aims to promote diversity in Worldline's businesses and already has 74 supporters.

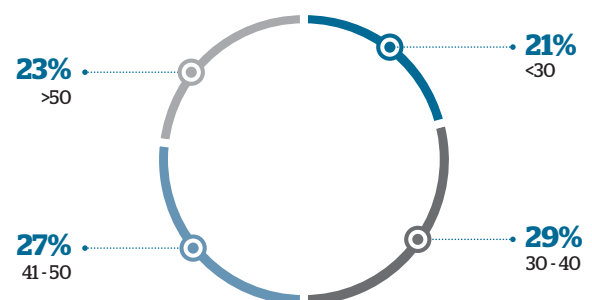
**BREAKDOWN OF THE COMPANY HEADCOUNT BY GENDER [GRI 401-1]**



**BREAKDOWN OF WOMEN BY AGE [GRI 401-1]**



**BREAKDOWN OF MEN BY AGE [GRI 401-1]**



#### **D.3.2.4.2 Taking disabled people into account** [GRI 405-1]

For nearly 10 years, specific programs concerning disabled people have been set up at various sites, mostly in Europe, in collaboration with employee representative bodies. They aim to attract and train disabled people by offering them interesting jobs that accommodate their disabilities. In 2017, the percentage of disabled employees was 2.31% and the proportion of disabled people hired by Worldline varies between 0.13% and 9.21% depending on the country.

In France, Worldline promotes the training of disabled people, not only during their initial training periods, but also as part of the continuous training of people who have to face disability at some point in their careers. In 2016, Worldline applied the first social inclusion clauses for public procurement in France.

Particular attention is paid to the integration of people with disabilities in order to adapt the workstation if necessary (by customizing the devices, etc.) or to sensitize the work group, in agreement with the person concerned. Thus, Worldline relies on a network of 17 handicap referees present in all the French sites. These volunteer referees each dedicate one week per year to guiding and assisting employees. Subject to absolute confidentiality, these key players in the Company disability policy coordinate the multi-disciplinary mechanisms to maintain employment.

In 2017, 22% of the Company's employees with disabilities were experts or managers.

#### **Encouraging accessibility and integration at the workplace**

Adaptations to the workplace have been made in France, Belgium, Germany and more recently in China, where equipment has been transformed to build an office accessible to people with disabilities. Additionally, during 2017, Worldline conducted several accessibility awareness events, notably on World Accessibility Day (May 18). Atos and Worldline organized expert conference days, workshops and demonstrations around digital accessibility at seven business Technical and Innovation Center (BTIC). Besides, Worldline provides all of its employees with training programs in order to foster the inclusion of disabled people in their teams:

- In France, sign language lessons are provided to make communication between deaf employees and their colleagues easier;

- Actions are held throughout the year to better understand the consequences of illnesses and disability situations through convivial moments such as shows or sports competitions;
- In 2017, the procurement department in France has been trained on the interest of using the STPA.

All these initiatives aim to support employees and applicants who are permanently or temporarily disabled, and also to encourage people to be open-minded about disabilities, both inside and outside of the Company.

#### **Worldline commitment and involvement concerning disabled people**

In January 2014, Worldline was added to the Group-wide Agreement approved by the French employee representative bodies, and which concerns the employment and professional inclusion of disabled people. This agreement was renewed until 2016 year-end.

In January 2017, Worldline renewed its commitment to the employment and professional integration of people with disabilities in France. A new Group agreement has been signed with French employee representative bodies and will be valid until the end of 2019.

Worldline also use the support of the protected worker sector on both internal purchases and response to tenders. For instance, Worldline relies on the services of specialized businesses, such as "Le petit plus" in Blois, Tours and Seclin for recycling waste, and "ANRH" in Tours and "Illunion" in Madrid for the reception desk. Moreover, the recycling and reprocessing of the payment Terminals is carried out by an adapted company meeting Belgian national criteria. Moreover, in 2017, Worldline renewed its trust with the GEIQ by entrusting it with the support of a social integration clause for a new mission in France.

#### **D.3.2.4.3 Promoting intergenerational collaboration** [A06]

To enrich the role of each employee in the Company, staff development programs have been deployed on a large scale to encourage intergenerational transfer and the sharing of everyone's knowledge to foster a better working environment. Through programs such as Mentoring or Reverse Mentoring (where young employees support more experienced ones in the use of digital tools), Worldline seeks to develop the human potential of intergenerational networks.

## D.3.3 My development within Worldline: Growing@Worldline

[GRI 404-2] and [GRI 404-3]

### D.3.3.1 “Build your career and grow with us”: Worldline people development and career management approach

[GRI103-2 Training and Education]

Retaining skilled, enthusiastic and innovative people helps maintain Worldline’s position as the business technologist of choice for clients. With this approach, employee careers and development are a priority within Worldline. Worldline has implemented several programs that propose different career paths with the aim to offer dedicated, personalized career management to its people. Throughout their careers, employees are offered training, support schemes such as mentoring, possibly talent development programs, alternative career development paths such as functional expertise or Project management internal qualifications, and opportunities for business, international, geographic, functional and sector mobility, which is recognized by employees as a crucial source of motivation.

### D.3.3.2 People development approach

#### D.3.3.2.1 Individual development framework/processes

##### Annual people reviews

Every year, people reviews are held by HR and managers consistently in most of the countries where Worldline operates and in each of the entities. They aim to anticipate individual and/or collective career moves and skills development needs in view of changes in the business units in terms of activity, technologies or organization. The information thus gathered offers a full cartography to identify possible career paths, major high performance and potentials, key skills, difficult jobs to staff, possible successors, and where support is needed, particularly in terms of training.

##### Performance management

Performance management is a key opportunity to enabling employees to give their feedback, develop their skills and achieve their business goals through half-year individual interviews led by managers. A full communication campaign is sent to all the employees each year to remind them of the expected benefits of performance management. Moreover, managers can attend webinars and training courses to help them conduct performance appraisals and goal-setting discussions.

##### The Individual Development Plan

The Individual Development Plan (IDP) is a personalized career and development tool that enables each Worldline employee to take charge of their individual career plan. It allows employees to discuss their career aspirations and benefit from the advice of their managers as to the feasibility of those plans, and to prepare a suitable action plan. Trainings for employees and managers, as well as guides and videos for the development of IDPs are provided to prepare the IDP.

### D.3.3.2.2 Development programs and events

#### Learning Days

Innovation and technological expertise drive the continuous development of Worldline engineers and, more generally, of all Worldline’s people. Technological innovation and, therefore, the development of related skills, has always been one of the core values of Worldline. To provide opportunities for all the employees in order to enhance their skills throughout their careers is part of WellBeing@Worldline.

The “Learning Day” initiative, which began at Worldline Belgium, has been adopted in every Worldline country. The Learning Day is an entire day dedicated to training. Employees are offered a learning experience as well as the opportunity to hear about all the training and development options in Worldline. An environment has been created in which employees can access the knowledge and skills required to successfully meet the operational needs of Worldline business.

Dozens of topics are scheduled, spread out over five categories, and included the following: e-learning, discovering, meeting, self-testing, sharing and discussion. Each country has developed its own program for one - or several - days of custom-made training courses, workshops and information sessions. Global webinars have been organized that can be followed by employee in Europe, Latin America, India and Asia Pacific.

Employees could take part in the sessions they choose, according to their aspirations. The training is mainly provided by employees and/or managers on a voluntary basis. In total, Worldline had more than 2,500 learners at the local “Learning Days,” and 600 employees attended the global webinars.



### **Mentoring development programs**

Following the first initiative last year, in 2017 the program had 94 mentor-mentee pairs in France and extended to Belgium with 30 pairs. Since its launch in 2014, 600 employees have taken part in this program, whose aim is to:

- Boost the development of young employees;
- Develop individual careers, strengthen internal mobility within the Company;
- Share the Company values, develop cooperation, and the network dynamic;
- Develop interpersonal skills and strengthen intergenerational ties.

In parallel of this Mentoring program, Worldline France rolled out the Reverse Mentoring program. Focusing on digital transition and dialogue with new generations born with digital technology, this six-month program aims to support personal and professional development, strengthen intergenerational links, and respond to the issues of digitalization in the Company. It is intended for experienced employees, advanced in their careers and not accustomed to using digital and social technologies. It aims to improve their digital skills through the help of a younger worker who is more experienced in collaborative tools, such as new media and social networks.

Since the start of the pilot program in 2016, 190 workers in the three initiatives have enjoyed the Reverse Mentoring Program. The Company's ambition is to deploy it in others entities.

### **D.3.3.3 Career management approach**

#### **D.3.3.3.1 Career paths**

Worldline offers opportunities to grow through vertical or lateral promotions in different career paths: management, technical and functional expertise, project management, sales, support functions, etc.

In this regards, in 2013 the Company launched the creation of a **Worldline Expert Community**. This initiative was set up to further develop its technical talents and enable them to grow in the organization, foster collaboration, deepen technical capabilities and improve innovation within the Company. The Expert Community now has 250 members in France, Germany, Belgium, Spain, the United Kingdom, Asia Pacific, and India in the eight main domains of Worldline's technologies. This Worldline community shares expertise, research and projects with the network of the Atos group's 1,400 experts. Because the members of this community are fully included in Worldline business and operations, this community is the true catalyst for innovation within Worldline and brings this research and these inventions to the entire company.

Similar to "Learning Days," the "Career Days" program was initiated in 2017 in eight countries with the aim of presenting to all employees the range of devices, tools and programs to support the development of their careers. This week dedicated to information about the means of evolution was the opportunity to focus on Gender Equity on March 8, International Women's Day. On this occasion, roundtable discussions and testimonials were offered to all employees.

To better manage the career opportunities and development of every employee, Worldline ensures that "Career Talks" are becoming an obvious and regular step on everyone's agenda to discuss objectives, opportunities and needs for individual career development. Worldline encourages all of its employees to discuss a Career Development Plan with their managers to ensure made-to-measure training and development courses and to help them reach their career development objectives.

In 2017, The HR department in France also launched the "Manager Guide," a new tool to help managers develop their leadership skills, particularly in the annual assessments they have to carry out in their teams. All the French managers received an electronic copy of this guide which is available on SharePoint.

### **D.3.3.3.2 Mobility**

#### **International mobility**

Worldline, like the Atos group, has always considered international mobility as a key enabler of its business strategy and its employees' skills development and careers. This strong commitment was illustrated by the appointment of a Head of International Mobility within Worldline whose mission is to define and promote the mobility strategy, support the operational HR teams in this respect, work closely with the Atos mobility teams, and provide support for employees throughout the process.

To anticipate this development requirement, Worldline ensures its employees' exposure and readiness through a wide range of mobility opportunities. Opportunities for international mobility within Worldline cover international projects, the organization of multi-country teams, the implementation of offshoring, and talent development programs. Worldline's policies and processes are designed to support this strategy as Worldline strives to reach a level of flexibility to better serve its business and clients.

In 2017, the mobility teams have been working to develop and launch a Graduate Program to develop the international experience of new hires, boost the Volunteering for International Experience (VIE) program and develop a toolbox to facilitate the processes. As a result, several VIEs have been offered to trainees and alternates.

#### **Geographical and functional mobility**

Through its "Internal First" approach, Worldline also fosters a culture of internal mobility and promotion and transparently communicates about all opportunities. To this end, newsletters containing the opportunities are published every month. The Job Café initiative was launched to facilitate direct discussions, the Global Worldline Mobility & Recruitment Community was created on blueKiwi to facilitate access to the opportunities, and the My Mobility Community was created in the Atos group to publicize all open positions in the Atos group around the world.

In 2017, the Job Café initiative was developed and well received by managers and collaborators. Face-to-face events have been extended in a new virtual format available internationally. Identified as a Best Practice in the Atos group, it is part of the action plan set up by Atos Global HR to develop Mobility through their Internal First program.

### D.3.3.4 Talent development approach [GRI103-2 Training and Education]

Worldline believes in talent development and career management. Developing soft skills as well as technical knowhow and offering new creative opportunities are indeed a strong motivational factor for people-driven career management, strategically owned and managed by the employee and the Company together. Within Worldline, talented employees also have the opportunity to follow international development programs such as Gold for Managers, Gold for Experts and Juniors Group Program and other career development programs. One of the recent deployed programs at Worldline Belgium is spread over two years, and gives young workers with potential the opportunity to follow a mini-management program guided by a personal mentor.

In order to strengthen and renew its talent base and business performance, Worldline is rolling out a Talent Review every year, on a global level for the N-2 and N-3 population as well as on a local level. The goals are to identify talented individuals – top performers with high potential for growth or with business critical expertise – to include them in key positions succession plans but also to build and follow up on individual development plans.

The Talent Manager contacts the individuals identified and discusses their current role, career aspirations and needs for development in order to achieve goals. The goals are to:

- Maximize visibility of talented employees, boost their mobility internally and accelerate their development and give them priority for the most critical positions in the Group;
- Support business success today and tomorrow by putting the right talent in the right job at the right time and build a stronger pipeline of ready high potential successors internally.

Worldline talented individuals follow Worldline and Atos group's programs dedicated to talent development to help them in becoming best in class in their actions and accelerate their career growth. These programs include: Worldline Juniors Group, Atos Juniors Group, Gold for managers, Gold for experts, On the job experience.

#### D.3.3.4.1 The Juniors Group

Part of Atos and Worldline Talent management, the Juniors Group is a self-organized, international, cross-functional circle. Juniors Group mission is to develop the best individual potential of its 40 members thanks to a combination of personal development sessions, networking opportunities with top management and international colleagues. A dedicated curriculum has been designed especially for this group, which includes e-Learning, e-Books, and courses, provided by external experts during meetings to boost learning experience. After becoming a member of the Juniors Group, talented employees are part of the alumni network to keep sharing information and knowledge.

Additionally, in 2017, a new global Worldline talent program has been set-up. Juniors high-potential individuals have the opportunity to learn about the strategy, priorities and targets of the Worldline Group. They meet with executive managers and discuss together the Company's goals but also their own career aspirations.

#### D.3.3.4.2 Gold for Managers

Nominated by the Atos and Worldline Executive Committees every year, 80 members of Group Talents are invited to take part in the prestigious Gold for Managers Program. In cooperation with HEC Paris, Europe's leading business school, the Gold for Managers Program aims to develop the future company leaders and create ambassadors of the Company's values.

Throughout the Program, participants explore Atos' and Worldline's business strategy, work on a project proposed at the beginning of the program, and focus on solutions to the challenges of global profitable growth that Atos and Worldline face. It is a major opportunity to network with talented individuals from different Atos and Worldline organizations, disciplines and experiment cross cultural experiences.

The European Foundation awarded Gold status for the Managers Program for management Development (EFMD) in the Talent Development category in 2013.

#### D.3.3.4.3 Gold for Experts

Gold for Experts Program was launched in 2013 in cooperation with the Institute for Manufacturing Education and Consultancy Services (IfM ECS) of Cambridge University and the department for Computer Science of Paderborn University. The goal is to equip Atos and Worldline's Talents with expert profiles, with best in class capability to define and implement innovative end-to-end solutions for customers, helping them to gain competitive advantage.

The Gold for Experts Program includes three week-long modules in Cambridge and Paderborn, combining technological knowledge, business strategies and human insight. The Gold for Experts Intake One is sponsored at Executive Committee level.



## D.3.4 My Skills development within Worldline: Learning@Worldline [GRI 404-1] and [GRI 103-2 Training and Education]

### D.3.4.1 The global Training Plan

The Worldline Training Plan was developed based on three priority areas for 2017: to strengthen the technological expertise (IT delivery) of its employees, enrich the skills of the sales teams, and develop leadership in order to help managers grow in their jobs.

#### D.3.4.1.1 Technological expertise/IT delivery

Worldline strengthened the technological expertise of its employees by identifying both internal and external certification programs. It achieves 2727 internal and external certifications in 2017. Worldline will continue to put a strong focus on the internal and external certification in 2018. Below is an overview of the certifications that Worldline proposes.

#### FOR INTERNAL CERTIFICATIONS:

Scrum internal certification:	184 certifications in 2017
Secure Coding Ready:	38 certifications in 2017
Agile Awareness:	51 certifications in 2017
What should you know about payment?:	38 certifications in 2017
Launch of PCI in former Equens:	733 certifications in 2017
Payment certification:	971 certifications in 2017
Contract manager certification for business managers:	27 certifications in 2017

#### FOR EXTERNAL CERTIFICATIONS

Prince2 foundation:	76 certifications in 2017
Prince2 Practioners:	46 certifications in 2017
ISTQB:	45 certifications in 2017
Scrum external certifications:	71 certifications in 2017
ITIL:	111 certifications in 2017

#### Project management Academy

Within the framework of the global PM Academy, Worldline continued to introduce the Internal PM certification in the different countries. The main goals of the internal certification are to leverage the level of skills of project manager and homogenize the practices of project management;

Human Resources and business assessors in different countries as well as Certification centers were organized. Worldline has 41 certified project managers at the moment.

#### Contract management Certification

The Contract management Certification was designed together with the Legal, Compliance and Contract management department and built jointly with Atos University to help especially business Managers, through online courses, better perform contract management activities in the daily operations of the accounts. This certification covers the following areas of knowledge, which are directly related to Contract management: Legal & Contracting (Key Contracting Principles and main legal

policies), Finance, Rainbow & risk management, Contract management Methodology for business Managers, Soft skills (conflict management, negotiation).

Additionally, in 2016 and 2017, a **Data Science certification program** was provided by the University of Passau. This is a two week program providing an introduction to Data Processing and Data Analysis.

#### D.3.4.1.2 Sales Academy

Launched in 2015, the Worldline Sales Academy aims to strengthen the Company competitive advantage by giving its sales staff the opportunity to develop their skills, increase their sales performance and customer relationships, enrich their knowledge of the market, and foster their personal growth. The Worldline Sales Academy includes a global catalog based on both global and local needs. Worldline starts working on sales techniques as well as on soft skills.

Worldline has also launched training on payment, with a certification, for all its sales employees.

In 2017, 248 sales employees participated in sales training courses such as Salesforce training (their new CRM tool), Financial related training, Payment for sales or prospecting and pitching to win.

Worldline also organizes a Sales Event, which is an annual 2-day-business-and-teambuilding event. This year, it was organized in Barcelona area on March 14 and 15, 2017, gathered 250 sales employees and managers, selected from all Worldline and equensWorldline countries by local managers. This second Sales Event aims to present Worldline business challenges and new tools for salespeople. Through teambuilding, sharing sessions and the setting of a Pitch Club competition, this event also aimed to strengthen the sales community and network, to give visibility on market challenges and to encourage best practices and knowledge sharing.

#### D.3.4.1.3 Company and leadership culture

##### Lead Program

For a number of years Worldline has successfully the conducted Lead! Program - the Leadership Development Program - dedicated to the needs of the managers in local countries and considered as a best practice. This program pursues the following strategic targets:

- Effective leaders develop a level of self-awareness and capacity to monitor their own learning and development because they know that leadership attributes can be defined, learned, practiced, improved and passed on to others;
- Create a common understanding of leadership;
- Have common criteria in order to establish a Worldline culture;
- Define guidelines for managers in order to understand their role in the organization and be able to make the link between the vision of Worldline and their daily job;
- Clarify to employees what they may expect from their managers.

In November 2017, a third international LEAD program was launched to include participation of both Worldline and equensWorldline managers from eight different countries.

Furthermore, in 2017 a first International Lead Excellence program was also launched. Worldline is acting in a highly competitive market and is currently going through a phase of massive change and growth initiatives. In this environment in which giving a strategic orientation is key, leaders have to build the capacity to successfully act in the VUCA-World (Volatility, Uncertainty, Complexity and Ambiguity world), displaying their leadership with respect to multiple stakeholders and boost their impact as leaders with respect to their different roles.

This program includes strategy development and entrepreneurial attitude as well as risk management issues and aligning the organization to the developed strategy. The first group started in November 2017 with 18 managers from both Worldline and equensWorldline.

Worldline is also pursuing local implementation of the "Lead! Induction" program. This is a further variant of the "Lead!" program for local and new managers.

Since 2006, 1011 managers have taken part in the program in 72 groups. The goal is to train about 75 managers per year.

#### **Team Leader Curriculum**

In 2016/2017 the Atos Team Leader Curriculum was launched within Worldline. This curriculum aims to enable the Company's first time managers and team leaders to create high performing teams, develop customer satisfaction, manage risks and drive collaborative innovation. The Team Leader Curriculum adds significant value by preparing team leaders to handle leadership challenges as well as serving Worldline clients the best way possible. Pilot programs were launched in France and Belgium for testing and to adjust, where applicable, to Worldline's needs.

#### **Essential program for managers**

All managers of Atos group are key for the success of the Group and for attaining its Ambition 2019. As managers face multiple challenges in their role, a new training program was offered in 2017: the "Essential Training for Managers - Internal First." The e-learning training is dealing with the critical aspects of people development and internal hiring. This will be complemented with an onsite workshop at the major locations later on in 2018 to enhance and practice the skills learned.

The e-learning is the first adaptive e-learning module. This means that the modules provide individuals with different content and questions based on their knowledge and responses. No two people receive exactly the same screens and understanding is validated and tested as the learner moves through the module. Change management Workshops are also organized every year to help managers understand their new environment, any changes that have occurred and how to smooth transformation within the organization.

In 2017, 724 managers have completed the training.

### **D.3.4.2 Other training initiatives [GRI 404-1]**

The development strategy in Worldline offers its employees access to a wide range of training courses in a catalog covering relevant and strategic matters (Information Technology, Project management, management and Leadership, Sales and Marketing, Risk and Quality management, Communication, Personal Development and Functional) and via the Atos University catalog that is available online to all employees. In 2017, the new e-learning platform has provided employees with over 15,000 on-demand & custom e-learning modules in multiple languages.

Worldline is also interested in new ways of learning such as MOOCs (Massive Open Online Course), an online course aimed at unlimited participation and open access via the web. Employees can follow these high quality trainings during work time.

Worldline offers other specific programs, as presented here below.

#### **Transconstellation**

This is a 16 day talent development program leading to a postgraduate level diploma in Financial Services management. The program was developed in Belgium with four other financial sector companies and the support of an external partner. It is designed to provide an introduction to the fundamentals of financial analysis and principles, project valuation and the market's players.

Started in 2004, Transconstellation has already admitted 57 employees in the program, including three participants in 2017. During this program, attendees will select a business project to work on. They will present the outcome to the top management and sponsors at the end of the program.

#### **Knowledge of the fundamentals**

Key to the success of Worldline ambition's to become one of the top payment companies is its ability to deliver excellence in all its operations. To achieve this in day-to-day tasks and meet their customer commitments, it is critical that all Worldline employees work together and consistently follow the Company's compliance policies. Thus, Worldline focuses every year on compulsory training in the following areas: Safety and Security, Code of Ethics, Data Protection, Customer Satisfaction and a "PCI-DSS" training course especially focused on Worldline's core activities.

In 2017, these courses were refreshed, such as the new Code of Ethics module that was launched to familiarize all workers with best-in-class ethical behaviors within the whole Atos group. In October 2017, a new data protection course was also launched.

In 2017, from the Worldline's employees 6962 completed the Data protection course, 7200 completed the Code of Ethics course, 7233 completed the Security & Safety Awareness course and 7212 completed the PCI DSS course.

In 2017, 108 managers attended the Code of Ethics-ETO<sup>2</sup>S training.



**Payment certification**

As Worldline has emerged as the European leader in payment and transaction services with the clear intention to consolidate Europe's payment industry, the Company developed, together with an external specialist in payment industry and its internal experts from the different European countries, a basic training and certification program in the core business.

Therefore, two e-learning modules have been developed (what is an electronic payment system and the electronic payment methods available to the cardholder) along with a final assessment. Already more than 1,500 employees have successfully completed the certification. Two complementary additional modules should be added in 2018.

**D.3.4.3 Ambitions and targets on training topics**

**Digital transformation factory**

Recently Atos presented the 3-year strategy "2019 ambition," which includes the Digital Transformation Factory with

cross-service line solutions to support Worldline customers on their digital journey. The holistic nature of clients' digital transformation requires a mindset where the Company puts its clients first. As it is important to focus on services that add value to the customer's business, deliver operational excellence and continue building strong and long-term relationships, Atos University launched a new course to support its employees to strengthen these competencies.

**TRUST 2020 ambition on training satisfaction**

In the framework of TRUST 2020, Worldline defined a new KPI in the area of Learning & Development, in order to ensure the quality of its trainings. 90% of employees need to be satisfied with the trainings provided by the Company by 2020. In 2017, Worldline started working on a questionnaire and launched the first survey related to the classroom training performed. An action plan per country was conducted, based on the results of the survey to define areas to improve. A second survey will be conducted at the beginning of 2018. 6195 individuals were targeted in the study and 1864 surveys were completed. This is a participation rate of 30.09%. Overall 88.4% of the surveyed population was satisfied with the training course received.

**D.3.5 Recognition@Worldline [GRI 202-1] [GRI 401-2] [WL5] and [GRI 103-2 Market Presence]**

**D.3.5.1 Compensation and benefits policy [GRI 201-3]**

Being a responsible employer for Worldline means offering each employee worldwide a total package that ensures coverage, in terms of compensation and benefits, above the minimum local legal requirements.

Worldline's Total Remuneration and Recognition Awards Policy is designed to support the Worldline Group's strategic ambition to remain the European leader in electronic payment and transactional services, as well as to become a reference WellBeing@Work company.

In order to attract the most qualified candidates on the market, reward performance and innovation collectively and individually, motivate, retain, and accompany employees' career development within the Company, Worldline has designed and implemented an appealing, cost effective, fair (equitable), market competitive and flexible total remuneration and recognition awards package. Worldline regularly conducts benchmarking exercises with Worldline' competitors to ensure Worldline's competitiveness, both in performance level and structure, and ensure that compensation packages are in line with market

practices in every location. In developing and implementing the remuneration package, in accordance with the local applicable legislation and in line with its business strategy, objectives, values and long-term interests, Worldline strives to limit any incentive to take unwanted or undue risks.

The Worldline approach to compensation is based on a total package that includes a fixed salary, a variable bonus for eligible employees and benefits aligned with market practice and applicable local regulations. Key individuals may also receive Long Term incentives such as stock-options or performance shares.

**D.3.5.2 Comparison of minimum wages [GRI 202-1]**

In all the countries in which Worldline operates, Worldline's entry level wage (lowest wage in Worldline paid to a permanent and full-time employee) is above the local minimum wage, in line with local policies. In 54% of the countries where minimum wage is set up by law, Worldline pays at least 50% more than that minimum. [GRI 202-1].



### D.3.5.3 Cover for healthcare, benefits for death and disability [GRI 401-2]

85% and 80%, respectively, of health care and disability benefits are offered to permanent employees. Nevertheless, additional occupational medical/health benefits are rare in Germany and Austria. Indeed, the compulsory health insurance is fairly comprehensive in these countries, so supplementary medical benefits are generally not necessary. At equensWorldline Italy, health care and disability benefits are offered to all permanent and temporary employees as required by the collective labor agreement of bank sector.

Death benefits are offered to 83% of permanent employees. In Austria and Germany, death benefits are included in the pension plans and provided in the form of a pension for the spouse and children [GRI 401-2]. In the former Equens, part of equensWorldline Germany, in case of death, individual decisions regarding payments will be made on a case-by-case basis.

In other countries, death benefits are mainly provided in the form of lump-sum payments. The principal lump sum amount is sometimes increased according to the family status (e.g. in France) and could be doubled for a death as a result of an accident in some countries. In equensWorldline Italy, death benefits are offered to 100% of permanent and temporary employees. The amount paid is defined with the trade unions in the internal collective labor agreement and is linked with the personal gross annual salary.

### D.3.5.4 Variable compensation

Worldline believes that financial reward drives behavior which impacts business results. The objective of the short-term bonus plan is to focus managerial effort on the achievement of key objectives that drive shareholder value. In this way, the short-term bonus plan is specifically designed to support the Worldline strategy by pro-actively driving behavior required to achieve overall strategic company goals.

Participants are rewarded for the successes they bring to Worldline in meeting financial and qualitative objectives, providing excellent service to clients and inspiring colleagues to contribute to the ongoing increase in the profitable growth of the business.

The applicable Worldline short-term bonus guidelines are defined and reviewed by the Worldline Executive Committee at the beginning of each semester, taking into account the Global Bonus guidelines issued by Atos on a semester basis. Depending on local constraints and negotiated local collective agreements, deviations from those Global short-term bonus guidelines could apply.

Worldline's short-term bonus plan is based on financial criteria (mainly Stand Alone Revenue, OMDA, Contributive Cash Flow and Stand Alone Order Entry) and non-financial criteria (like individual Efficiency objectives and People objectives, including WellBeing@Work initiatives roll-out). The bonus objectives are defined and weighted according to the importance of the business objective and are reviewed twice yearly. Moreover, in order to reinforce the mitigation of the risks relating to unacceptable behavior:

-The scope of the financial objectives is determined collectively and based on audited financial targets as defined in the Company Budget;

-The payout curves per financial and non-financial indicator are capped.

### D.3.5.5 Profit sharing agreements and incentive schemes [GRI102-28] [GRI102-37]

#### Profit Sharing Agreements

The establishment of Profit Sharing Agreements is mandatory in France in companies with 50 employees generating a tax profit higher than the remuneration of 5% of equity pursuant to Article L. 3322-2 of the Labor Code. As such, a Profit Sharing Agreement was signed on 27 June 2017 within the UES Worldline for the 2017 financial year, following a previous agreement concluded on 27 June 2012 within the Atos group for an indeterminate duration. This agreement is applicable to all employees of companies of the UES Worldline in France having an effective seniority of 3 months, continuous or not, within one or more companies of the UES Worldline or the Atos group.

The Management of the UES Worldline will bring together the unions in the first half of 2018 to negotiate a new Profit Sharing Agreements applicable to the employees of the companies of the UES Worldline.

#### Incentive Schemes

Incentive is an optional device whose purpose is to allow the Company to associate more closely, by means of a calculation formula, employees in a collective way to the running of the Company and more particularly to its results and performance through the payment of immediately available premiums pursuant to Article L. 3312-1 of the Labor Code. As such, an incentive scheme was signed on June 27, 2011 for application on January 1, 2011 for a period of three years within the Company and its subsidiaries Mantis and Santéos. This agreement ended on December 31, 2013. A new agreement was signed on June 27, 2014 between the same companies for the 2014, 2015 and 2016 fiscal years.

The Management of the UES Worldline signed a new profit-sharing agreement with the unions on 27 June 2017 applicable to the employees of the UES Worldline companies for the financial years 2017, 2018 and 2019.



### D.3.5.6 Shareholding plans [WL5]

#### Group Savings Plan

A group or company savings plan is a collective savings system that offers employees of member companies the opportunity to build investment portfolios with the help of their employer. In particular, it may receive contribution from a profit-sharing or incentive scheme, as well as voluntary contributions. The sums invested in a company savings plan may not be withdrawn for five years, except in the case of early release provided by law. The establishment of a savings plan is mandatory in France in companies having set up a Profit Sharing Agreements pursuant to Article L. 3332-3 of the Labor Code.

A group savings plan was concluded within the Atos Group on July 17, 2000 for an indeterminate duration and was subject to twelve riders, the last of which was dated November 25, 2016. This plan is available to most of the Atos Group's companies (including Worldline Group companies) and offers employees of these companies with more than three months of seniority the opportunity to immediately invest all amounts paid to them to subscribe for shares in company investment funds ("fonds communs de placement d'entreprise" -FCPE). A company savings plan was created within Worldline on October 6, 2014 for an indeterminate duration. This plan is offered to Worldline Group member companies and offers employees of these companies with more than three months of seniority the opportunity to immediately invest all the amounts paid to them in the subscription of shares in company investment funds (FCPE), in connection with the Worldline's "Boost" employee shareholding. This plan was the subject of an amendment on September 1, 2015.

#### Stock-Options and Performance Shares Plans granted to Executive Directors [GRI 102-35]

Worldline is strongly committed to associating its employees with the long-term performance and results of the Group, notably through Long-Term Incentive plans. Beneficiaries of such LTI plans are mostly the first managerial lines of Worldline including the CEO.

In order to reward and retain key-talents, Worldline implemented two Stock-options plans in 2014 and 2015, respectively approved by the Board of Directors on September 3rd 2014 and July 27th 2015, on the basis of the eighteenth resolution of the Shareholders' meeting dated June 13, 2014. A detailed description of the plans is set forth in the 2014 and 2015 Registration documents and the detailed performance conditions is set forth in Section 17.3.3 of the 2016 Registration Document. In 2016, Worldline implemented its third and fourth stock-options plans, which are not offered to any Senior Executive. Details on the performance conditions are provided in the 2016 Registration Document.

The Board of Directors dated July 25, 2016 has decided, upon recommendation of the Nominations and Remunerations Committee to proceed with the issuance of existing or to-be-created ordinary performance shares of the Company to the benefit of the first managerial lines and key talents of Worldline, including the Chief Executive Officer. A detailed description of such performance conditions plan is set forth in Section 15 of the 2016 Registration Document.

Early 2017, Worldline implemented an ordinary performance shares plan exclusively in favor of the operational management team of the equensWorldline company. Details on the performance conditions are provided in section 17 of the 2016 Registration Document.

Finally, the Board of Directors, during the meeting held on July 24th 2017, decided upon the recommendation of the Nomination and Remuneration Committee to proceed with the issuance of existing or to-be-created ordinary performance shares of the Company to reward the first managerial lines and talents of Worldline, including the CEO. The details of the 2017 Performance shares plan as well as the summary of the previous performance shares and Stock-options plans are detailed in sections G.3.2.4 table 2, G.3.2.8 and G.3.2.10 of the document.

The launch of Worldline's first employee shareholding plan ("Boost") took place on November 20, 2014, and 22.02% of eligible employees purchased stocks in the Company (WL5).

### D.3.5.7 Complementary and supplementary pension plans [GRI 201-3]

All members of the Executive Committee of Atos SE used to benefit, until March 1, 2015 of a supplemental defined contribution plan. Contributions paid by the employer correspond to 5% of compensation paid and are limited to tranches A, B and C. Employees were not required to make contributions.

In addition, members of the Executive Committee of Atos SE who end their career within Atos SE or Atos International SAS benefit from a supplementary pension plan within the framework of Article L.137-11 of the French Social Security Code.

#### Terms and conditions of the supplementary pension plan applicable to employees or Directors of Atos International SAS or Atos SE, members of the Executive Committee of the Atos Group.

The benefit of this scheme is subject to a presence condition within the companies Atos SE and Atos International SAS upon the liquidation of pension's rights in accordance with article L. 137-11 of the French Social Security Code.

In 2015, the supplementary pension plan rules were amended including the strengthening of the acquisition rights by providing for an acquisition of these rights conditioned upon the achievement of performance criteria as set annually by the Atos SE Board of Directors.

#### Change of the terms and conditions for determining the amount of the pension supplement

- The annual amount of the pension supplement is 0.625% of the reference compensation per entire calendar quarters of seniority recognized by the scheme. The reference compensation is the average of the last sixty monthly compensation multiplied by twelve;

For the assessment of this reference compensation, only the followings are taken into account:

- the basic compensation,
- the annual bonus actually paid excluding any other form of variable compensation. This annual bonus is taken into account within the cap of 130% of the basic compensation. Entire calendar quarters of seniority are only taken into account to assess the amount of the pension supplement if they relate to a

year during which the performance conditions set by the Board of Directors are achieved.

**Cap on the pension supplement:**

The annual amount of the pension supplement paid under the present scheme cannot be superior to the difference between:

- 33% of the reference compensation above mentioned and
- the annual amount of the basic, complementary and supplementary pensions.

**D.3.6 WorkingConditions@Worldline** [GRI 102-8][GRI 102-41][GRI 403-2][WL4][GRI 103-2 OCCUPATIONAL HEALTH AND SAFETY] and [AO2]

**D.3.6.1 International labor rights**  
[GRI 102-12] and [GRI 102-13]

**General statement of compliance with international labor rights**

The protection of labor rights has long been a part of Worldline policy. Worldline's Code of Ethics confirms that Worldline will always make decisions based on skills without consideration for nationality, sex, age, handicap or any other distinctive trait. Participating in the UN Global Compact since 2010 is another way of showing how Worldline is willing to ensure such protection. As an active participant, Worldline ensures compliance with the following principles:

- Supporting and respecting the protection of internationally proclaimed Human Rights;
- Making sure that Worldline is not complicit in Human Rights abuses;
- Upholding the freedom of association and the effective recognition of the right to collective bargaining;
- Rejection of all forms of forced and compulsory labor;
- Effective abolition of child labor.

By default, Worldline is fully aligned with the labor rights in each country. This compliance has always been satisfied and managed accordingly.

**D.3.6.2 Collective bargaining agreements**  
[GRI 102-41][GRI 403-1][GRI 403-4]

Worldline is convinced that developing its employees' employability contributes to the psychological health of its workforce. Worldline follows local and international regulations and requirements concerning labor. Also, 79.03% of employees are covered by collective bargaining agreements [GRI 102-41].

Furthermore, Worldline has signed collective bargaining agreements with trade unions and staff representative bodies that enable employees to benefit from favorable statutory requirements regarding working conditions.

Worldline's collective agreements and commitments cover health and safety matters, length of maternity/paternity leave,

**D.3.5.8 Policy relating to the compensation and the benefits of the Senior Executives and Directors**

The principles relating to the compensation and the benefits of the Senior Executives and the Directors is set forth in Section G.3.

working time, wages, notice periods, vacation time (usual and exceptional such as wedding, birth, relocation, etc.) and training.

Worldline has also signed specific agreements addressing the following topics at Worldline France:

- Disability: "Agreement on the employment and inclusion of disabled workers" - May 22, 2013;
- Gender equality: "Agreement on gender equality" - May 11, 2015;
- Employment of over-fifty: "Action plan for the generation agreement" - October 18, 2013;
- Teleworking: "Group agreement on teleworking" - December 8, 2016;
- Strategic Workforce management: "Strategic Workforce management" - September 9, 2013;
- Work-life balance and occupational health and safety: "Agreement on the prevention of psychosocial risks" - July 1, 2014;
- Shop agreement on employee health "company bicycle" - December 19, 2016.

**D.3.6.3 Health and safety and working conditions**  
[GRI 403-1][GRI 403-3][GRI 403-4]

**D.3.6.3.1 Psychosocial risks**

Even though occupational diseases are not a material issue in the IT sector, Worldline is fully committed to preventing and controlling psychosocial risks. Since 2010, Worldline has worked with employees' representatives and outside experts to identify and measure stress in its workplaces.

As stipulated in an Atos group France agreement on the prevention of psychosocial risks, Worldline has created a training module dedicated to the prevention of psychosocial risks in order to improve working conditions and the work-life balance. As the training of management is key to prevent diseases related to psychosocial risk among employees, all members of management and the HR department as well as trade union members attend the training course on a yearly basis.





A new Atos group France agreement on the prevention of psychosocial risks will be negotiated in 2018 to update the present agreement, Worldline HR members will participate to this negotiation.

In 2017, a specific survey “psychosocial risks” have also been conducted in France in close collaboration with the health Committee in order to proactively identify possible and potential areas of risk and take appropriate preventive actions. In parallel, as of 2017, an anonymous biannual audit will be organized by an independent auditor to address all employees about their quality of work. The results of this survey will be analyzed to improve the Company practices.

In general, employees can consult with several confidants (on HR and on business side). These confidants are well trained to deal in a correct way with the most delicate topics related to the work environment.

Furthermore, HR and management work together with the health and safety Committee to develop an integration plan to ease employee’ return to work after a long absence.

Similarly in Worldline Belgium, “Learning & development” initiatives have been put in place for managers to detect and recognize the first signs of a possible “burn-out.” Managers are invited in special training sessions conducted by external experts to learn how they should interact and deal with their collaborators in the most appropriated manner. A best practice for managers is, for example, to stay connected with their suffering workers to improve their mental condition and ease their return later on.

### **D.3.6.3.2 Health and safety risk management**

#### **Health and Safety Committees**

In France, Occupational Health and Safety (OHS) Committees composed of elected employees are the contact point for matters related to health, safety and working conditions. Convened by management at least quarterly and for extraordinary meetings as necessary, the OHS Committee is consulted by management prior to implementing any plan that may have consequences on working conditions.

In Belgium, the Committee for Prevention and Protection at Work (CPPT) meets monthly. Improvements in the work place and working environment are shared with this Committee and working conditions are discussed with employee representatives. They are given the possibility to test new infrastructures proposed by the external ergonomist (e.g. chairs, IT equipment) and provide their input on planned improvements and renovations.

Beyond their regulatory role, the members of the OHS and the CPPT Committees are partners in managing issues related to working conditions and the protection of employees.

#### **Assessing risks**

Worldline, the OHS Committees and the CPPT work together to update a Unique Risk Assessment Document (or DUER) for all of Worldline’s sites, which lists the potential risks to which employees may be exposed when working, the level of seriousness and probability of these risks occurring, and the related preventive measures.

#### **Anticipating risks with safety instructions**

In addition to the Unique Risk Assessment Document, Worldline management publishes safety instructions for each site to inform employees of the proper behavior to adopt on site with regard to potential risks. A yearly exercise is planned with all employees in order to test the proper execution of the security guidelines.

#### **Training first aid volunteers at the workplace**

Volunteer employees at every site are entitled to receive training funded by the Company in order to learn basic first aid and about occupational risks. The training leads to a qualification which is recognized on a national level, regardless of the Company. These employees are contacted to intervene, for example in the case of a workplace accident involving an employee, and are authorized to contact the ambulance service. These employees regularly attend training courses to refresh their knowledge.

More specifically in Belgium, real life exercises are planned during the year to test the correct intervention by the first aid helpers.

### **D.3.6.3.3 Employee awareness on health and safety topics**

As part of the wellbeing@worldline program, Worldline has implemented initiatives to create awareness on the importance of well-being.

Some examples of these initiatives across countries are presented below:

- Worldline India annually organizes “Health Week,” proposing various health-related activities such as yoga sessions and trainings, consultation by experts and health checkups;
- Worldline Germany organizes health events every two months with different focuses such as fruit week, fitness, yoga or tai chi sessions as well as workshops on health;
- Worldline Belgium has set up a dedicated Cafeteria Plan to implement specific actions in the workplace relating to health and safety especially for older employees (50+ & 55+), such as: break-out moments, work-life balance measures, knowledge sharing, health and active ageing measures or paid medical checkup. Each older employee can choose two or three different activities from this cafeteria plan for the coming year. Worldline Belgium also offers other initiatives to all of its employees: sport week, representing different sports activities such as tai chi, yoga, football, fitness or dance, etc.), health sessions with experts, health checkup, awareness relating to healthy food with the “Thursday is Veggie Day” or Mobility Days during which the use of more healthy and more sustainable ways to come to work are promoted.

### D.3.6.4 Smart Working Conditions

Worldline gives priority to permanent and full-time working relations with its employees: 98.76% of people in the total workforce are under a permanent employment contract and 91.92% of these people work full time. Nevertheless, Worldline accepts part-time work situations if an employee considers that it is better for his or her work-life balance. [GRI 102-8].

Worldline operates in collaborative mode, allowing remote working, which offers more flexibility for employees in their work-life balance.

All these initiatives, used to create a healthy and smart working environment, help lower the Company's absenteeism rate. The rate of absenteeism among operational employees was 2.78% in 2017 [GRI 403-2]. In 2017, 18 occupational accidents were reported [GRI 403-2].

### D.3.6.5 Sharing@Worldline: a culture of ongoing social dialog

Worldline managers take part regularly in the European Work Council meetings to present Worldline's activities. The Secretary of the Atos group SE Committee is a Worldline employee. In addition, two of the six representatives from Atos group SE Committee are Worldline employees.

During Ordinary Meetings, topics of common interest are discussed at the Group level, such as Group strategy, announcements of financial results, acquisition plans, sales forecasting, quality issues and WellBeing@Work projects. Social dialog is a fundamental part of Worldline culture. Several Worldline employees also sit on the Board of Directors and have access to confidential and strategic information.

#### D.3.6.5.1 An effective social collaboration

In addition to holding regular meetings with the Societas Europaea (SE) Committee, Worldline management and employee representatives have also agreed to set up other Committees to enable constructive, practical dialog, in the interest of all concerned.

For example, subjects to be discussed by this commission are:

- Participation Committee;
- Data Privacy;
- WellBeing@Work.

Worldline acknowledges that employee representatives must play a comprehensive role concerning the most important and confidential issues faced by the Company. In each Worldline country, the Works Council and employee representatives meet on a regular basis as required by labor laws, or attend extraordinary meetings to address specific topics.

In 2017, French, German and Belgian Works Councils were informed about the new equensWorldline organization and its

consequences for employees, the joint-venture between Worldline SA and equens SE. The employee representatives' body was involved from the very beginning of this project in the SE Committee and the Works Council in each country. Monitoring work on the integration of Equens into the Worldline Group was also part of the agenda.

Another example of Worldline social dialog is embodied in the real involvement of trade unions each year in Belgium with regard to the collective bonuses. Collective parameters are determined together with employer and employee representatives and collective targets for the ongoing year are set. Each employee contributes to the achieving these targets.

Besides, the different WC's in Belgium, the Netherlands and Luxemburg were recently consulted on the possible M&A topics ongoing in 2017 in the different Business Lines.

#### D.3.6.5.2 Social & Knowledge Sharing Collaboration [AOII]

Four years after the launch and deployment of the "zero e-mail" program, collaborative tools are now in widespread use across Worldline. The use of tools such as ZEN/blueKiwi and SharePoint is now firmly anchored in the Company's working practices. The new tool Circuit brought by Unify that joined the Atos group in 2016 has been introduced in Worldline in 2017 and presents complementary advantages such as ongoing individual and group conversations, audio and video calls, screen sharing and guest access. This tool is progressively adopted by employees. As part of Atos Digital Workplace initiative, a study is being conducted to better integrate these tools to facilitate their use among employees.

These technologies provide substantial benefits to the Company and the employees:

- **For the Company:** More independent posts by the members, information and knowledge are shared more rapidly between teams. Additionally, when large numbers of employees arrive in the Company, for example following a merger, blueKiwi, Circuit and SharePoint are also powerful - means of communication;
- **For the employee:** Quicker answers, quicker searches for expertise, recognition of skills (an employee can be a member of several communities and be visible to a wider and more open audience), visibility of employees within the Company and more career opportunities.

Another aspect of the collaborative landscape is the Enterprise Content management (ECM) system, which is part of Knowledge management (KM). Together with blueKiwi and Circuit, SharePoint is useful to Worldline employees in several respects:

- Management of versions: all changes made to a document are kept and can be consulted or retrieved;
- Co-editing: simultaneous modification of documents by different contributors;
- Easy searches and access to reference information: description of commercial offers, etc.



### D.3.7 Table of main KPIs

GRI code	KPI Name	2017	2016	2015	2014	2017 Perimeter		2016 Perimeter		2015 Perimeter	
						Per employee	Per revenue	Per employee	Per revenue	Per employee	Per revenue
<b>WL5</b>	<b>Employees stockplan</b>										
	Employees stockplan	Qualitative	Qualitative	Qualitative	Qualitative	-	-	-	-	-	-
<b>GRI102-8</b>	<b>Organizational workforce</b>										
	Number of employees at the end of the reporting period (legal staff)*	9,340	7,426	7,354	7,303	100%	-	85%	-	100%	-
	Females at the end of the reporting period (legal staff)	2,825	2,135	2,141	2,124	100%	-	85%	-	100%	-
	Males at the end of the reporting period (legal staff)	6,513	5,291	5,212	5,179	100%	-	85%	-	100%	-
	Total employees (including supervised workers: interims + interns + subcos)	9,611	8,392	7,689	8,097	100%	-	85%	-	100%	-
	Percentage of employees with a permanent contract	98.46%	98.76%	98.46%	98.11%	100%	-	85%	-	100%	-
	Males with a permanent contract	6,439	5,239	5,150	5,094	100%	-	85%	-	100%	-
	Females with a permanent contract	2,755	2,095	2,090	2,071	100%	-	85%	-	100%	-
	Percentage of employees with a temporary contract	1.54%	1.24%	1.54%	1.89%	100%	-	85%	-	100%	-
	Males with a temporary contract	74	52	62	85	100%	-	85%	-	100%	-
	Females with a temporary contract	70	40	51	53	100%	-	85%	-	100%	-
	Percentage of employees in full time working	89.12%	91.92%	91.80%	91.81%	100%	-	85%	-	100%	-
	Number of males in full time employment	6,230	5,125	5,002	5,030	100%	-	85%	-	100%	-
	Number of females in full time employment	2,092	1,701	1,664	1,675	100%	-	85%	-	100%	-
	Percentage of employees in part time working	10.88%	8.08%	8.20%	8.19%	100%	-	85%	-	100%	-
	Number of males in part time employment	283	166	148	149	100%	-	85%	-	100%	-
	Number of females in part time employment	733	434	446	449	100%	-	85%	-	100%	-

GRI code	KPI Name	2017	2016	2015	2014	2017 Perimeter		2016 Perimeter		2015 Perimeter	
						Per employee	Per revenue	Per employee	Per revenue	Per employee	Per revenue
<b>GRI401-1</b>	<b>Employee hiring</b>										
	New employees hires during the reporting period	1097	759	663	66	98%	-	85%	-	100%	-
	Males hires during the reporting period	778	572	493	505	98%	-	85%	-	100%	-
	Females hires during the reporting period	319	187	170	131	98%	-	85%	-	100%	-
	<b>Employee attrition</b>										
	Number of employees leaving employment during the reporting period	767	625	688	566	97%	-	85%	-	100%	-
	Males leaving employment during the reporting period	555	465	517	406	97%	-	85%	-	100%	-
	Females leaving employment during the reporting period	212	160	171	160	97%	-	85%	-	100%	-
<b>WL6</b>	<b>Global turnover rate</b>										
	Global turnover rate	8.21%	8.42%	9.35%	7.75%	97%	-	85%	-	100%	-
<b>GRI102-41</b>	<b>Collective bargaining coverage</b>										
	Percentage of employees covered by collective bargaining agreements	79.03%	82.04%	86.24%	81.87%	95%	-	85%	-	100%	-
<b>GRI401-2</b>	<b>Benefits to employees</b>										
	Percentage of Permanent employees participating in Death Benefits	83%	100%	100%	100%	93%	-	85%	-	100%	-
	Percentage of Temporary employees participating in Death Benefits	71%	97%	98%	99%	93%	-	85%	-	100%	-
	Percentage of Permanent employee participating in Disability benefits	80%	100%	100%	100%	93%	-	85%	-	100%	-
	Percentage of Temporary employees participating in Disability benefits	70%	97%	97%	99%	93%	-	85%	-	100%	-
	Percentage of Permanent employees participating in Health Care	85%	95%	87%	88%	93%	-	85%	-	100%	-
	Percentage of Temporary employees participating in Health Care	69%	90%	65%	72%	93%	-	85%	-	100%	-
<b>AO16</b>	<b>Lost working days / Absenteeism rate</b>										
	*Global Absenteeism Rate %	2.78%	2.50%	2.73%	3.02%	67%	-	76%	-	71%	-
	Number of Worldline staff seriously injured work related	18	27	23	20	100%	-	85%	-	100%	-
	Number of Worldline staff dead work related	1	0	0	0	100%	-	85%	-	100%	-
	Worldline staff impacted in a safety event	18	27	23	20	100%	-	85%	-	100%	-
<b>GRI404-1</b>	<b>Average training hours per employee</b>										
	Average hours of training that employees have undertaken during the year	28.13	25.14	18.99	19.23	86%	-	85%	-	100%	-
	Average hours of training per male employee	29.53	26.38	20.13	20.04	86%	-	85%	-	100%	-
	Average hours of training per female employee	24.36	21.83	16.22	17.11	86%	-	85%	-	100%	-





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GRI code	KPI Name	2017	2016	2015	2014	2017 Perimeter		2016 Perimeter		2015 Perimeter	
						Per employee	Per revenue	Per employee	Per revenue	Per employee	Per revenue
<b>GRI404-2 Employability initiatives</b>											
	Number of different Certifications owned by at least one Worldline Employee	-	707	555	369	-	-	85%	-	100%	-
	Total number of certifications registered	9,753	7,337	1,316	1,214	100%	-	85%	-	100%	-
	Average number of certifications per Employee	1.04	0.99	0.49	0.17	100%	-	85%	-	100%	-
	Number of different Skills owned by at least one Worldline Employee	5,147	3,767	3,364	2,867	100%	-	85%	-	100%	-
	Total number of skills registered	172,451	135,684	120,764	104,297	100%	-	85%	-	100%	-
	Average number of skills per Employee	23	18.27	16.42	14.28	100%	-	85%	-	100%	-
	Number of employees who updated their profile during the year	5,153	3,112	2,216	1,061	100%	-	85%	-	100%	-
	Percentage of employees who updated their profile during the year	80%	42%	30%	15%	100%	-	85%	-	100%	-
<b>GRI404-3 Career development monitoring</b>											
	Percentage of total employees who received a regular performance and career development review during the year	97.40%	94.23%	96.49%	97.15%	66%	-	85%	-	88%	-
	Number of female who received a regular performance and career development review during the reporting period	1,664	1,589	1,756	1,813	66%	-	85%	-	88%	-
	Number of male who received a regular performance and career development review during the reporting period	4,334	4,062	4,433	4,484	66%	-	85%	-	88%	-
	Number of female who not received a regular performance and career development review during the reporting period	92	91	64	49	66%	-	85%	-	88%	-
	Number of male who not received a regular performance and career development review during the reporting period	220	255	161	136	66%	-	85%	-	88%	-
<b>GRI405-2 Salary rate between men and women</b>											
	General ratio women / men Annual in Basic Salary within the Worldline's job families	0.87	0.88	0.84	0.85	96%	-	10%	-	100%	-
	General ratio women / men in Total Remuneration within the Worldline's job families	0.86	0.87	0.83	0.84	96%	-	100%	-	100%	-
<b>GRI201-3 Coverage of the organization's defined benefit plans obligations</b>											
	Coverage of the organization's defined benefit plans obligations	Qualitative	Qualitative	Qualitative	Qualitative	-	-	-	-	-	-



GRI code	KPI Name	2017	2016	2015	2014	2017 Perimeter		2016 Perimeter		2015 Perimeter	
						Per employee	Per revenue	Per employee	Per revenue	Per employee	Per revenue
<b>GRI202-1</b>	<b>Minimum wage comparison</b>										
	Number of "Worldline countries" where Worldline entry wage > minimum national/IT sector wage [>50%]	14	9	10	8	94%	-	100%	-	100%	-
	Number of "Worldline countries" where Worldline entry wage > minimum national/IT sector wage [10%-50%]	4	5	5	7	94%	-	100%	-	100%	-
	Number of "Worldline countries" where Worldline entry wage > minimum national/IT sector wage [0%-10%]	5	2	1	0	94%	-	100%	-	100%	-
	Number of "Worldline countries" where Worldline entry wage < minimum national/IT sector wage	0	0	0	0	94%	-	100%	-	100%	-
	Number of "Worldline countries" with no minimum national local wage	2	1	1	2	94%	-	100%	-	100%	-
	Number of "Worldline countries" where Worldline females entry wage > minimum national/IT sector wage [>50%]	13	9	10	10	94%	-	100%	-	100%	-
	Number of "Worldline countries" where Worldline females entry wage > minimum national/IT sector wage [10%-50%]	5	6	5	6	94%	-	100%	-	100%	-
	Number of "Worldline countries" where Worldline females entry wage > minimum national/IT sector wage [0%-10%]	4	1	1	0	94%	-	100%	-	100%	-
	Number of "Worldline countries" where Worldline females entry wage < minimum national/IT sector wage	0	0	0	0	94%	-	100%	-	100%	-
	Number of "Worldline countries" where Worldline males entry wage > minimum national/IT sector wage [>50%]	16	9	10	8	94%	-	100%	-	100%	-
	Number of "Worldline countries" where Worldline males entry wage > minimum national/IT sector wage [10%-50%]	5	5	6	7	94%	-	100%	-	100%	-
	Number of "Worldline countries" where Worldline males entry wage > minimum national/IT sector wage [0%-10%]	2	2	0	0	94%	-	100%	-	100%	-
	Number of "Worldline countries" where Worldline males entry wage < minimum national/IT sector wage	0	0	0	0	94%	-	100%	-	100%	-





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GRI code	KPI Name	2017	2016	2015	2014	2017 Perimeter		2016 Perimeter		2015 Perimeter	
						Per employee	Per revenue	Per employee	Per revenue	Per employee	Per revenue
<b>GRI202-2 Proportion of senior management hired from the local community</b>											
	Number of national senior managers	272	222	205	197	100%	-	85%	-	100%	-
	Total number of senior managers	294	243	221	216	100%	-	85%	-	100%	-
	Percentage of national senior managers	92.52%	91.36%	92.76%	91.2%	100%	-	85%	-	100%	-
	Number of national employees	8,687	6,872	6,263	6,238	100%	-	85%	-	92%	-
	Total number of employees	9,340	7,426	6,758	6,705	100%	-	85%	-	92%	-
	Percentage of national employees	93.01%	92.54%	92.68%	93.04%	100%	-	85%	-	92%	-
	Number of national employees recruited	953	671	596	564	100%	-	85%	-	100%	-
	Total number of employees recruited	1,097	759	653	624	100%	-	85%	-	100%	-
	Percentage of national employees recruited	86.87%	88.41%	87.14%	90.38%	100%	-	85%	-	100%	-
<b>A02 Employee satisfaction</b>											
	Number of people participating in satisfaction surveys (Employees answering GPTW surveys)	6721	5284	5253	5,463	94%	-	85%	-	97%	-
	Participation rate to Great Place to Work® Survey	77%	79%	84%	86%	94%	-	85%	-	97%	-
	Percentage of positive responses to "Taking everything into account, I would say this is a great place to work®"	54%	53%	43%	45%	94%	-	85%	-	97%	-
	Great Place to Work® Trust Index Rate	58%	57%	50%	50%	94%	-	85%	-	97%	-
<b>GRI405-1 Diversity and equal opportunity</b>											
<b>WL7</b>	Percentage of female in Worldline's top positions	14.67%	20.97%	17.74%	24.56%	100%	-	85%	-	100%	-
	Number of nationalities within Worldline	90	81	79	75	100%	-	85%	-	100%	-
	Percentage of females	30.21%	28.75%	29.12%	29.08%	100%	-	85%	-	100%	-
	Disabled employees*	141	106	100	118	65%	-	94%	-	92%	-
	Percentage of disabled people*	2.31%	1.4%	1.4%	1.61%	65%	-	94%	-	92%	-
	Percentage of women that had promotions during the year	13.33%	9.37%	8.56%	7.82%	85%	-	85%	-	100%	-
	Percentage of men that had promotions during the year	11.31%	15.42%	15.40%	12.01%	85%	-	85%	-	100%	-
<b>A06 Diversity perception in GPTW</b>											
	People here are treated fairly regardless of their age	68%	71%	69%	65%	94%	-	85%	-	97%	-
	People here are treated fairly regardless of their gender	80%	83%	82%	77%	94%	-	85%	-	97%	-
	People here are treated fairly regardless of their race or ethnicity	88%	85%	84%	80%	94%	-	85%	-	97%	-
	People here are treated fairly regardless of their sexual orientation	88%	86%	84%	81%	94%	-	85%	-	97%	-
	People here are treated fairly regardless of disability	87%	77%	76%	75%	94%	-	85%	-	97%	-
	Diversity Perception (GPTW)	82%	81%	79%	76%	94%	-	85%	-	97%	-

GRI code	KPI Name	2017	2016	2015	2014	2017 Perimeter		2016 Perimeter		2015 Perimeter	
						Per employee	Per revenue	Per employee	Per revenue	Per employee	Per revenue
<b>AO11</b>	<b>Collaborative technologies development (Zero email)</b>										
	Percentage of active Community users	53%	27%	6%	11%	100%	-	85%	-	100%	-
	Percentage of Collaborative Communities	28%	28%	50%	26%	100%	-	85%	-	100%	-
	Percentage of Dormant Communities	72%	60%	27%	37%	100%	-	85%	-	100%	-
	Number of active users in Communities	3117	1800	474	825	100%	-	85%	-	100%	-
	Total number of collaborative working communities	267	218	271	285	100%	-	85%	-	100%	-
	Number of Dormant communities	678	472	146	410	100%	-	85%	-	100%	-
	Total number of communities	945	787	539	1,113	100%	-	85%	-	100%	-

\* The company MRL Postnet (about 125 employees) has been excluded from the reporting scope in 2017.

GRI401-1 Excluded: Brazil, Estonia, Lithuania, Sweden

WL6 Excluded: Brazil, Estonia, Lithuania, Sweden

GRI102-41 Excluded: Finland, Brazil, Czech Republic, Estonia, Latvia, Lithuania, Poland and Sweden

AO16 \*Excluded: Germany, Netherlands, Finland, Poland, Italy, Estonia, Lithuania, Latvia, Sweden, Brazil, India, Luxembourg and Czech republic

GRI404-1 Excluded: equensWorldline Finland, equensWorldline Italy, equensWorldline Netherlands, Brazil, Estonia, Latvia, Lithuania, Netherlands, Poland and Sweden

Worldline decided to include informal and formal learning in 2017. Consequently, the 2016 value has been reviewed regarding this methodology shift.

GRI 404-3 Excluded: Germany, Austria, Finland, Italy, Netherlands, Estonia, Latvia, Lithuania, Poland, Sweden and Brazil and employees that have less than 6 months seniority

GRI401-2 Excluded: equensWorldline Belgium, equensWorldline Netherlands, equensWorldline Luxembourg, Poland, Brazil, Sweden, Estonia and Czech Republic

GRI404-3 Excluded: Germany, Austria, Finland, Italy, Netherlands, Estonia, Latvia, Lithuania, Poland, Sweden and Brazil

GRI202-1 Excluded: Finland, Brazil, Estonia, Latvia, Lithuania and Poland

GRI405-1 \* Excluded: equensFinland, equensWorldline Belgium, equensWorldline France, equensWorldline Germany, equensWorldline Luxembourg, equensWorldline Netherlands, Sweden, Estonia, Latvia, Lithuania, Brazil, Czech Republic, Poland

AO2 Excluded: Austria, Brazil, Estonia, Latvia, Lithuania, Spain and Sweden

AO6 Excluded: Austria, Brazil, Estonia, Latvia, Lithuania, Spain and Sweden



## D.4 Being an ethical and fair player in business

### D.4.1 Ethical excellence within Worldline

[GRI 205-2][GRI 103-2 Socioeconomic Compliance] and [GRI 419-1]

#### D.4.1.1 Legal compliance

[GRI 102-33][GRI 102-34][GRI 205-3]  
and [GRI 419-1]

In order to meet the latest ethics and compliance challenges that arise in Worldline activities throughout the world, the Company has put in place an effective compliance program, which is to a large extent based on the program developed by the Atos group. In particular, Worldline benefits from the assistance of the Atos group's Compliance team for all compliance matters, provided via a Group Services Agreement. In April 2017, Worldline, as part of the Atos group Executive Committee, which decided to update and improve its ethics and compliance organization, presented the following similar objectives:

- To set up an agile Worldline compliance governance function to meet rapidly changing regulatory requirements as well as new activities;
- To enhance Worldline local entities ethics and compliance organization matching their operational risks and culture;
- To reinforce the "tone from the top" and management involvement in ethics and compliance matters.

Following the Group's Executive Committee and to embrace its new objectives, the Atos group compliance team has released a new global ethics & compliance policy on September 15, 2017.

Pursuant to this policy, the Atos ethics and compliance global organization is managed by a global compliance department, headed by the Atos Chief Compliance Officer who reports to the Atos group's Executive Committee, chaired by the Atos Chief Executive Officer. The Atos group's Executive Committee is tasked with determining the direction and priorities of the ethics and compliance actions plan, allocating the necessary resources and monitoring, on a yearly basis, with a quarterly report.

#### The main objectives of Worldline Compliance function is to:

- Embed compliance with applicable laws, regulations, rules, professional standards and ethical principles as well as with a Code of Ethics;
- Establish and maintain effective compliance management and control systems, including monitoring and reporting;

- Identify compliance risks and implementation of controls to protect the Company from those risks;
- Advise the business on relevant changes and controls in the compliance environment;
- Increase awareness of all employees on compliance rules and risks of non-compliance through the Code of Ethics.

In 2017, no significant fine for non-compliance [GRI 419-1] or claim related to corruption [GRI 205-3] was reported for Worldline.

In 2017, no cases deemed critical were reported at global level through this process [GRI 102-34].

#### D.4.1.1.1 Compliance governance

The implementation of compliance governance approved by the Atos group Executive Committee in 2017, and applicable to Worldline, has begun to be rolled out this same year.

This governance aims to achieve the three following objectives:

- **Even stronger connection with top management through the Group Compliance Steering Committee.** This Committee focuses on strategies and priorities of the Compliance program, as defined by the Group Legal Compliance Team, and is led by the Atos group's Chief Compliance Officer. Worldline is also entrusted to lead this program, which is under the responsibility of the Worldline Chief Compliance Officer;
- **Stronger involvement of operations through the different operational entities within Worldline** and an enhanced cross-functional approach in the Operational Compliance Committee of the Atos group: Chaired by the Group Chief Compliance Officer, the Operational Compliance Committee focuses on cross-functional compliance actions;
- **Implementation of a global compliance approach by setting up GBU Compliance Committees within local operations.** All local Compliance Committees were launched in 2015. In 2017, the Worldline Group continued to maintain regular GBU Compliance Committee meetings. The goal is to improve the consistency of the Group's compliance approach by rolling out and monitoring compliance matters processed with the Group Operational Compliance Committee (top down) and by improving compliance related to reporting with the Group Compliance Steering Committees (bottom-up).

Additionally, Atos recently enhanced the compliance governance framework with several concrete measures initiated and implemented by the Group Legal Compliance Team, such as:

- **Creation of a Global Legal Compliance Board** involving all the General Counsels of Atos, aiming to strengthening local leadership in compliance matters under the guidance of the Group Compliance Team;
- **Development of country compliance dashboards**, composed of compliance KPIs, aiming to improve the reporting to the Group Compliance Steering Committee, and the monitoring of the effectiveness of the compliance programs within the GBU compliance Committees;
- **Improving the role of the compliance function** including clarification of the scope of responsibilities and duties;
- **Enhancing compliance leadership and the overall Group compliance culture** by greater visibility of the compliance program through presentations and trainings on a variety of key compliance topics;
- **Communicating on the milestones and accomplishments** related to the Group Compliance Program to the Group Executive Committee.

Thus, a triple line of defense is in place in all countries where Worldline operates and this defense articulates responsibility for risk and compliance matters, as follows:

- 1) **Front line staff and operational management.** Internal control and systems as well as the culture developed and implemented by these business units is crucial in ensuring compliance;
- 2) **Risk management and compliance functions.** These functions provide the oversight and the tools, systems and advice necessary to support, challenge and monitor the front line in identifying, managing and monitoring risks and ensuring compliance;
- 3) **Internal audit function.** This function provides a level of independent assurance that the risk, compliance management and internal control framework works as designed.

#### **D.4.1.1.2 Compliance monitoring** [GRI 102:33][GRI 102:34]

Any suspected non-compliance detected within the Company must be reported to the Head of Legal and Compliance and/or to the Head of Internal Audit (both within Worldline and Atos), who will launch the Non-Compliance Response process [GRI 102:33].

The Non-Compliance Response process is an internal process (defined in the Group's anti-fraud policy) to be followed in the event of breaches of the Code of Ethics, and/or infringements of the applicable laws and regulations. This process defines how to investigate, report and take decisions, such as remediation actions in a measurable and consistent manner, in case of non-compliant behaviors.

Any case investigated by the Non-Compliance Response Team is reported to the Group Chief Compliance Officer, who will report to the Group Executive Committee any case investigated at Group level through the Non-Compliance Response Process and confirmed as a critical concern. All governance matters as far as compliance is concerned are described in Sections F.7 and G.5 in this Registration Document.

#### **D.4.1.1.3 Policies to prevent compliance risks** [GRI 102:17]

As a signatory of the United Nations Global Compact since 2010, and as an affiliate of the Atos group, Worldline has implemented several internal policies to prevent compliance risks such as bribery, corruption, and violations of competition laws and export control laws, and fraud in general. The policies available across the Atos group are the following:

- Assessment of partners' ethical behaviors;
- Anti-fraud policy.

Since 2016, Worldline is a signatory of the United Global Compact at its own initiative.

**Assessment of partners' ethical behavior:** any intermediaries, consortium partners or consultants assisting Worldline in developing/retaining its business are screened before the beginning of any business relationship (using a specific piece of software, the business Partner Tool): their behavior and knowledge of ethics are essential criteria that are verified in advance.

**Anti-Fraud policy:** Worldline has also rolled out an anti-fraud policy (as part of the Atos group's policy), that defines roles and responsibilities of the management and support for prevention of fraud. This policy also, prohibits Worldline from any discriminatory or disciplinary measure against workers who report illegal practices in good faith to line management or, if applicable, to the competent public authorities. If an allegation of fraud/non-compliance is raised by an employee or assumed by an internal control, the Group Compliance Team of Atos in coordination with Worldline's General Counsel is responsible for internal investigations.

**Business related Fraud risk management:** the Group, as an issuer processor, has taken all necessary measures, in accordance with best practices in place (e.g. PCI certification) to minimize the risk of data breaches. In its role as commercial acquirer, the Group must ensure compliance with payment security rules established by the organizations that issue PCI certifications and address money laundering risks. The Group's Fraud risk management department has implemented various policies and procedures to address these risks. For example, Worldline SA/NV, the Group's Belgian subsidiary, has had an anti-money laundering (AML) policy in place since 2011 (overseen by the local banking regulator). It sets out the general principles of AML, the "Know Your Customer" (KYC) principle as applied at Worldline SA/NV, and the allocation of responsibility between the Sales and Marketing (S&M) and the Customer Services (CS) Divisions. The Group has also developed a Fraud Detection & Reaction (FD&R) application that allows the detection of fraud in near real time based on a data analysis application. Furthermore, the Group's risk mitigation process has been enhanced with additional features to better manage residual risks, such as geo-blocking, real time blocking, fall back de-activation and back-up systems.





**Fair competition policies:** a roundtable policy stipulates the main rules of fair competition to adhere to through meetings with potential and known competitors.

An Export Control policy also explains the main principles and prohibitions related to Export Control Regulations, and provides clear processes to mitigate risks. Thanks to these measures, the Group was not subject to any penalties or any major non-monetary sanctions for non-compliance with laws and regulations in 2017. It received no complaints from customers or suppliers related to corruption.

**Worldline contribution policy regarding gifts or benefits:** To protect Worldline from any disproportionate gift or benefit given or received by a Worldline employee, a policy was implemented in 2013, aiming to screen gifts, invitations and other benefits of which Worldline is provider or recipient. This policy further enhances the compliance efforts relating to corruption and prevents Worldline employees from accepting or offering any disproportionate gift, invitation, hospitality package or any other similar contribution. When in doubt, an employee is required to seek approval from management that can carry out checks in case of identified risk.

#### **D.4.1.1.4 The Code of Ethics**

The Company's Code of Ethics, based on the Atos group's Code of Ethics, was approved by Worldline Board of Directors. This Code of Ethics has been included in every employee's employment contract since January 1, 2011. It demonstrates promotion of ethical excellence at the highest level of Worldline Group, through values and by establishing ethical practices as the backbone of the Group's corporate strategy: responsibility, trust, sustainable competitiveness, service quality and listening to customers, innovation, well-being at work and excellence.

The Code of Ethics enhances the role of the compliance function in providing leadership and guidance to global operations, to protect the Worldline brand and to ensure sustainable business. Additionally, the Code of Ethics introduces the right of any Group employee to disclose behaviors or actions deemed inconsistent with the values and principles of the Code of Ethics.

The Code of Ethics was initially rolled out across all global operations in early 2016. Strong involvement by the Human Resources department has ensured a consistent and thorough implementation, particularly in countries requiring representatives of employee councils to be involved, such as several European countries.

Additionally, the Legal department of each country reviewed the content of the Code of Ethics to ensure alignment with local laws and regulations. Consequently, certain countries have adopted a slightly modified Code of Ethics, particularly with respect to issues carrying legal implications, such as national whistleblowing systems. The deployment of the new Code of Ethics has continued throughout 2017, notably with its deployment in the new entities in the Baltic countries.

#### **D.4.1.1.5 Risk assessment and mapping process** [GRI 205-1]

Atos has put in place a Legal and Compliance risk management process, which was fully integrated with Enterprise risk management function in 2016. This risk management exercise consists in evaluation of a series of legal risks (i.e. risks with a legal cause) by members of the Atos Legal, Compliance and Contract management department and relevant non-legal stakeholders (Human Resources, IT, security) that allows Atos entities to implement adequate remediation actions where necessary as well understand how the risks identified are perceived within the organization.

As integrated with Atos Enterprise risk management, the results of the Legal risk management exercise are presented to the Group's Audit Committee, with a clear mapping of the legal risks of the Group.

In 2017, to fit with new requirements of French "Sapin 2" law, Worldline, under the initiative of Atos Compliance department, created a specific Compliance Risk Mapping leading to a Compliance Risk Heatmap allowing Compliance Officers to identify clearly the main compliance risks within their areas of responsibility and related mitigation actions to be put in place.

In addition, the review of core compliance issues in assessing business opportunities is an important part of the overall risk assessment framework. The compliance review process of transactions is well established within Atos, similar to the review systems for credit, commercial and legal risks, through the Rainbow Process, which sets out defined steps and escalation procedures [GRI 205-1].

In 2017, Atos decided to reinforce Atos group's country compliance approach within the business opportunities. In September 2017, the global compliance department has combined a multi-disciplinary body composed of legal and compliance, finance, security, insurance, rainbow, and internal risks to set up monitoring of Atos' operations in 124 countries identified as representing a compliance risk. Atos' operation in those rated countries will be closely monitored.

#### **D.4.1.1.6 A whistleblowing procedure and Internal Investigations** [GRI 103-2 Anti-Corruption]

The Atos Code of Ethics establishes the right for all employees to raise an alert in the event of a suspected non-compliance with the values and principles of the Code of Ethics. The Code of Ethics alert system has been established in compliance with the requirements of the French Data Protection Authority [GRI 102-17]. Local General Counsels, management, and Group Compliance are points of contact for any employee who raises an alert, and ensure that the rights of employees, the sender or subject of the alert, are protected accordingly.

Any allegations of non-compliance detected within the Company must be reported to the Head of Compliance and/or to the Group Head of Internal Audit, who will launch the Internal Investigations procedure [GRI 102-33]. Such procedure was reviewed in 2016 in order to:

- Reinforce the governance of any internal investigation;
- Enhance collaboration between global function and local teams;
- Provide clear guidelines on how to conduct an internal investigation.

Such Internal Investigations are properly tracked at corporate level, and communicated to the Group Executive Committee, through the annual review of internal investigations during a Group Compliance Steering Committee meeting.

In the light of the Sapin 2 Law, which will come into force in 2018 regarding alert systems, a reviewed alert system will be launched in January 2018 within the entire Group, including the Worldline Group. To stay within the scope of the CNIL's unique authorization "AU-004," the updated alert system will process all the matters listed within the AU-004. It will be made available to internal and external employees, as well as partners, and will be communicated individually to all employees and to a broader audience through the Atos website.

The Ethics Committee was consulted on the evolution of Atos group Alert System, in order to determine whether outsourcing of the procedure is necessary or if it is believed to be best handled internally by the Group Legal Compliance Team.

#### **D.4.1.1.7 Improved compliance tools and processes** [GRI 103-2 Anti-Corruption] [GRI 205-3]

Worldline has implemented several measures to prevent bribery and corruption, in support of its Code of Ethics principles relating to business integrity, in line with the practice followed within the Atos group [GRI 205-3].

**Implementation of a business Partner Tool (BPT):** Worldline's business partners, including agents, intermediaries, consortium partners and consultants assisting Worldline in developing and retaining its business are subject to a due diligence and validation process. In 2015, the former paper-based review and validation process was replaced by an automated tool, the BPT, applicable across the entire Atos group. BPT uses a series of questions and documents to gather the different items of information needed to perform a risk assessment on business partners, as well as to perform the required validation process.

The level of risk assessment will identify the appropriate validation process, ranging from a simple approval process by the Head of Sales for low-risk business partners, to complex approval processes by the Group CFO and Group General Counsel, for high-risk business partners.

In addition, Worldline closely complies with international laws, regulations and sanctions and in the event a business partner is on any of the main international sanction lists, it is rejected by the BPT.

In addition, in 2015, the business partner contract templates developed by the Group's Compliance department were revised to reflect best practices in the area of business partner management.

**The Dawn Raids policy:** Worldline also has a "Dawn Raids" policy that provides a list of rules and procedures to be followed in the event of inspection by local authorities.

Prevention of fraud and non-compliance with Worldline values and the Code of Ethics is a key Group priority. As detailed above, the Non-Compliance Response Procedure sets out the management process and the action to be taken in response to non-compliance alerts. To support this objective, and more generally enhance the compliance framework, Atos group Compliance focuses on several key actions:

- To redesign Worldline legal risk mapping to better identify and manage legal and compliance risks throughout the chain of global operations;
- To strengthen the compliance culture throughout global operations by improving the governance framework, and in particular by implementing the Global Legal Compliance Board;
- Acquire greater visibility on the strength of the compliance culture in each country through the deployment of the country compliance dashboards and compliance KPIs, permitting targeted enhancements and trainings to improve the overall compliance culture of the Group;
- Benchmark Worldline compliance with the ISO 37001 standard related to Anti-Bribery and Corruption management Systems has been conducted by ISO in late 2016.

#### **D.4.1.1.8 Improving awareness, creating and enforcing a culture of compliance** [GRI 102-16] and [GRI 205-2]

Worldline aims to build and maintain a strong compliance culture through appropriate dissemination of these policies, including through a comprehensive training part of Worldline's compliance program.

In the first example, Worldline has implemented a thorough deployment plan for its compliance policies: all compliance policies, such as the policy on gifts, entertainment and other benefits need to be presented to local management and personnel representative bodies, which makes the policies' content enforceable within the Group. The next step of this deployment plan is the launch of mandatory global and local communication to the employees of the new compliance policies.

**Internal social networks:** in addition, Worldline's social network, blueKiwi, is a direct communication channel with employees, who can join a specific community called the "Legal Compliance Organization." The objective is to circulate information on compliance matters, as well as applicable internal rules and policies and enable employees to ask questions about compliance and the application of policies.

**Online training:** The launch in late 2013 and during 2014 of specific an online training program on the Code of Ethics has enabled Worldline to achieve another step in improving its compliance program. This specific training on the principles of the Code of Ethics ensures a better understanding of the Code and promotes the adoption of fair practices on a daily basis. This e-learning training is mandatory for all employees, regardless of their job, function, country and hierarchical level. In 2017, 94% of Worldline employees completed the program [GRI 205-2].

In addition, to ensure a deeper understanding of the specific risks related to corruption, the top 800 of Atos group must complete and be certified in the "fight against corruption" training program developed by the United Nations. Such training is also required for targeted positions (sales, procurement) in the countries in which a corruption risk is identified through self-assessment by the management and compliance officer or when a risk of non-compliance with internal processes has been indicated in a country audit.

## D.4.1.2 Data protection [GRI 102-13] and [GRI 103-2 Customer privacy]

### D.4.1.2.1 Worldline's comprehensive data protection approach

Every day, Worldline processes personal data for itself or for its customers. The importance and value of personal data used in day to day business is now obvious. Personal data from both Worldline's customers and employees is managed with special attention.

First, as a fundamental right, the protection of personal data is a key topic for Worldline's employees who expect their employer to comply with the strictest applicable local legal provisions. In addition, the business opportunities created by the processing of personal data are tremendous, as the debate on big data demonstrates. For these very important reasons, the processing of personal data requires Worldline to adopt formal commitments as well as implement strong organizational and security measures to guarantee a high level of protection to employees' and customers' personal data.

Worldline has implemented a comprehensive personal data protection approach based on three pillars:

- Data protection policy;
- Data protection procedures;
- Raising employee awareness of personal data protection issues.

This approach has been strengthened by the approval of European data protection authorities in coordination with the Atos group Binding Corporate Rules for the processing of personal data both as a data controller (*i.e.* for its own purposes) and as a data processor (*i.e.* for the processing of its customers' data). This approval constitutes an official recognition of Worldline' comprehensive approach to data protection based on the highest European standards of regulations, deployed internally as externally.

### D.4.1.2.2 Binding Corporate Rules: the first IT company certified to process customers' personal data

On November 4, 2014, the Atos group, including Worldline, obtained approval from the European data protection authorities of its Binding Corporate Rules (BCR) for personal data processing on behalf of its customers and for itself. This means that the personal data processed by Worldline benefits from a high level of protection as defined in the European Union Directive. All Atos group entities worldwide are bound by the same obligations and processes, regardless of the country in which they are located.

The approval of the Binding Corporate Rules means that the European personal data protection authorities have recognized and validated Atos group's global and stringent approach to personal data protection.

With the General Data Protection Regulation (GDPR, Regulation (EU) 2016/679) coming into force May 25, 2018, there are several changes and new requirements. Worldline is preparing to meet the requirements of GDPR, with a specific focus on but not limited to the enhanced data subjects' rights, the assessment and mitigation of risks for data subjects and the comprehensive documentation of all activities related to data protection.

More than offering such a high level of protection to its employees' personal data only, Worldline is able to ensure the same level of protection when acting as a data processor for all its customers' personal data. Consequently, Worldline meets customer requirements in terms of security and compliance regarding personal data of end users, customers and employees.



#### **D.4.1.2.3 Data protection Policy**

The first pillar is the Atos Data Protection Policy that sets up protection principles based on the provisions of EU Directive 95/46 on personal data protection. These are considered to be the most stringent personal data protection principles. In October 2017 this policy was enhanced and adapted to the requirements of the GDPR.

In 2017, directive 95/46/EC of October 24, 1995 (the "Data Protection Directive") was still the point of reference on the matter within the European Economic Area (the "EEA," which includes the European Union, Iceland, Norway and Liechtenstein).

Although GDPR will harmonize data protection legislation throughout the EU, the opening clauses and additional local legislation within the EU Member States will still lead to a certain degree of variation during implementation of the new European data protection law. Moreover, like the Data Protection Directive before, GDPR must first be incorporated into the EEA-Agreement before it can be implemented into national law in Iceland, Norway and Liechtenstein. In order to guarantee compliance with all applicable national laws, the Atos group has adopted a consistent policy that is obligatory for all of its entities and their employees, founded on three key elements:

- (i) Principles based on the Data Protection Directive;
- (ii) Procedures that ensure that such principles are implemented; and
- (iii) A training program for all Group employees, tailored to their positions and responsibilities.

Worldline is working closely with the European Commission and the entire payment ecosystem to define and improve the payment value chain to reduce risks, facilitate competition and transparency while encouraging innovation and standardization for the benefit of the consumer and the merchant.

#### **D.4.1.2.4 Governance**

The Atos group Chief Data Protection Officer, who reports directly to the Group Head of Compliance - one of the key executives of the Group Legal, Compliance and Contract management ("LCM") department and an 80-member strong Personal Data & Privacy Protection Organization established in close cooperation by the Group LCM department and Group Security as well as other significant resources have been allocated to the management of the topic.

This organization, which has been restructured in close cooperation with the Group Security Organization in order to improve its efficiency and the reach of personal data protection policies, practices and tools is a fundamental element in the continued implementation and extension of this strategy.

Proceeding with this continuous improvement, Worldline has established the position of the Worldline Global Data Protection Officer by July 2017. A strong network of local data protection officers and data protection coordinators ensures governance and support for both, processing data for Worldline's own account or on behalf of its customers.

#### **D.4.1.2.5 Data protection employees awareness**

Worldline is convinced that personal data protection would not be sufficiently addressed if its employees lacked awareness and knowledge on the matter. Worldline has therefore, as a third pillar, developed a training program targeting all Worldline's employees to create general awareness on the topic as well as more specific trainings to point out the issues employees face in their particular domain of expertise. In 2017, 90% of Worldline employees attended mandatory online training programs related to personal data protection.

#### **D.4.1.2.6 PCI-DSS Standard**

The Payment Card Industry (PCI) Data Security Standard (DSS) was developed to encourage and enhance cardholder data security and facilitate the broad adoption of consistent data security measures globally.

As Worldline processes a huge quantity of cardholder data on behalf of many of its clients' customers, it fully must comply with the PCI-DSS standard. As a payment services provider, Worldline is audited every year by a Qualified Security Assessor (QSA) to keep its PCI-DSS certification.

The PCI-DSS standard consists of 12 main requirements that can be summarized as follows:

- To build and maintain a secured network;
- To protect cardholder data;
- To maintain a vulnerability management program;
- To implement strong access control measures;
- To regularly monitor and test networks;
- To maintain an information security policy.

Concretely, that means regular security training for employees, a review of the security policy and its application, and the management and updating of many security measures.

Worldline has been PCI-DSS certified for nine years. It began certification with its e-Commerce solution (WL SIPS). Its acquisition, issuing, clearing and settlement services are now also compliant with major e-payment standards such as VISA and 3D Secure.

#### **D.4.1.2.7 TRUST 2020: Worldline commits on to the long term on for data protection**

The deployment and use of practical and effective tools such as Privacy Impact Assessment (PIA) has allowed the Atos group to remain at the forefront of data protection compliance. This is made by anticipating and integrating both the "accountability" principle and the privacy by design approach in the creation and implementation of its systems and services.

In addition, as part of its CSR ambition, Worldline decided to engage on performing 100% of private impact assessments on relevant services by 2020. This Worldline commitment was strengthened in autumn 2017 by assessing the overall inventory of processing and by enhancing the process of creating and maintaining PIAs.

Below is a summary of Worldline key commitments on data privacy:

- To cover 100% of the Company's critical systems with Privacy Impact Assessments (PIA) to ensure adequate measures to protect personal data in our systems;

- To train 100% of the Company's employees on a yearly basis regarding security and data protection to strengthen and maintain awareness regarding data protection;
- To ensure Data Privacy based on European standards via Atos Binding Corporate Rules on all sites;
- To ensure data privacy as standard in Worldline solutions to address data protection already during design and as a default.

### D.4.2 Ethics in the supply chain [GRI 102-9] [GRI 205-1] and [GRI 103-2 Indirect Economic Impacts]

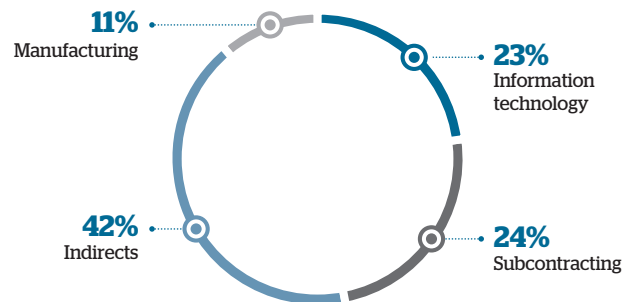
#### D.4.2.1 Ensuring permanent dialog with Worldline suppliers [GRI102-9]

Worldline's ambition is to make Corporate Social Responsibility a key element of its corporate development plan and therefore to implement sustainable best practices in the procurement dialog. CSR is a commitment to the future and a lever for overall performance. Worldline has defined different levels of commitment with its suppliers to reduce risks: technical, environmental (green IT), human (social) and financial, to protect its brand reputation and limit dependencies. Worldline defines indicators according to the Atos group CSR strategy.

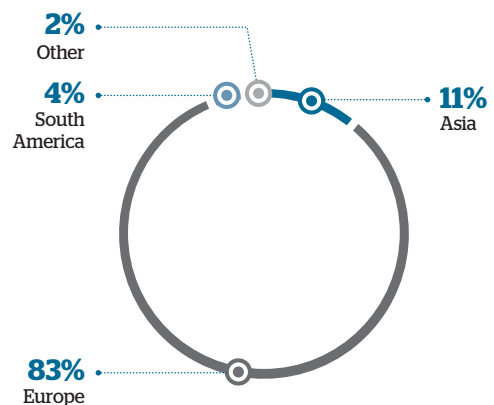
Supplier relationship management in Worldline means the consistent and sustained implementation of the following activities by the relevant Category Manager, Lead Buyer or GBU Buyer with the support of the Global Procurement Process Manager, for global and key local suppliers:

- Supplier selection & supplier qualification;
- Project or Bid supplier selection;
- Supplier relationship management (QCDIMS: Quality, Cost, Delivery, Innovation, Management and Sustainability).

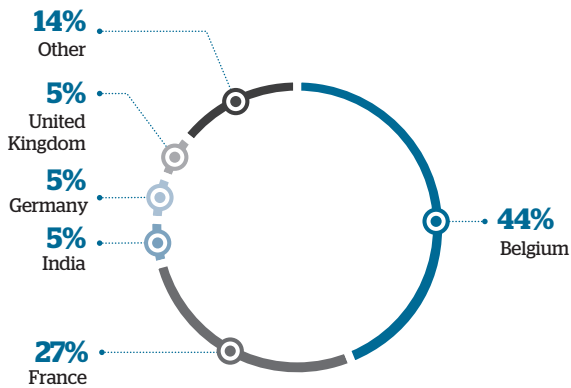
**BREAKDOWN OF SUPPLIERS BY CATEGORY IN 2017**



**BREAKDOWN OF SUPPLIERS BY GEOGRAPHICAL LOCATION IN 2017**



**SPENDINGS OF WORDLINE BY COUNTRY IN 2017**



In 2017, as part of its stakeholder dialog, Worldline interviewed the main manufacturer for its payment terminals. This interview between Worldline CSR and procurement teams on one side and its supplier CSR representatives on the other side was an opportunity to discuss the supplier’s environmental actions at the main production plants in Singapore and Indonesia where the payment terminals are produced. Following this interview, the supplier provided Worldline with its main environmental KPIs and actions in these specific locations relating to the following areas: energy savings, reduction of waste and chemicals, water conservation and conflict minerals.

Furthermore, the supplier ensured that all of its employees had mandatory online training on data protection, in addition to complying with the mandatory process relating to PCI (Payment Card Industry) international regulations. Each terminal must be loaded with special keys to ensure the overall security of the terminal device from beginning to the end of its lifecycle. As a member of PCI, Worldline imposes this process on its manufacturers.

**D.4.2.2 Sustainable procurement management and awareness**  
[GRI 102-9]

In order to meet the requirements of Law No. 2017-399 of March 27, which is the Due Diligence Law, in 2017, Worldline, as an Atos group company, was taken into account in the Group’s inventory of existing practices. These practices, subject to adjustments at the margin, will form the basis of Worldline’s vigilance plan.

**Identification and risk assessment**

Worldline is confronted to a set of internal and external risks. The main risks estimated by the Worldline Group today are notified in Section F. of this Reference Document. The section below details the different processes and devices for the management of external risks. A supplier awareness and supply chain monitoring program was established to better evaluate and manage risks related to the value chain. It is applied within all subsidiaries and monitored at the headquarter level.

**D.4.2.2.1 Sustainable procurement policy**  
[GRI 103-2 Procurement Practices]

Worldline promotes sustainable behavior within its supply chain by positively influencing employees, customers, partners and suppliers to take into account sustainability factors in the decision-making process.

Due to its large presence in the IT domain, Worldline has a large supplier base. Suppliers are selected on the basis of specific criteria: Qualification and QCDIMS (Quality, Cost, Delivery, Innovation, Management, Sustainability), in order to build strategic relationships which bring a high level of quality and a competitive price in the services delivered. These criteria are used during Request For Proposal (RFP) processes and factored into the contractual agreements.

**D.4.2.2.2 Code of Conduct and employee awareness in the Procurement department**

Worldline’s employees who perform procurement-related activities on behalf of the Company or who have regular contacts with suppliers must abide by a strict Code of Conduct which is described via internal communication systems and distributed to members of the Procurement department.

This Code of Conduct establishes the elementary rules each employee must follow in the performance of their work. Global Procurement employees must sign this document, stating that they have read and understood it. The Code of Conduct is applicable to the entire Atos group, and each entity is responsible for implementing the applicable objectives and principles (in accordance with national legislation and regulations). Failure to comply with this Code of Conduct may result in disciplinary actions, up to and including termination of employment.





Worldline's buyers are regularly informed about the different ways to implement sustainability best practices via the intranet, the Company's social network and documents stored in the repository systems dedicated to sustainable procurement. Buyers also receive online training about the Company's sustainable supply chain.

#### **D.4.2.2.3 Promoting sustainable relationships** [GRI 203-2][GRI 204-1][GRI 205-1] and [AO17]

The Atos group's Sustainability Supplier Charter, available on the Atos' website, is adapted to Worldline and then distributed to all suppliers participating to a RFP to be eventually attached to all contracts. The charter's objective is to summarize principles and actions undertaken by the Procurement department for Corporate Social Responsibility topics. It aims to encourage suppliers to follow the principles of the United Nations Global Compact in the areas of human rights, labor, the environment and anti-corruption in order to be able to work with Worldline. More specifically, the Sustainable Supplier Charter lists the environmental requirements for its suppliers to support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility and encourage the development of environmentally friendly technologies. The Global Procurement policy requests suppliers to minimize their impacts on the environment, ensures that products are free from hazardous waste and selects its suppliers based on a sustainability criterion that includes its environmental approach.

#### **EcoVadis assessment**

Additionally, Worldline asks its strategic suppliers to be assessed by EcoVadis regarding their CSR performance at any time during their contract. As mentioned before, contracting with responsible suppliers and being a leader in responsible procurement issues is one of Worldline's key priorities. As part of its TRUST 2020 program, since 2016 Worldline has obtained Gold level certification by EcoVadis and makes sure that 100% of its suppliers that rated below 40 points on EcoVadis' are encouraged to have action plans to increase their performance. If a supplier refuses to participate in EcoVadis's assessment or is not willing to cooperate with Worldline in order to improve its CSR performance, they could forfeit its contract with Worldline.

In 2017, Worldline again obtained the EcoVadis gold level and increased its rating by 12 points, with a score of 76/100. The company's fair business practices were highly recognized with a score of 90/100.

Regarding the supply chain, in 2017, 75 suppliers were assessed by EcoVadis, representing 49% of total spending [AO17]. EcoVadis also evaluates Worldline's risk of corruption while analyzing supplier policies and practices [GRI 205-1]. The selection of suppliers that will be evaluated is based on their level of spending, risk category and geographic risk. Through the use of ZEN (collaborative knowledge sharing tool from Atos group), the procurement community is aware of the relationship with EcoVadis and the status of the ongoing assessments. The average rating awarded to these 75 suppliers by EcoVadis was 58/100, a result systematically challenged by Worldline to make sure its suppliers make positive progress towards more sustainable solutions. Additionally, in 2017, the proportion of

spending on local suppliers represented 86.33% of total spending [GRI 204-1], reducing Worldline's impact on the environment.

#### **Commitment to the adapted sector**

Moreover, as presented in Section D.3.2.4.2, Worldline commits to involving the adapted sector through social integration partners (like GEIQ) in its different business activities, such as: facility management, WEEE, information processing, event organization, etc. To do so, the Company increasingly incorporates CSR criteria into the procurement requirements and into its purchasers' behaviors. Thus, in 2017, the Company's purchasers were trained to better understand the partnership between Worldline France and the GESAT.

As an illustration of this commitment, in July 2017, Worldline France, after winning a public contract for ANTS (*Agence Nationale des Titres Sécurisés*) for a minimum of 3 years, chose to solicit the GEIQ for its Seclin site by providing two people with disabilities looking for a company that can accommodate them as part of a professionalization contract. These two people were recruited and integrated within Worldline as operating technicians in professionalization contracts for a period of 12 months. To promote social cohesion and sustainable employment, Worldline and the GEIQ *Emploi & Handicap* program that supports integration of people with disabilities and meets the recruitment needs of member companies, are advancing together towards social equity in a virtuous circle, as part of the implementation of the social inclusion clause.

Social inclusion clauses are currently present in all public contracts and involve, for the submitting company, reserving some hours of work to persons far from employment during the execution of the contract, such as disabled and long-term unemployed workers among others.

#### **D.4.2.2.4 Supplier sustainability assessment**

Sustainability has become a key topic in the decision-making process for selecting new partners, suppliers and subcontractors. This is why the sustainability weighting in the QCDMIS qualification, applied by all purchasers, represents 10%. In addition, Worldline has implemented e-sourcing tools and automated contract management systems to directly include CSR criteria in the supplier's selection.

#### **Supplier audit**

As part of its process to comply with the ISO 9001 and ISO 14001 certifications, Worldline performs different audits to its suppliers. These audits are carried out by the Industrialization and Quality management team on request from the Procurement department. They require the supplier to provide information about its health and safety management, its safety policy, and whether or not it complies with the Supplier Sustainability Charter.

In case of serious noncompliance with the principles of the charter, the supplier shall report to Worldline within one week after the discovery. Within one month after the reporting of this non-compliance, the supplier will determine an appropriate action plan to become compliant and Worldline will determine with the supplier an appropriate timeline for its implementation.

### **Responsible mineral sourcing**

Worldline has implemented several actions to ensure that the minerals used in its Terminals' components are not sourced in areas of conflicts. Indeed, Worldline strongly supports the efforts of the OECD Due Diligence for responsible supply chains of minerals from conflict-affected and high risk areas. The conflict minerals identified and evaluated are tantalum, tin, gold or tungsten. None of Worldline suppliers has been considered as a risk in 2017, given the results of a deep analysis based on the main Terminals producer located in Malaysia and Singapore (see below). To ensure compliance with this commitment, the Group has carried out a two-phase analysis:

- First, in a comprehensive approach ambition, Worldline sent to 63% of its total manufacturers a questionnaire to assess their due diligence for conflict-free sourcing and their level of monitoring regarding the sourcing of minerals at risk mentioned above, then allowing Worldline to identify potential risk linked to these suppliers. Besides, the Group policy specifically states that Electronic Manufacturing Services (EMS) suppliers must set up policies and procedures in order to guarantee that the supplied components are coming from non-conflict areas;
- Second, in order to cover more efficiently most of its Terminals produced, Worldline decided to target in priority the assessment of its major manufacturer that represents 80% of the total Payment Terminals production. Thus, as requested by Worldline during a dedicated interview to this topic in October 2017, the main supplier explained its policy regarding conflict minerals, and ensured that all of its own suppliers are asked to make a statement regarding conflict-free sourcing, as it is mandatory in the US market. Following the meeting, as evidences, Worldline's supplier shared the different statements that are registered in an in-house database.

To note, this evaluation is covering all Terminals produced by Worldline through its main EMS (i.e. the Yomani, YONEO and Yomova family of devices).

### **D.4.2.5 Responsible subcontracting** [GRI 103-2 Procurement Practices]

Worldline sometimes uses on subcontractors to deliver services in particular contexts. Reliance on third parties is a common practice in the IT industry but represents a business risk that must be closely monitored on the basis of quality, cost, delivery, innovation, management and sustainability requirements.

Subcontractors may be used in areas or projects where Worldline does not have the specific expertise or skills necessary to meet the terms of a particular contract or requires such expertise or skills for a limited period of time. All requests to use subcontractors are initiated locally by the operational teams. The subcontracting process is managed by the workforce management team, which is part of the Human Resources department and directly interacts with the operational teams to define needs and propose relevant profiles. There are local Workforce Managers in place in each region where Worldline operates to manage the subcontracting process locally. The most common subcontractors are IT developers or Project Managers.

The business relationships with subcontracting companies are provided by the Procurement Team through negotiated contracts. On December 31, 2017, Worldline recorded 383 subcontractors working across 17 countries.

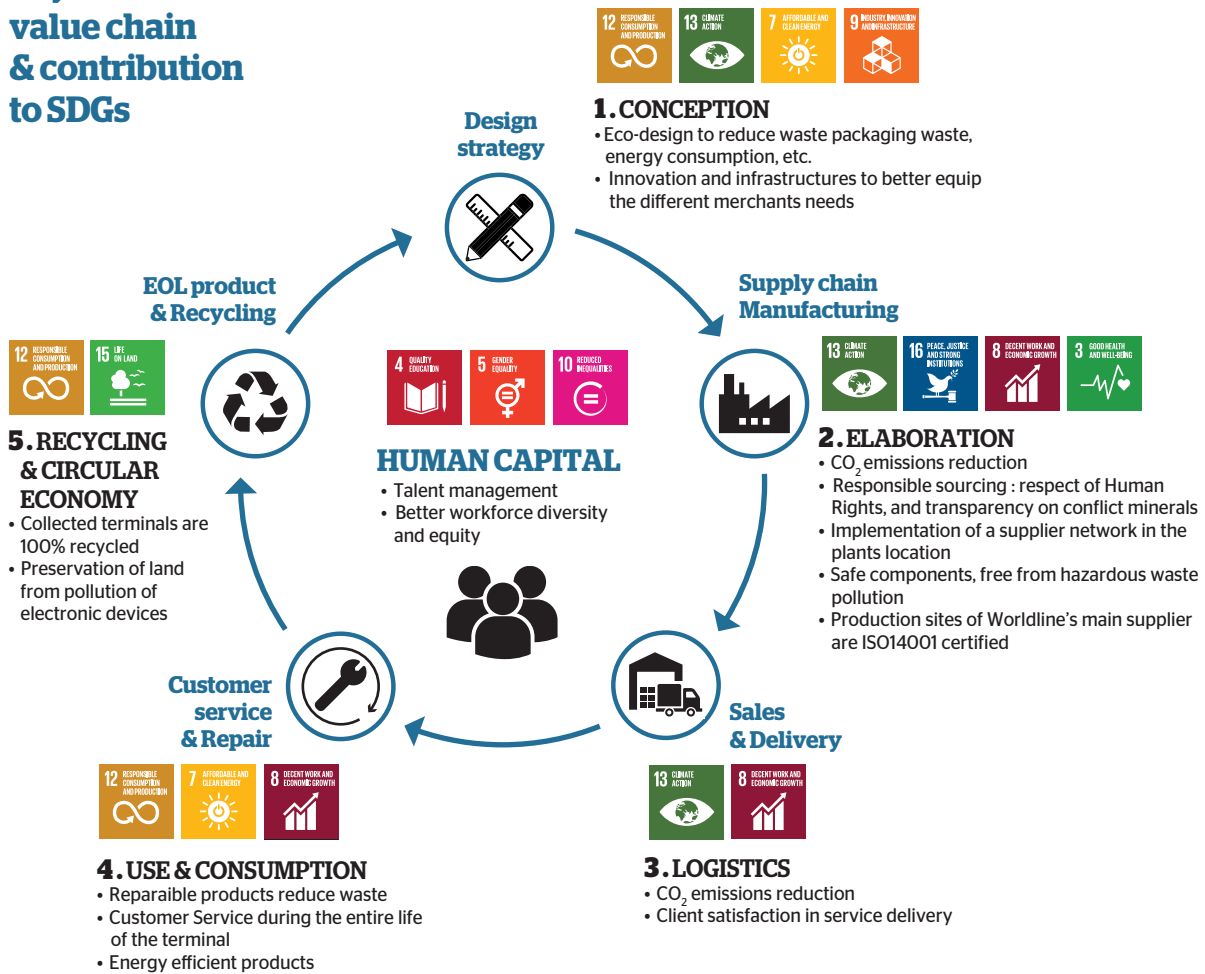
### **D.4.2.3 Sustainable management of the payment terminal value chain**

#### **D.4.2.3.1 Example of the payment terminal sustainable value chain**

Below is a representation of the value chain for Worldline payment Terminals and how the Company sustainably manages and creates value at the different phases of the product lifecycle and across the value chain, from designers and suppliers to customers. This value is expressed through the Worldline contribution to the UN Sustainable Development Goals (SDG).



## Payment terminals value chain & contribution to SDGs



All production sites of Worldline's main suppliers are ISO 14001 certified.

### D.4.2.3.2 Example of responsible subcontracting with payment Terminals [GRI 103-2 Procurement Practices]

For many years, Worldline procurement has taken the lead in the development of purchasing by working in partnership with the sheltered workshop "Beschermede Werkplaats Zottegem" (*Entreprise adaptée* and the *Etablissement et Service d'Aide par le Travail*) in Flanders, Belgium. BWZ was founded more than 40 years ago and has approximately 250 employees. Their aim is to promote the employment of people with minor mental or physical disabilities and integrate them into the professional world.

In the beginning, Worldline decided to subcontract with them for the individual packaging of its payment Terminals. As a result of their investment to provide a more industrial orientation to

their activities, Worldline decided to increase their scope of activities:

- The customization of payment Terminals: BWZ receives bulk shipments of naked devices and transforms these into finalized individual products that they ship afterwards to the various distributors around the world. This work includes technical inspection, the loading of specific software and security keys, inclusion of accessories and final packaging of more than 150,000 devices per year;
- The repair of returned Terminals: distributors send damaged Terminals directly to BWZ where they are tested and diagnosed. The repair process includes also the disassembly and exchange of modules in order to reload the customer's software and security keys before sending them back.

#### **D.4.2.4 Developing a positive and responsible local footprint across countries** [GRI 201-4][GRI 103-2 Economic Performance]

##### **A trusted and responsible partner for the benefits of the local ecosystem**

Worldline is firmly committed to having a positive footprint on the local development of the regions in which the company operates, whether socially or environmentally. Worldline is taking a proactive approach to citizen involvement and local development by creating economic, social and environmental value. The company's ambition goes beyond creating jobs, developing solutions and supplying services for its customers. Actually, Worldline believes that the company's economic performance goes hand in hand with its social and environmental progress, thus creating a direct, positive effect on its entire ecosystem, and more generally, on society overall.

This social inclusion commitment takes the form of several local initiatives across countries that are articulated around the company's three main societal objectives:

- To provide social care especially for youth empowerment;
- To promote education and employability through digital inclusion;
- To fight disease and illness.

These initiatives also contribute to the UN SDGs 4, 3, 10 and 8.

In 2017 Worldline invested a total of €1,254,704 in funding initiatives for local communities and society at large [GRI 201-1]. This amount includes donations to charities, Worldline's involvement in responsible IT projects, relationships and partnerships with schools and universities, as well as skills sponsorship. This amount is calculated using London Benchmark Group methodology, an international benchmark used by the company in its report on the promotion of social initiatives.

Through various initiatives, Worldline also promotes social inclusion among its employees to encourage them to get involved. For example, five years ago in France, the company launched the program *Engagement associatif* (Associative involvement) whose purpose is to encourage the social commitment of employees who are involved or wish to be involved in association projects with a social dimension. If a project is selected by the jury, employees allowed some time to contribute to it during their work time. 28 days were offered by Worldline in 2017.

##### **D.4.2.4.1 Providing social care to children for youth empowerment**

Worldline launches and promotes initiatives to raise funds to help sick children or those living in needy areas. The company and its employees lend support to child protection services and even health and education services. Early childhood life is a key theme of Worldline's corporate social responsibility for reducing inequalities and social exclusion. Many of initiatives linked to such issues and presented below are organized worldwide, including a number of fundraising campaigns at the initiative of employees.

In the UK, the most emblematic action of employees is the Railway children Charity that raises funds to help homeless children who often seek shelter in train stations, in the UK or in India, the main regions in which the association works. As a player in the railway industry in the UK (with its *e-Ticketing* activity), Worldline and its employees in London joined the cause and climbed the highest mountain in Kenya to raise funds, as is the tradition.

Worldline Belgium participated in the YOUCA Action Day (Youth for Change and Action) initiative that promotes mutual aid and stimulates social engagement of youth around the world. On October 17, out of the 17,000 young people who played the role of an employee in one of the participating companies, nine teenagers joined Worldline in one working day. The money they earned for the participating in the daily work of the company was donated to support a youth development project in El Salvador. The Belgium entity also organizes the Warsmte Week before Christmas to present the projects of employees already working for a social cause and help them collect more funds for their cause during the "charity day." In addition, each year since 2002, Belgian workers (17 in 2017) have taken part in the Brussels' 20 km run to raise money for Iles de Paix, a Belgian non-governmental organization working for development that, in 2017, supported cocoa and coffee producers in Peru.

In Germany, Worldline has been supporting children from the Monikahaus family center, via its Frankfurt site, since 1999. This is a social project run by the Catholic Church that focuses on the psychosocial education of children and teenagers with difficult family backgrounds and behavioral disorders. The Aix-La-Chapelle site also gives donations and employees working hours or free time to projects of the Kinder- und Jugendhilfe Brand project, an institution offering care as well as in-patient and out-patient services to children.

The new equensWorldline entity in Italy enables its employees (in Milano and Rome) to donate used clothing and accessories to help poor children from Italy and Africa through the Archè ONLUS foundation. Likewise, Worldline Iberia together with Atos Spain organizes a toy collection for an NGO.

In 2017, Worldline France launched a new initiative called *Opération Solidarité au sens propre* which consisted in collecting hygiene and care products in the site of Bezons in order to improve the daily lives of the 50,000 women and men attending to the Samu Social hosting centers. A Worldline volunteer helped the Samu Social sort four full boxes of toothbrushes, shampoo or skin cream products that were collected.

##### **At the INDIA, APAC and LATAM entities, social care for children in difficulty is also often a priority to support economic and social development of deprived areas.**

Thus, since 2013, Worldline Argentina has also been supporting the Fundacion Si through various campaigns to encourage employees across the country to collect coats and food in order to help homeless people.

In 2017, Worldline India employees, through the Catalysts for Social Action program (CSA) that promotes child welfare and facilitates social change through nutrition, health and education, personal development, made-in-kind donation such as clothing, toys, books, etc. that young children can use. They also conducted a fundraising effort to help victims of natural disasters, more and more frequent with growing climate change.



Additionally, for Christmas, Worldline Singapore set up a maple tree in its office to help meet the wishes of underprivileged children from a children's home and enable its employees to give gifts based on these wishes.

#### **D.4.2.4.2 Promoting education and employability through digital inclusion**

Worldline employees volunteer their time and share their knowledge, skills and expertise of the IT industry in schools in their local communities in order to provide equal access to education (girls and boys) and fight against social exclusion. Below are some examples of activities implemented in different countries.

Since 2011, Worldline has had a partnership with *Énergie Jeunes*, a non-profit organization in France whose aim is to fight school drop-out in secondary schools located in underprivileged neighborhoods and to encourage teenagers to persevere in their studies, thus fighting against a sense of "failure." Worldline volunteers work with such secondary schools located near Bezons sites in France.

More specifically dedicated to the learning of the basics of coding, Worldline France set up a new initiative in 2017 that consists in offering a Coding Course in a high school in Bezons. For the first time, five volunteers went each week, for several months, to the high school for two hours each time and taught to a group of 18 pupils the computer programming through games. If this is a success, the initiative could be extended to other sites in the coming years.

In addition, in 2017, 15 Belgium Worldline employees rode their bikes to raise money for Close the Gap, an international non-profit organization that aims to bridge the digital divide by offering high-quality, pre-owned computers donated by European companies to educational, medical and social projects in developing and emerging countries.

Finally, in 2017, in memory of an Italian colleague Francesca Dell'Osa who passed away from a severe illness at the age of 31, the Head of Sales Alessandro Baroni decided to allocate a symbolic amount for a donation to the Politecnico Milano where she graduated, for a memorial scholarship in the name of Francesca, with the objective of promoting engineering courses at the Politecnico school (Academic Years 2017/2018).

#### **D.4.2.4.3 Fighting disease and illness**

Worldline and its employees are very actively involved in health and well-being initiatives worldwide via the local charities and NGOs networks where the company has a presence, to raise funds for research and provide better access to healthcare and

improve people's quality of life. Worldline has also developed innovative solutions to facilitate donations in support of this cause as part of its skills sponsorship.

For example, Worldline France has been a faithful partner of the Téléthon for almost 20 years, providing its multi-channel secure payment gateway for donations made by credit cards online or by mobile devices free of charge during the national campaign led by AFM-Téléthon. Within the scope of this partnership, fund-raising activities are also organized by employees at different Worldline sites in France for the benefit of the Téléthon. This great solidarity initiative is possible due to employee involvement: approximately 40 volunteers help make the event a success every year. In September 2017, 34 employees ran in the Paris-Versailles race in order to collect funds for the 2017 Telethon campaign.

The new 2017 initiative was the large scale extension of the Donation Box operation (already tested within Worldline French sites in 2016). Through a partnership with retailers (pharmacies and shops), Téléthon was able to test, with external donors, a new experience of simple, immediate and interactive €5 micro-donation via contactless NFC bank card. From October to December 2017, 40 Donation Boxes powered by Worldline were lent to Telethon partners. Worldline also created a customized web page for the association to enable real-time tracking and updating of total amounts collected. The objective is to help Téléthon better adapt to the new opportunities offered by the digital transformation in terms of fund collection through Worldline skills sponsorship.

Other programs have also received support from Worldline, such as Big against breast cancer in Belgium that supports women, in healthcare settings, suffering from cancer during pregnancy, *Vivre comme avant* is a charity for patients suffering from, or diagnosed with, breast cancer and which offers help and support via open discussion, shared experience and support groups etc.

In September 2017, 25 Worldline Belgium employees also were involved in the Plant Weekend event by selling azalea flowers, and thus helping the Kom op tegen Kanker non-profit organization that protects the rights of patients to benefit from the best medical treatments and a healthy living environment.

The new company equensWorldline is also engaged in health causes with colleagues from equensWorldline Netherlands working as volunteers for De Zonnebloem to accompany people with a physical disability to visit zoos, theme parks or museums, or by participating to the Atos 14<sup>th</sup> Cycle Tour (a 475 km cycle tour from Paris to Eindhoven in two days), whose goal is to raise funds against cancer.



## D.4.3 Table of main KPIs [GRI 201-1][GRI 201-4][GRI 204-1]

GRI code	KPI Name	2017	2016	2015	2014	2017 Perimeter		2016 Perimeter		2015 Perimeter	
						Per employee	Per revenue	Per employee	Per revenue	Per employee	Per revenue
<b>GRI205-2 Percentage of employees trained in Code of Ethics</b>											
	Percentage of management employees trained in Code of Ethics - Virtual Classroom	77%	-	68%	-	100%	-	100%	-	100%	-
	Percentage of employees trained in Code of Ethics - E learning	95%	79%	71%	50%	80%	-	100%	-	100%	-
	Number of employees trained in Code of Ethics	7,071	664	625	3,652	80%	-	100%	-	100%	-
	Number of targeted employees	7,555	7426	7354	7,303	80%	-	100%	-	100%	-
<b>GRI205-3 Actions taken in response to incidents of corruption</b>											
	Number of claims from clients or suppliers related to corruption (= or > €100,000)	0	0	0	0	100%	-	100%	-	100%	-
<b>GRI419-1 Significant fines for non-compliance</b>											
	Total value of significant fines (>100 K)	0	0	0	0	100%	-	100%	-	-	100%
	Number of significant fines (>100k €)	0	0	0	0	100%	-	100%	-	-	100%
<b>GRI201-1 Direct economic value generated and distributed</b>											
	Total community investments (Eur)	1,254,704	1,272,959	67,331	145,782	94%	-	92%	-	-	93%
	Number of employees in the main social initiatives	505	524	13	-	94%	-	92%	-	-	93%
	Total number of employees involved in social responsibility initiatives	707	767	381	642	94%	-	92%	-	-	93%
	Donations to Charity (Euro)	111,724	172,427	65,011	93,982	94%	-	92%	-	-	93%
	Contribution to Commercial initiatives for good causes (Eur)	46,512	17,016	2,000	19,800	94%	-	92%	-	-	93%
	Contribution to Universities (Euro)	1,096,468	1083516	320	0	94%	-	92%	-	-	93%
	Contribution to Responsible IT Projects (Eur)	0	0	0	32,000	94%	-	92%	-	-	93%
	Management cost of Social contribution initiatives (Eur)	23,023	20,799	404	11,129	94%	-	92%	-	-	93%
<b>GRI201-4 Financial assistance from governments</b>											
	Total Financial assistance from governments (Eur)	11,516,745	5,338,840	5,192,587	6,480,667	-	94%	-	85%	-	88%
<b>GRI204-1 Proportion of spending on local suppliers</b>											
	Proportion of spending on local suppliers at significant locations of operation	86.33%	87.67%	84%	85%	-	70%	-	93%	-	98%



## Corporate Social Responsibility report

Reducing our environmental footprint through eco-efficient operations [GRI 419-1]

GRI code	KPI Name	2017	2016	2015	2014	2017 Perimeter		2016 Perimeter		2015 Perimeter	
						Per employee	Per revenue	Per employee	Per revenue	Per employee	Per revenue
<b>A017</b>	<b>Supplier screening</b>										
	Percentage of strategic suppliers evaluated by EcoVadis	30%	26%	-	-	-	99%	-	98%	-	98%
	Total spend evaluated by EcoVadis (Eur)	285,455,354	222,980,543	-	-	-	99%	-	98%	-	98%
	Percentage of total expenses assessed by EcoVadis	49.04%	47%	-	-	-	99%	-	98%	-	98%

GRI 201-1 Excluded: Chile, Austria, Luxembourg, Finland, Brazil, Czech Republic, Estonia, Latvia, Lithuania, Poland and Sweden

GRI 201-4 Excluded: Indonesia, Malaysia, Singapore, Hong Kong, Taiwan, China, Chile, Brazil, Czech Republic, Estonia, Latvia, Lithuania, Poland and Sweden

GRI204-1 Included: France, Germany, UK, Belgium and India

A017 Excluded: Austria, Brazil, Estonia, Indonesia, Latvia, Lithuania, Poland and Sweden

## D.5 Reducing our environmental footprint through eco-efficient operations [GRI 419-1]

### D.5.1 Environmental ambition and challenges

#### D.5.1.1 Tackling climate change: the number one ambition [GRI 103-2 Energy]

Following the exponential growth of digital, the burden is on Worldline to reduce its energy consumption and carbon emissions, particularly where this results from its business activity: processing large amounts of data and manufacturing payment Terminals.

Worldline has therefore designed a low-carbon strategy consistent with the 2°C scenario developed at the Paris Climate Change Conference (COP21). The strategy, launched in collaboration with Atos in 2016 worldwide, is aimed at the widespread implementation of environmentally sustainable measures targeting all of the major climate issues identified in its materiality matrix:

- Energy efficiency of data centers and offices;
- Emissions linked to operations and business travel;
- Manufacture of payment Terminals and production of electronic waste.

As a member of the Atos group, Worldline has resolved to strengthen its commitment to tackling climate change. It has therefore joined the platform launched by the Carbon Disclosure Project and We Mean business Coalition so that it can take action and gain recognition as a major player in the fight against climate change.

Worldline is actively involved in the ambitious environmental program drawn up by the Atos group, which seeks to:

- Constantly shrink its global footprint and actively contribute to the fight against climate change and the conservation of biodiversity;
- Factor in stakeholder expectations and changing requirements in relation to environmental matters;
- Help Atos lead the IT sector and win recognition for its environmental best practices from the major climate performance indexes and leading international third parties.

Furthermore, Worldline as part of Atos group, has also committed to set "Science Based Targets" (carbon reduction targets) supporting the world effort to limit the rise of climate change below 2 °C. In October 2017, Atos SBT were officially approved by the SBT initiative and the Group joined the 76 companies with approved SBT.

### D.5.1.2 Environmental targets of Worldline

Worldline has set up environmental targets that are fully aligned with the Atos group targets and with its main challenges. In this context, Worldline has focused its attention on the following four domains:

- **Improvement of energy efficiency:** Improve the average Power Usage Effectiveness of its data centers. As a result, by the end of 2017 Worldline's average PUE for all its data centers is 1.7;
- **Support of the energy transition:** Wherever as possible, consume 100% decarbonized and renewable electricity in its strategic data centers and offices. Moreover, Worldline has the ambition to double its renewable energy target by 2020. In 2017, Worldline decided to support the energy transition by sourcing 100% renewable electricity in its data centers. Indeed, if Germany and Belgium have already been using renewable energy, Worldline France has just signed in 2017 a contract with EDF ensuring 100% renewable energy supply for its data-centers sites;
- **Reduction of greenhouse gas emissions:** Worldline aims to reduce carbon intensity (tons of CO<sub>2</sub>/€ million revenue) in line with the world effort to limit climate change and the rise in temperatures below 2 °C by 2050. This is why Worldline, aligned with the CO<sub>2</sub> emissions reduction target of Atos from 5% to 10% to 2020, decided to commit to reducing its CO<sub>2</sub> emissions by 2% each year;
- **Carbon neutrality in its business by offsetting carbon emissions:** Worldline aims to compensate 100% of the CO<sub>2</sub> emissions resulting from its business activity by 2020. As a result, Worldline has compensated 100% of the emissions from its data centers since 2015 and from its payment terminal production since 2016;
- **Deployment of the ISO 14001 certification:** Worldline has set as objective to certify all of its strategic data centers and offices with more than 500 employees. As a result, all Worldline data centers and main offices have been certified, only the new Utrecht sites related to the integration of Equens in 2016 remain to be certified. Action plans have been launched to achieve this in 2018.

Adaptation to climate change and engagement through circular economy are key topics for Worldline which contributes to two environmental SDGs of the United Nations: SDG 12 "Establish sustainable consumption and production patterns" and SDG 13 "Take measures to combat climate change."

### D.5.1.3 Key environmental achievements and rewards

Since 2008, the Atos group has been vocal about its international environmental commitments and objectives. These are rolled out to all Service Lines and geographical areas where Worldline is based. CSR performance, including these commitments and objectives, is therefore an integral part of the executive compensation model.

All CSR achievements are measured through KPIs, which in turn are independently audited. The results are compiled and distributed in CSR reports and via the Carbon Disclosure Project (CDP). The CDP offers a climate change risk assessment tool for institutional investors and other interested stakeholders.

In 2017, the Atos group (to which Worldline belongs) continued to improve its performance, featuring once again in the CDP's A List thanks to its ambitious carbon emissions reduction program and its sound management of climate risks. Worldline takes part in CDP assessments of the entire Atos group, providing information for its branch of the organization. Atos was ranked number one in the world for the IT sector in the Climate Performance Leadership Index (CPLI) and is one of the 5% of companies to be awarded an "A" grade for its performance.

Additionally, in 2017, Worldline obtained CSR certifications that recognized its strong environmental performance. For example, the Company received the score of 80/100 for the environment topic in its Ecovadis assessment, thus entering in the TOP 1% of the companies of its industry in this area. MSCI also recognized the Company's efforts to reduce its carbon intensity and use cleaner energy sources and its performance on carbon emissions. These awards confirm the assessment of Oekom in 2016 which stated that Worldline had comprehensive activities to improve the energy efficiency of data centers.

Furthermore, Worldline's payment Terminals are mentioned in the eco declaration ECMA 370 that includes essential environmental measures. With this eco declaration, the Company ensures that its payment Terminals are included in a certified system for collection and recycling of end of life products in compliance with the Reach and RoHS directives. End of 2017, at least 75% of Terminals had the ECMA 370 eco certification.



## D.5.2 How to be an environmentally sustainable company

### D.5.2.1 Governance

To be effective in monitoring environmental activities, a specific governance framework has been set up to identify priorities and draw up an action plan in line with environmental policies. Thus, Worldline has trained a team of specialists to manage the various processes and regular external assessments.

Worldline's CSR Officer, in consultation with the CSR Officer of the Atos group, is also the environmental officer. This officer is responsible for all environmental matters and is supported by the environmental team monitoring each local site.

The Environmental Officer is responsible for implementing the environmental policy at the local level, managing Worldline's environmental performance, implementing local environmental action plans in accordance with the strategy, and monitoring local environmental audits and certifications. The data used to determine the environmental KPIs, and the associated supporting documents are collected at central level by the CSR Reporting team.

Also, Worldline has an Environmental Board that holds regular meetings on a quarterly basis. This environmental Board is composed by the Environmental Director of Worldline and Atos, the Real Estate Director, the Director of the ISO 14001 multi-site certification and an environmental reference point from each of the main geographies. The team is led by Worldline's CSR Officer, who coordinates the proceedings and organizes the work for upcoming months.

The purpose of the Environmental Board meetings is to:

- Follow up on environmental initiatives including target-setting and roadmap;
- Review ISO 14001 certification and the associated progress plan;
- Ensure full alignment within Atos environmental strategy;
- Share the environmental strategy and the joint opportunities with the Group.

### D.5.2.2 Environmental policy and processes [GRI 103-2 Energy]

In 2017, Atos and Worldline have implemented the new global environmental policy launched in 2016. The policy is aligned with the strategic ambitions of the Atos group and with its CSR program. The purpose of this policy is to provide high level principles, over the short and long term regarding the main environmental challenges and also to be a reference document for stakeholders so that they can better understand the Worldline commitment.

The environmental policy covers IT aspects through procurement, recycling and data center energy optimization policies. It also sets targets for carbon emissions, energy consumption, electronic waste management, protection of natural resources and reduction of dependency on non-renewable resources.

### D.5.2.3 Environmental management System and energy audit

[AO14][GRI 103-3 Energy][GRI 103-3 Emissions] and [GRI 419-1]

With its history and know-how, Worldline has also developed its own Environmental Management System (EMS) in line with the Atos group's environmental policy. The EMS seeks to address environmental issues specific to Worldline's sites and introduce regular additional actions to reduce its environmental footprint.

In recent years, this approach has already proved effective and is in line with local and global environmental regulations. The Worldline environmental roadmap encourages its suppliers to be compliant with environmental standards and engages all Worldline employees to apply its environmental policy.

In 2012, Worldline decided to seek ISO 14001 certification for its main sites (over 500 employees) and data centers. In 2016, the data center and the office of Worldline Brussels, the site of Frankfurt from Worldline Germany and the Vendôme data center in France were certified ISO 14001:2004. In addition, the sites of Blois, Seclin Dassault and Seclin La Pointe are certified ISO 14001:2015. In total, nine sites of Worldline are certified [AO14] which represents all data centers and 43% of the total headcount in 2017. Only the new Utrecht site from the integration of Equens remains to be certified, which is planned to be achieved in 2018.

As part of its ISO 14001 certifications, Worldline has embarked on the generalization of actions to reduce the environmental footprint of its offices such as:

- Systematic deployment of high-performance computing devices (printers, computers, photocopiers, etc.);
- Investment in lighting based on LED technologies and setting of motion sensors in public spaces;
- Fostering employee awareness of eco-responsible actions to empower them to change their practices.

During the 2017 financial year, Worldline had not been fined or been the subject of any administrative, legal or arbitration proceedings (including those of which Worldline is aware and which could pose a threat to the Company) having taken place or which could have a significant impact on Worldline's financial position or profitability. The Company confirms that it complies fully with local environmental regulations [GRI 419-1].

The EU Energy Efficiency Directive (EED - 2012/27/EU) came into force on November 14, 2012 and is being progressively implemented across the European Union Member States.

Worldline is following this directive and consequently has performed since 2015 all the energy audits across its major European sites and for business travel every four years in compliance with national registrations. Worldline has applied, as far as possible in the context of its data centers farm, all the recommended actions to improve its energy consumption.

#### D.5.2.4 Managing risks and opportunities [GRI 201-2]

Improving the performance of Worldline's environmental challenges enables concrete benefits and mitigates environmental risks. In particular, the energy efficiency and carbon reduction challenges are clearly seen as opportunities leading to alternative ways of working, improved internal processes, better operating efficiency and potential cost savings.

The Company leverages business and environmental opportunities related to its customers' environmental challenges. This is why Worldline constantly innovates and delivers digital solutions (smart solutions, green data centers and carbon neutral hosting) that help its customers tackle both their business and environmental challenges. In particular, Worldline's carbon neutral services enable IT intensive customers such as banks to drastically reduce their Scope 3 emissions for the IT solutions they outsource with the Company.

Worldline has three external environmental risks: climate change, natural disasters, changes in environmental regulations. The Company monitors them through different tools and processes such as:

- The Environmental Program action plans;
- The EMS (Environmental Management System);
- The Enterprise risk management Process (monitoring main risks that can impair the achievement of the Group's objectives);

- The Book of Internal control (BIC);
- The Legal Risk Mapping.

It must also be noted that extensive business continuity strategies have been implemented, resulting in the ability to provide services from different locations. These business continuity strategies can minimize the effects of local phenomena and aim to mitigate wider extreme natural events as well as other causes of disruption such as fires or civil disturbances.

Under Atos initiatives, an impact valuation analysis of the environmental regulation was carried out in 2017. It has enabled to estimate the potential financial impact of a generalization of carbon taxes. Atos has also acknowledged the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and in particular the scenario analysis, taking into consideration different climate-related scenarios, including at 2 °C scenario.

Worldline business activities with environmental impacts include, for example: data centers, offices, payment Terminals, business travel, and the solutions and services offered by the Group. All impacts are considered as challenges and are addressed through the Group's Environmental Program.

Based on the detailed risk analysis performed within Worldline, an appropriate mitigation action plan has been designed to protect business activities:

- **Climate change:** In case of rising energy prices due to climate change, long-term contracts have been signed via the Atos group related to energy supply with a strong control of top management and the procurement department;
- **Regarding natural disasters** that can disrupt power supply in data centers, Worldline's data center locations are chosen where there is no major risk of extreme natural events. In addition, data centers count with diesel emergency power tested on a monthly basis with fuel autonomy for some days in accordance with business service level agreements;
- **Regarding changes in environmental regulation,** Worldline complies with national and local environmental regulations governing energy efficiency. Worldline practices are audited by an outside company as part of ISO 14001 certification.



### D.5.3 Overview of the main actions carried out

As described earlier, energy, carbon and electronic waste are the main environmental challenges for Worldline. The Company is therefore conducting specific assessments and actions in these areas of concern according to place of consumption and impact (offices, data centers, and Terminals, travels) in order to reduce its environmental footprint.

#### D.5.3.1 Evaluation of our carbon footprint and actions pursuant to a low carbon strategy [GRI 305-4]

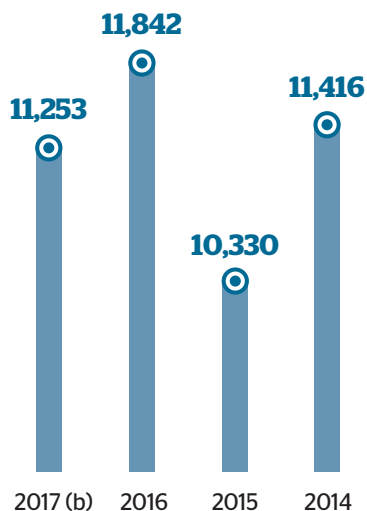
Reducing the carbon emissions is of paramount importance in limiting the impacts of the Company's activities, but also for improving its efficiency and developing the confidence of its customers, investors and stakeholders at large.

Since 2014, Worldline has closely monitored its own carbon emissions and has contributed to the Atos group's strategy to achieve a -50% carbon reduction between 2012 and 2015 in tons of CO<sub>2</sub>/€ million revenue.

As an example, Worldline has reduced the emissions of its data centers by 29% since 2014. For the 2017 reporting, Worldline decided to release its data on a constant scope (scope a) and data included additional countries like India, Italy and Argentina (scope b). All along this chapter, data will be released with the new scope of reporting (scope b).

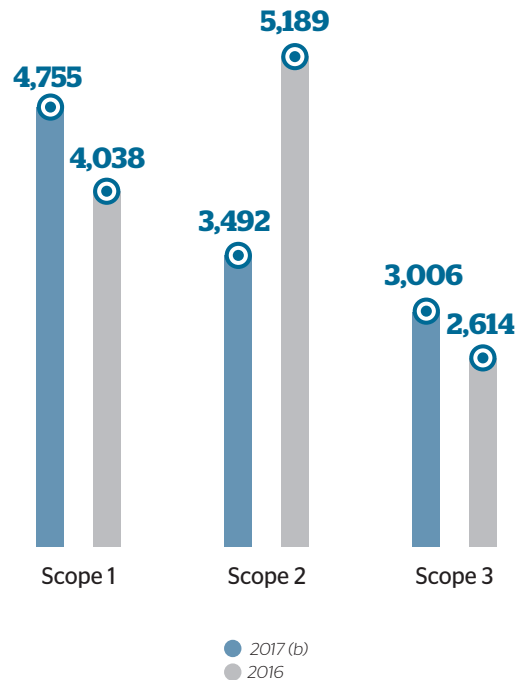
In 2017, Worldline GHG emissions are 11,252.8 tons CO<sub>2</sub> emissions worldwide [GRI 305-4] (scope b).

#### EVOLUTION OF THE TOTAL CO<sub>2</sub> EMISSIONS (IN TONS CO<sub>2</sub>)



(b) Included: Belgium, Germany, France, Spain, Argentina, Italy, India and United Kingdom- new scope

#### BREAKDOWN OF THE GHG EMISSIONS BY SCOPE (IN TONS CO<sub>2</sub>E)



(b) Included: Belgium, Germany, France, Spain, Argentina, Italy, India and United Kingdom- new scope

To offset the impact of its carbon emissions that could not be avoided, Worldline has a carbon offset program. Since 2010, Worldline, like Atos, compensates 100% of the emissions from its data centers. Since 2016, it also includes 100% of the emissions resulting from the production of its payment Terminals. Since 2017, Worldline also offsets 100% of the emissions from its business travels.

This initiative, which provides carbon neutral footprint hosting, allows customers to declare "zero" in their carbon public reporting (Scope 3, outsourced services) for services hosted by Atos and Worldline.

In terms of offsetting, the Atos group and Worldline have chosen to fund wind farm projects, enabling the development of renewable electricity in India, a region where Worldline has 6% of its employees and where renewable energies need to be developed. This project is certified according to the best internationally recognized standards such as the "verified carbon standard" and the "gold standard" in a partnership with Ecoact, a company specializing in carbon strategies. It allows generation of 160 mw of power with 200 wind turbines.

Worldline has also decided to go further in its ambition to provide carbon neutral services and has decided to compensate by 2020 the CO<sub>2</sub> emissions from its buildings, business travel and life cycle of its Terminals (this latter objective was achieved in 2016).

Worldline's carbon footprint approach is in line with regulations. The Company ensures compliance with the new obligations of the article 173 of the Energy Transition Act for green growth, which requires that companies report greenhouse gas emissions throughout their value chain and the measures taken in their low-carbon strategies. The Company calculates its carbon footprint using the most widely adopted standard: the Green House Gas emissions protocol. As defined in this protocol, the emissions are sub categorized between Scopes 1, 2 and 3.

**D.5.3.1.1 Direct emissions (scope 1)**

Scope 1 emissions concerns direct emissions from the combustion of fossil fuels. For Worldline, it largely concerns the use of fossil fuels for the energy consumption of its offices, data centers and the business travel.

In 2017, Worldline scope 1 emissions are 4,755 tons CO<sub>2</sub> emissions worldwide [GRI 305-1] (new scope).

**D.5.3.1.2 Indirect emissions (scope 2 and 3)**

**Scope 2**

Scope 2 emissions concern indirect emissions from electricity consumption in Worldline offices and data centers. In 2017, Worldline scope 2 emissions are 3,492 tons CO<sub>2</sub> emissions worldwide (new scope) [GRI 305-2]. Due to the increasing use of renewable energies in some countries such as Germany or Belgium, the scope 2 emissions have highly decreased in 2017: at constant scope (a), these emissions have decreased by 43.5% in 2017 and with the new perimeter (b), the decrease is by 33%

**Scope 3 Methodology**

Worldline has calculated its scope 3 emissions and has followed the methodology of the Atos group by dividing these emissions into two categories:

- **Scope 3A (operational scope):** it regroups categories covering Worldline main challenges and activities under operational control or direct influence. This category includes emissions from energy for offices, data centers and business travel.
- **Scope 3B (other scope emissions):** it regroups other categories not under Worldline direct control or influence. The methodology for calculating Scope 3 emissions relies on the "Scope 3 calculator" created by the Greenhouse Gas Protocol and Quantis.

This category includes emissions from the following sources :

- Purchased goods and services;
- Capital goods;
- Fuel and energy related activities, not included in Scope 1 or Scope 2;
- Upstream transport;
- Waste generated in operations;
- Employee commuting;
- Upstream leased assets;
- Downstream transport;

- Processing of sold products;
- Use of sold products;
- End of life of sold products.

The Company has excluded several categories that are not relevant for the calculation of scope 3 emissions such as downstream leased asset, investments and franchises.

**Results**

Regarding Scope 3 emissions, Worldline emitted 374,426 tons of CO<sub>2</sub> equivalent in 2017, for all activities worldwide, against [GRI 305-4]. Emissions of the Scope 3A category described above represent 3,006 tons of CO<sub>2</sub> equivalent and those of the Scope 3B represent 371,420 tons of CO<sub>2</sub> equivalent. The increase in the scope 3 emissions in comparison with 2016 figures comes from the inclusion of equensWorldline into the scope in 2017.

The most significant emissions sources for Worldline are the procurement of goods and services, the use of sold products, the travel of employees or business travel and energy.

Emissions in the purchasing category and energy/business travel category accounted for more than 2/3 of the total scope.

In order to reduce its Scope 3 emissions, Worldline is taking action every year to promote sustainable mobility and eco-design and eco-use of its payment Terminals. Actions are also in place in offices and data centers or at the purchasing policy level in order to reduce the energy consumption.

**D.5.3.1.3 Carbon intensity**

Carbon intensity figures are the most significant (emissions by revenue or employees) and reflect the real progress made in terms of energy efficiency since 2008.

In 2017, Worldline's carbon intensity figures were 8.98 tons of CO<sub>2</sub> per € million and 1.48 tons of CO<sub>2</sub> per employee [GRI 305-4].

Worldline managed to halve its total CO<sub>2</sub> emissions between 2008 and 2012. It also reduced its carbon intensity in line with its target (tons of CO<sub>2</sub>/€ million revenue) between 2012 and 2015.

**D.5.3.1.4 Other atmospheric emissions [GRI 305-6] and [GRI 305-7]**

**Other atmospheric emissions**

Unlike the CO<sub>2</sub> emissions described above, ozone-depleting substances (ODS), including sulfur oxides (SOx) and nitrogen oxides (NOx), have not been identified as a priority in Worldline's operations or in the materiality matrix.

**Other pollution**

Materiality matrix identification and analysis has highlighted that the Atos group and Worldline's operations do not have a significant or critical impact on other forms of pollution, such as noise pollution. As a consequence, no relevant and appropriate actions or measures need to be taken in this area.



### D.5.3.2 Worldline main challenge: energy consumption [GRI 302-1][GRO 302-3][GRI 305-4] and [GRI 305-5]

#### Using a renewable power supply wherever possible

Every year, Worldline reviews its supply contracts to identify sites and countries likely to switch to low-carbon energy. Several countries now meet part of their energy requirement using carbon-free energy, following the Atos group's program, which aims to gradually and when possible migrate from carbon-based electricity to low-carbon electricity. These steps taken by the procurement teams in coordination with the central teams reflect the commitment and day-to-day efforts made by employees to reduce Worldline's carbon footprint.

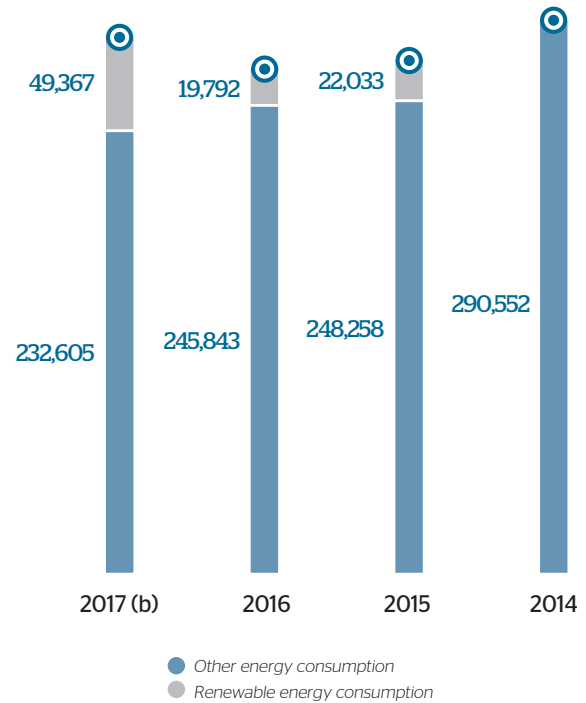
At Worldline Belgium, the Procurement department has been renewing for 2017 the green electricity contract (in force since 2009) providing 100% of Worldline Belgium's energy requirement. The contract with Electrabel/GDF is based on the hydro-electricity produced by GDF in France (AlpEnergy).

In mid-2015, Worldline Belgium commissioned a new solar panel system for the roof of the data center and the car park. All of the photovoltaic electricity generated is used on site and corresponds to half of the consumption of one of Worldline campus buildings. With this investment (500 solar panels), Worldline's environmental commitments are visible and tangible, not only for site employees but also for all local stakeholders, including visitors, suppliers and customers. Similarly, Worldline Italy also has implemented a solar panel on the rooftop of its offices.

In 2017, Worldline France signed a contract with EDF electricity supplier to ensure all energy used for its data centers comes from renewable sources. Therefore, the Company is currently using renewable energy in its sites in Belgium, Germany, Italy, as well as in the equensWorldline co-located data centers (NLDC and Equinix) and French data centers.

In 2017, energy consumption totaled 281,972 GJ [GRI 302-1], with an intensity by revenue of 225 GJ/€ million and 37.13 GJ/employee [GRI 302-3]. In the meanwhile, the renewable energy consumption increases from 19,792 GJ in 2016 to 49,367 GJ in 2017 [GRI 302-1].

### EVOLUTION OF THE ENERGY CONSUMPTION (IN GJ)



(b) Included: Belgium, Germany, France, Spain, Italy, Argentina, India and United Kingdom- new scope

### D.5.3.3 Environmental friendly offices

The Real Estate Logistic and Housing Policy promotes the energy efficiency criteria such as smart design, low energy building techniques, highly energy efficient appliances and public transportation availability for the selection of new locations and for the extension and rationalization projects. In addition, the Smart Campus concept includes innovative ways of working such as open spaces, desk sharing and digital tools that positively contribute to the environmental footprint of the offices.

All company environmental commitments and actions related to offices are structured in four dimensions:

- Energy efficiency;
- Waste management;
- Water savings;
- Biodiversity.



**D.5.3.3.1 Energy efficiency initiatives**

- **Devices consumption.** In the framework of ISO 14001, Worldline has implemented a series of measures to reduce the environmental footprint of its office devices (computers/printers/copiers/screens). Those electrical devices have been equipped with auto sleep-mode setups.
- **Equipment upgrade.** Systematic replacement of standard lamps by LEDs in the different buildings is ongoing for all areas such as: offices, restaurants and in the parking. The setup of motion sensors is a priority to replace switches when possible. In addition, energy efficient equipment related to the building infrastructure is also scrutinized such as: heat pumps, boilers, etc. Besides, in Worldline Belgium, a pilot has been implemented on a thermic isolation on windows for energy savings.
- **Selection of office sites.** Energy efficiency is one of the main criteria when considering a new office location. For instance, Worldline India has moved to new offices in Calcutta to optimize energy consumption per square meter.

**D.5.3.3.2 Circular economy and waste management [AO19]**

- **ISO 14001 and waste tracking.** As part of its optimization program, Worldline has decided to seek ISO 14001 certification for the sites with greater than 500 employees to have high quality waste management and then allow corrective action. At those sites, waste sorting, collection and recycling are optimized through collective bins at each floor for different materials such as cardboard, paper, cartridges, toners, batteries, etc. Additionally, in 2017 the Lyon site tested the recycling of cigarettes butts. Worldline Argentina partnered with a supplier that recycles paper and then issues a certificate for the number of trees saved. Furthermore, in Worldline Belgium, plastic cups used are recycled into garden furniture.
- **Waste Electrical & Electronic Equipment (WEEE).** Worldline is compliant with the European WEEE Directive (Directive 2012/19/EU) and supports all actions related circular economy. In the Worldline business context, WEEE includes IT servers, storage robots, network switch, computers (laptops and desktops), monitors, printers, ink cartridges, battery chargers, adapters and electrical appliances. Furthermore, by signing the Sustainable Supplier Charter attached to their contracts, Worldline suppliers agree to process their products via specialist channels. Worldline suppliers are assessed by Ecovadis, which entails meeting waste management and recycling criteria consistent with Worldline’s sustainable procurement policy. For its customers, Worldline offers efficient waste management services in connection with terminal services. The Company collects electronic equipment from its customer and offers a worldwide repair service as well as an efficient after-sales service. This equipment is also repurposed to encourage circular economy. Worldline is fully committed to the circular economy and prioritizes WEEE management as an important way of addressing the impacts caused by its activities and payment solutions. This approach ultimately reduces CO<sub>2</sub> emissions and dovetails with its CSR strategy. In 2017, Worldline produced 92,110 Kg

of electronics waste and recycled 100% of it [AO19]. The rest of waste amounts to 518,446 Kg, 90% of which was recycled.

- **Food Waste.** Worldline is committed to responsible alimentation in its canteens and has carried out actions to reduce food waste, as demonstrated by the label “Good Food” obtained by Worldline Belgium.

**D.5.3.3.3 Water savings**

**The monitoring of water consumption** is part of Worldline’s responsibility in offices even if it is not a critical concern. Nevertheless, the Worldline Logistic and Housing team is permanently looking for investment to reduce water consumption in offices or canteens. For instance, Worldline France has continued its new contract which provides a monthly water consumption report for the Seclin sites. This new more regular report allows the Company to track any over-consumption and limit the size of leaks by anticipating repairs to be done. The total water consumed within Worldline has decreased from 29,101.7 m<sup>3</sup> in 2016 to 28,442.2 m<sup>3</sup> in 2017.

**D.5.3.3.4 Initiatives promoting biodiversity**

- **Employee awareness.** Although biodiversity, air pollution and land use are critical environmental issues to consider, Worldline’s operations do not directly impact those issues on the basis of current local operations. However, the Company supports local biodiversity mainly by paying attention and sensitizing its employees regarding the following areas: land use, energy consumption, GHG production, waste generation, etc.
- For instance, in France, the sustainable development project involving the installation of bee hives at Blois and Seclin sites has been strongly requested by all the employees of the Company. Thus, beekeeper clubs have been created on several sites in order to train Worldline colleagues in honey production. This initiative has been well recognized for protecting biodiversity and preserving the ecosystem. Similarly, the Brussels site had a 1,500 m<sup>2</sup> garden designed to attract a variety of plant and insect species and raise employee awareness of conservation and the importance of pollinators.
- **Responsible food sourcing.** Worldline is committed to responsible alimentation in its canteens and therefore promotes canteen sourcing that supports responsible production via MSC certification, the Good Food label (Belgium) and choice of local suppliers, as well as seasonal products that tend to preserve biodiversity and natural resources. For instance, a weekly “veggie” day has been introduced in Belgium, resulting in 50% of Worldline’s employees eating a healthy vegetarian meal on Thursdays. Similarly, the canteen at Frankfurt serves fish certified by MSC label (Marine Stewardship Council) and also favors purchasing from local suppliers. In 2017, in partnership with its collective catering providers, Worldline notably organized a European Development Sustainability Week. For instance, Frankfurt and Belgium canteens organized a prize competition in order to win a tree, a fun way to sensitize its workers.



### D.5.3.4 Data centers energy efficiency initiatives [GRI 302-5]

Over the years, many actions have been implemented in Worldline data centers for energy optimization. Best practices include, for example, cooling systems that use water circuits; implementation of adiabatic cooling that avoids the sizing of the infrastructure for the hot peak days allowing to make substantial gains in energy savings.

Since 2013, Worldline has managed five data centers in three different countries with a dedicated energy efficiency optimization program. As announced last year, the average power usage effectiveness (PUE) for Worldline data centers in 2017 is already 1.70 [GRI 302-5]. Further investigation is still under way to improve this average and reduce it to 1.65 within the next three years.

Moreover, the latest internal report on data center power consumption showed that, overall, the various actions taken (migration, adoption of cloud solutions, virtualization, increased use of energy-efficient hardware and other optimization measures) have saved energy.

Worldline applies three types of actions to data centers in favor of the environment: energy efficiency, waste management through server virtualization and water savings. These three categories are presented below with initiatives applied across all Worldline data centers.

#### D.5.3.4.1 Energy efficiency category

- Worldline commits to selecting the most energy-efficient servers and components:
  - All IT products such as servers and computers used in Data Center must meet environmental expectations for minimizing energy consumption, which implies choosing components with the best efficiency at the time of purchase;
  - Worldline also sensitizes its purchasing department to choose suppliers with the highest environmental awareness;
  - Worldline is leveraging all available technologies to attain energy savings.

- Worldline optimizes the use of its resources to save energy:
  - Data center room temperatures are adjusted to the maximum levels compliant with the operating standards of servers for saving cooling energy. In addition, the Kyoto protocol for energy recovery has been put in place;
  - The lighting of rooms and technical areas is optimized;
  - Rooms are organized alternately in cold aisles and hot aisles and, for some Data Centers, even with the containment of cold aisles;
  - Worldline's main data centers use an infrastructure management (DCIM) solution for very precise, real-time monitoring of energy consumption;
  - Monthly monitoring of CPUE for detection of consumer difference has been implemented.

Additionally, the last Worldline data center was built in 2009 and aimed for a PUE of 1.6, which is among the top performance of the market.

#### D.5.3.4.2 Waste management through server virtualization category

The Company's policy is to maximize server virtualization in order to reduce the number of physical servers. Indeed, from an environmental and technical point of view, virtualization yields savings by limiting the number of servers in datacenters, resulting in:

- Less transport of hardware;
- Less ground space used by delivered services, and thus reduced need to enlarge or build new datacenters;
- Less travel, handling and set-up cabling, reducing waste when unpacking equipment (packaging, pallets, plastic wrapping, cables);
- Less treatment of this waste (storage, waste recycling, disposal, etc.).

Since 2009, Worldline has decided to develop server virtualization for all of its datacenters. It is one of the initiatives with the greatest impact on the Company's energy reduction and economic performance. Involving the Procurement department in replacing servers when these are upgraded and choosing the latest machinery that is more environmentally-friendly is a key factor in reducing electricity consumption. In addition, the systematic approach to move to server virtualization contributes directly to reducing waste.

#### D.5.3.4.3 Water savings category

The water used in data center is mainly required for cooling servers. As water is used via a special closed-loop circuit, its consumption is not significant. Nevertheless, datacenters are equipped to monitor water consumption and track any leaks. Additionally, water spray can help to reduce peaks in power consumption by air conditioning systems.

### D.5.3.5 Sustainable Terminals

#### D.5.3.5.1 Product life-cycle assessment for green Terminals

One of Worldline's main products delivered to customers is the payment Terminals. There are designed by Worldline Belgium. Production is carried out at four different sites: Singapore and Indonesia manufacture "high runners," while other Terminals are made in the Czech Republic and Hungary.

In 2016, the Company performed an ecological assessment of its payment Terminals. The chosen template was the ECMA 370 (European Computer Manufacturers Association), already used worldwide and well-known in the electronics sector. This ECMA 370 eco declaration assesses the high level of compliance and excellent ecological performance of Worldline's payment Terminals in the entire lifecycle process. The first Terminals family to be assessed was the Yomani series. By the end of 2017, at least 75% of the Terminals catalog (including portable and unattended devices) has been added under the ECMA label.

In 2017, Worldline and its partners in eco-design for Terminals have started to organize eco-design workshops. The Company worked with Sirris and Agoria to reduce both costs and eco-impact, putting in place a process for continuous improvement in line with the ambitious CSR policy of the Worldline Group. Sirris, Agoria and Worldline thus worked together to set up workshops to implement this improvement process. As a result, Worldline can now measure and monitor the eco-impact of products, from the design phase through production and commercialization. Associated requirements are now included in the design process, starting from the initial product ideas.

At each stage of terminal development and production, engineers have to consider factors such as power consumption, the use of recyclable materials and environmentally friendly packaging. Compliance with applicable environmental regulations is also taken into account. Regarding its Terminals production, in 2017 Worldline also initiated a large survey of suppliers to assess the way they handle "conflict minerals" (see Chapter D.4.2.2.4). Three dimensions have been studied during the eco-design assessment:

- Plastic housing. The housing contributes largely to the overall weight and eco-impact of any product, so action needed to be taken to identify alternatives to the current plastics. The demanding characteristics of housing materials (UV stability, mechanical requirements, fire retardant, etc.) require a thorough selection and testing process. Worldline is working more and more closely with suppliers and subcontractors to explore and evaluate new materials. Early feedback from tests with a multidisciplinary product design team already show significant added value. This also makes it possible to investigate needs, expectations and new opportunities, guiding a continually evolving process for materials selection;
- Packaging. To reduce unnecessary packaging, Worldline investigated the underlying requirements at different stages of the process: individual packaging, bulk packaging, installation, etc. By reviewing core requirements and challenging unquestioned habits, Worldline has identified new concepts to help reduce wasteful packaging and streamline logistics;

- Process of continuous improvement. Continuous improvement is now an integral part of Worldline's management systems, although there will always be new issues to address. One example is the impact of providing mandatory printed receipts/proof of payment at every transaction. "Reducing merchant consumption of thermographic paper" has therefore been identified as an objective. Once again, the first step will be to challenge existing assumptions and habits.

In addition, selection of production sites and transport modes has significant economic and ecological consequences, because the multi-phase production process involves locations in Europe and Asia, global markets and a distributed supply chain. Being able to measure the eco-impact of products makes it possible to analyze different scenarios and optimize the supply chain in terms of cost and eco-impact. Developing additional criteria for scenario evaluation strengthens Worldline's strategic decision-making processes.

#### D.5.3.5.2 Circular economy applied to the terminal lifecycle [AO19]

Worldline Belgium adopts an exemplary approach to the circular economy for electrical and electronic equipment regarding the production of Terminals all along its value process creation.

Worldline Terminals follow the same waste policy as offices for the collection and processing of used or end-of-life WEEE (see Section D.5.3.3.1).

At the end of their life cycle, Terminals are collected, disassembled and recycled by certified companies, in accordance with best practices, ensuring the best environmental solution for each component. Worldline Belgium also offers its customers a collection and recycling service for used or end-of-life payment Terminals. Trade customers can either use special recycling containers for payment Terminals, or return them directly, as required by law. The collection and preparation of waste electrical and electronic equipment (WEEE) for recycling has been officially authorized since 2015.

Worldline is a member of Recupel, which recycles used electronic appliances and light bulbs, and Bebat, which repurposes old batteries by collecting, sorting and recycling them.

The Terminals are then sent to warehouses where they are held in temporary storage.

In addition, the repair process is also organized to maximize the recycling of usable parts in the second-hand market. After analysis, Worldline endeavors to repurpose these Terminals: once cleaned and reprogrammed, they can be reused, thus enabling Worldline to be part of an effective circular economy. Other Terminals are disassembled and the components are salvaged for use as spare parts for new Terminals, after undergoing rigorous quality control. Non-recoverable components (cables, batteries, printed circuit boards, metal parts, housings) are sorted in special containers. Worldline also optimizes its waste transport: it waits until sufficient quantities of components have amassed to avoid unnecessary emissions.

The Company uses the Galloo group, a European specialist in the recycling of ferrous and non-ferrous metals. Printed circuit boards are managed and processed by Umicore, which specializes in the recovery of precious metals. For this to be a success, Worldline has officially applied for "Hazardous Waste Collector" approval from the official environmental management body for the Brussels region (IBGE). This requires it to follow



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strict rules on storage, safety and other environmental precautions. On average, Worldline Belgium processes 50 tons of WEEE each year.

The management of waste payment Terminals is similar in France. Waste is processed by Lumiver Optim and Defabnord, in accordance with the European WEEE Directive (2012/19/EU).

### D.5.3.6 Business travel: Encouraging sustainable mobility [GRI 103-2 Emissions]

#### Promotion of alternative modes of transport to reduce CO<sub>2</sub> emissions of individual vehicles

Business travel represents a significant portion of Worldline's carbon footprint. As part of its environmental commitment to promote sustainable mobility, Worldline intends to limit business travel and encourages the use of smart and responsible modes of transportation. To this end, the Company develops different incentives deployed with the Work Council to promote alternative mobility options other than individual cars such as (electric) bicycles, carpooling or fostering the use of electric cars, thus limiting the CO<sub>2</sub> emissions related to its employees' mobility. To encourage the use of smart and eco responsible means of transportation, in some countries Worldline finances the public transportation cards of employees. For example, equensWorldline Netherlands employees receive a "Radiuz Mobility Card" that enables automobile users, alongside their lease vehicle, to opt for alternative forms of mobility, such as public transport. The Radiuz card is offering employees increased freedom of choice regarding mobility.

In addition, the use of remote working and digital collaboration is strongly promoted by the Company as a lever to reduce environmental footprint and operational costs while generating benefits to the work/life balance of employees.

Focus on bicycle alternative: implementing a subsidy for bicycle use, granting parking spaces, easing bike lease, etc. In 2016, Worldline Belgium enlarged the bicycle underground parking area and acquired and installed a compact loading station for electric bikes, consistent with its participation in the Belgium "bike to work" (*aller au travail à vélo*) program, which aims to promote commuting without carbon emissions. Moreover, in 2017, a workgroup was launched to enhance a greener fleet (introduction of a fleet of electric cars and Compressed-Natural-Gas cars, to support the energy transition).

In France, Worldline has launched a "use your bike" subsidy for people who use their own bicycle to go to work. In Germany, there is a new 2017 initiative concerning bicycle parking spaces in Frankfurt, which enables employees to go to their office by bicycle, thus reducing commuting emissions. Germany sites also offer their employees to lease bicycles thanks to the JobRad platform.

#### Focus on electric cars alternative

At offices in some countries, such as Worldline Germany or Bezons in France, electric cars are available for employees' business travel and some free charging stations have been installed.

The Frankfurt site has acquired a Renault Zoe-brand fleet with 100% green energy in order to limit its environmental footprint. In France, electric cars are also available for employees' business travel in Bezons. In Blois, Worldline has invested in recharging stations for employees' private electric vehicles to encourage them to use this mode of transport for commuting. Worldline Belgium also invested, at the end of 2017, in an electric loading station for electric cars.

#### Focus on carpooling alternative

The Company promotes a new carpooling initiative for employees through a mobile application fostering social connections and empowering an eco-responsible behavior. This carpooling project, launched by Atos, has been implemented in Worldline France.

### D.5.3.7 Educating and engaging our employees

Worldline has put in place several initiatives to increase its employees' awareness of environmental issues and encourage them to actively adopt eco-responsible behaviors that will allow the Company to reduce its environmental impact over all its sites. In addition, internal communications have also been made to share Worldline's sustainability strategy, commitments and achievements through posters, training, newsletters or quiz.

## Posters

For example, the CSR team has designed different infographics about key environmental challenges of the Company like the energy consumption, CO<sub>2</sub> emissions, waste production and water consumption. From these infographics, employees can learn about the different values by country and the actions to perform to reduce these values. These "Worldline Environmental Engagement" posters were put in place in all the Company sites and employees could respond to the CSR team with their own proposals. This way, Worldline continues to remind its employees of eco-friendly practices they can do every day to reduce their own environmental footprint, as well as that of the Company (like thinking before printing, etc.).

## Training courses and quiz

Following Atos initiatives, Worldline has organized an online training course entitled "Sustainability Improvement" which is available in English, French, Spanish and German. It consists of four sustainability modules:

- What is sustainability?
- Who are the stakeholders of the Company?
- Sustainability in the IT sector;
- Presentation on the Atos group's sustainability program.

As part of the European Sustainable Development Week in 2017, Worldline involved its employees on a daily basis by presenting them with the wide range of global and local CSR initiatives launched to promote and embed sustainability everywhere within the Company. Each day, Worldline distributed a communication about different topics: sustainable food, electric cars, renewable energies, green Terminals and social initiatives. Worldline Belgium also organized the broadcast of the French movie *Demain* ("Tomorrow") to raise awareness among employees of environmental challenges as well as eco actions they can take to alleviate their impact on the environment.

## A new sponsorship to raise awareness about the protection of the environment

In 2017, Worldline has committed to support an ambitious scientist research program to help protect the environment focused on a submarine expedition by providing its technological expertise. This innovative IT partnership leverages the Worldline Corporate Social Responsibility policy and actions, especially regarding its environmental commitments. Its objective is also to raise awareness of all Worldline employees globally on key environmental issues such as global warming. This large-scale mobilization is at the heart of Worldline's societal commitment and is consistent with the Company's skills sponsorship approach for the benefit of local communities.

Worldline has decided to offer Under The Pole its IT competencies and know-how in order to accelerate scientific research for the next 3 years. Through Worldline's highly secure Cloud hosting solutions, explorers and scientists will be able to centrally store all data and media content collected during the expedition on a dedicated server, with unlimited storage capacity. This fully secured information will then be available and accessible in real time by the scientific community of the entire world so that it can be analysed and processed as quickly as possible. All media content created during the expedition will also be broadcasted online to share in real time the highlights of the journey and the results of scientific research and discoveries as the expedition progresses and thus raise the general public's awareness of the preservation of the oceans and more broadly the protection of the environment. Worldline will also consider other projects for the next years to help this expedition and thus contribute to the preservation of the environment.

This polar expedition called Under The Pole III is supported by Explore private funding organization, created in 2013 under the impulse of the explorer Roland Jourdain to develop exploration projects combining science, innovation and awareness and responding to major environmental issues. This third adventure of the Under the Pole expedition series is dedicated to an underwater exploration of the deep ecosystems of the "Twilight Zone" (between 30 and 150 meters below the surface) from 2017 to 2020, in the four oceans, to bring a better knowledge of these almost unexplored areas and thus to promote the development of a more sustainable world.

## D.5.4 Environmental reporting methodology and processes [103-3 Energy] and [GRI 103-3 Emissions]

In line with the GRI Standards "comprehensive" recommendations, Worldline is monitoring a broad range of environmental KPIs related to energy consumption, waste [AO19], water and CO<sub>2</sub> emissions. Reports on environmental KPIs are produced twice a year for Worldline's main sites, which accounted for 81% of the Company's revenue in 2016. These are then audited and verified by external auditors.

For the 2017 Registration Document and in particular for the KPI table (section D5.6), Worldline decided to release its data on constant scope (a) compared to 2016 and with a new scope (b). Data at constant scope (a) include France, Germany, Belgium, the United Kingdom, Spain and sometimes Argentina. Data in new scope (b) include France, Germany, Belgium, the United Kingdom, Spain, Argentina, Italy and India.



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Concerning energy [GRI 302-1] [GRI 302-2] [GRI 302-3] [GRI 302-4] [GRI 302-5]: energy consumption within the organization is tracked in datacenters and offices taking into account direct consumption (diesel, fuel oil and gas) and indirect consumption (renewable electricity, normal grid electricity and district heating). Energy consumption outside the organization as a result of business travel is also taken into account by measuring the kilometers traveled and the fuel/diesel consumption of taxis, company and private cars, trains and planes.

Concerning GHG/carbon emissions (CO<sub>2</sub>) [GRI 305-1] [GRI 305-2] [GRI 305-3] [GRI 305-4] and [GRI 305-5]: Worldline measures direct and indirect greenhouse gas emissions, taking fully into account the GHG protocol. Tracking the Company's energy consumption allows to deliver data on CO<sub>2</sub> emissions and thus establish concrete actions like carbon offsetting or environmental awareness to reduce them.

### D.5.5 Table of main KPIs

In this table, Worldline released data on a constant scope (a) and on an expanded scope (b) with additional countries like India, Italy and Argentina.

GRI code KPI Name	2017 (b)	2017 (a)	2016	2015	2014	2017 Perimeter (b)		2017 Perimeter (a)		2016 Perimeter	
						Per employee	Per revenue	Per employee	Per revenue	Per employee	Per revenue
<b>AO14 Compliance with environmental laws and regulations ISO14001</b>											
Number of sites certified ISO 14001	9	9	9	9	4	-	100%	-	100%	-	100%
<b>GRI302-1 Energy consumption within the organization</b>											
Energy Consumption within the organisation (GJ)	281,972	268,178	265,636	248,258	290,552	-	83%	-	74%	-	98%
Total Direct Energy Consumption in DCs & Offices (Gj)	11,926	11,808	14,054	13,200	10,849	-	83%	-	74%	-	98%
Direct energy consumption in Offices (Gj)	10,605	10,487	12,748	12,111	9,732	-	81%	-	69%	-	91%
Direct energy consumption in DCs (Gj)	1,321	1,321	1,357	1,089	1,117	-	84%	-	76%	-	100%
Total Indirect Energy Consumption in DCs & Offices (Gj)	270,046	256,369	251,531	235,058	279,703	-	83%	-	74%	-	98%
Indirect Energy Consumption in Offices (Gj)	68,501	64,708	60,573	41,726	49,132	-	81%	-	69%	-	91%
Indirect Energy Consumption in DCs (Gj)	201,545	191,661	190,958	193,332	230,571	-	84%	-	76%	-	100%
Total electricity consumption from renewable sources (GJ)	49,367	47,645	19,792	22,033	-	-	83%	-	74%	-	98%
<b>GRI302-2 Energy consumption outside the organization</b>											
Total KM traveled per employee	4,994	5,393	5,497	5,457	7,436	82%	-	69%	-	81%	-
Total KM traveled by car	21,362,963	20,391,679	19,599,863	18,246,304	17,741,306	82%	-	69%	-	81%	-
Total KM traveled by train	9,331,236	8,516,110	8,302,857	7,856,171	12,151,026	82%	-	69%	-	81%	-

GRI code KPI Name	2017 (b)	2017 (a)	2016	2015	2014	2017 Perimeter (b)		2017 Perimeter (a)		2016 Perimeter	
						Per employee	Per revenue	Per employee	Per revenue	Per employee	Per revenue
Total KM traveled by taxi	401,884	174,781	176,349	171,182	318,989	82%	-	69%	-	81%	-
Total KM traveled by plane	6,830,277	5,479,956	5,067,421	4,106,038	4,668,907	82%	-	69%	-	81%	-
Total KM traveled per revenue	30,257	32,412	30,934	33,158	39,991	-	81%	-	69%	-	88%
Percentage of company cars below 120 gr CO <sub>2</sub> /km	98.94%	98.94%	95%	85.10%	38%	-	100%	-	100%	-	100%
Number of cars below 120 gr CO <sub>2</sub> /km	744	744	786	735	325	-	100%	-	100%	-	100%
Number of company cars	752	752	829	864	848	-	100%	-	100%	-	100%
Average of emissions in companies fleet cars (Gr/km)	110	110	112.9	110.02	113	-	100%	-	100%	-	100%
<b>GRI302-3Energy intensity</b>											
Energy intensity revenue (Gj/€ Million)	225	251	240	232.39	292.22	-	83%	-	69%	-	91%
Energy intensity employee (Gj/Employee)	37.13	40.13	42.18	41.17	52.64	87%	-	72%	-	85%	-
<b>GRI302-4Energy saving initiatives</b>											
Estimated energy savings in data centers (Gj)	0	0	55	636	3,167	-	81%	-	86%	-	86%
Cost savings due to improved energy efficiency data centers (in €)	0	0	200	27,000	79,148	-	81%	-	86%	-	86%
Estimated energy savings in offices due to initiatives (Gj)	0	0	84	550	0	-	81%	-	86%	-	86%
Cost savings due to improved energy efficiency in offices (in €)	585	585	13,272	16,642	0	-	81%	-	86%	-	86%
<b>GRI302-4Energy requirements of products and services</b>											
Power usage effectiveness (PUE)	1.7	1.7	1.7	1.7	1.71	-	100%	-	100%	-	100%
<b>GRI305-1Direct Greenhouse gas emissions DCs and Offices</b>											
Total CO <sub>2</sub> emissions (scope 1) (t)	4,755	4,632	4,038	3,959	3,939	-	82%	-	71%	-	92%
<b>GRI305-2Direct Greenhouse gas emissions DCs and Offices</b>											
Total CO <sub>2</sub> emissions (scope 2) (t)	3,492	2,932	5,189	4,703	5,437	-	82%	-	71%	-	92%
<b>GRI305-3Other indirect Greenhouse gas emissions (scope 3)</b>											
Total CO <sub>2</sub> emissions (scope 3) (t)	3,006	1,591	2,614	1,730	2,039	-	82%	-	71%	-	92%





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GRI code KPI Name	2017 (b)	2017 (a)	2016	2015	2014	2017 Perimeter (b)		2017 Perimeter (a)		2016 Perimeter	
						Per employee	Per revenue	Per employee	Per revenue	Per employee	Per revenue
<b>GRI305-4 Greenhouse Gas emissions intensity</b>											
Total CO <sub>2</sub> emissions (t)	11,253	9,156	11,842	10,330	11,416	-	82%	-	71%	-	92%
Global footprint in data centers (kg CO <sub>2</sub> e)	3,245	2,306	3,691	3,757	5,205	-	84%	-	76%	-	100%
Global footprint in offices (kg CO <sub>2</sub> e)	1,952.8	1,254.8	2,397	1,999	1,860	-	81%	-	69%	-	88%
Global footprint in travels (kg CO <sub>2</sub> e)	6,055	5,594	5,754	4,574	4350	-	81%	-	69%	-	88%
GHG emission intensity ratio denominator (per revenue)	1253.5	1066.3	1071.5	1068.3	994.3	-	81%	-	69%	-	88%
GHG emission intensity ratio denominator (per employee)	7,594	6,409	6,030	6,030	5,520	82%	-	69%	-	81%	-
CO <sub>2</sub> emissions by revenue (tCO <sub>2</sub> /M € revenue)	8.98	8.59	11.05	9.67	11.48	-	82%	-	71%	-	92%
CO <sub>2</sub> emissions by employee (tCO <sub>2</sub> /employee)	1.48	1.43	1.96	1.71	2.07	84%	-	72%	-	87%	-
<b>GRI305-5 Reduction of greenhouse gas (ghg) emissions</b>											
Estimation of reductions achieved (t CO <sub>2</sub> e)	0	0	15	77.1	55.3	-	81%	-	86%	-	86%
CO <sub>2</sub> e reductions due to the energy saved in data centers (kg CO <sub>2</sub> e)	0	0	7.0	33.5	55.3	-	81%	-	86%	-	86%
CO <sub>2</sub> e reductions due to the energy saved in Electricity DC (kg CO <sub>2</sub> e)	0	0	7.0	33.5	55.3	-	81%	-	86%	-	86%
CO <sub>2</sub> e reductions due to the energy saved in Gas DC (kg CO <sub>2</sub> e)	0	0	0	0	0	-	81%	-	86%	-	86%
CO <sub>2</sub> e reductions due to the energy saved in offices (kg CO <sub>2</sub> e)	0	0	0	43.6	0	-	81%	-	86%	-	86%



GRI code KPI Name	2017 (b)	2017 (a)	2016	2015	2014	2017 Perimeter (b)		2017 Perimeter (a)		2016 Perimeter	
						Per employee	Per revenue	Per employee	Per revenue	Per employee	Per revenue
CO <sub>2</sub> e reductions due to the energy saved in Electricity Offices (kg CO <sub>2</sub> e)	0	0	8	29.2	0	-	81%	-	86%	-	86%
CO <sub>2</sub> e reductions due to the energy saved in Gas Offices (kg CO <sub>2</sub> e)	0	0	0	14.4	0	-	81%	-	86%	-	86%
Significant fines for non-compliance concerning the provision and use of products GRI419-1 and services	Qualitative	Qualitative	Qualitative	Qualitative	Qualitative	-	-	-	-	-	-
<b>AO19 Waste Electrical and Electronic Equipment (WEEE)</b>											
WEEE collected or recovered from customers (Kg)	92,110	92,110	64369	81460.78	-	-	61%	-	61%	-	75%
WEEE collected or recovered and reused / recycled (Kg)	92,110	92,110	64369	81460.7	-	-	61%	-	61%	-	75%

**2017 (b)** Included France, Germany, Belgium, Argentina, Spain, United Kingdom, Italy and India

GRI305-5 Included: Belgium, Germany, UK and France

AO19 Included Belgium, Germany and France

**2017 (a)**

GRI302-1 Included: Belgium, Germany, France, Spain, Argentina and UK

GRI302-2 Included: Belgium, Germany, France, Spain and UK

GRI302-3 Included: Belgium, Germany, France, Spain, Argentina and UK

GRI302-4 Included: Belgium, Germany, UK and France

GRI305-1 Included: Belgium, Germany, France, Spain and UK

GRI305-2 Included: Belgium, Germany, France, Spain and UK

GRI305-3 Included: Belgium, Germany, France, Spain and UK

GRI305-4 Included: Belgium, Germany, France, Spain and UK

GRI305-5 Included: Belgium, Germany, UK and France

AO19 Included Belgium, Germany and France





## D.6 Information about the report

This chapter describes the scope of 2017 Worldline’s Corporate Social Responsibility report and the guidelines on which it is based. It also addresses how Worldline reports according to globally-accepted reporting standards and the process used to obtain the information presented in the report.

### D.6.1 Scope of the report [GRI 102-10][GRI 102-45][GRI 102-48][GRI 102-49][GRI 102-50][GRI 102-51][GRI 102-52][GRI 102-54][GRI 102-56] and [GRI 103-1]

#### D.6.1.1 French legal requirements for information of listed companies

For further information, see Section D.1.2.3 of this report. In 2017, and in line with the amended article L. 225-102-1, subparagraph 5, of the French Commercial Code, information about main greenhouse gas emissions sources generated by the activities of the Company, including through the use of goods and services has been added in Environmental chapter.

#### D.6.1.2 Application of the principles of standard AA1000

See Section D.1.2.3.1, Respect of AA1000 Standards for all information.

#### D.6.1.3 Global Reporting Initiative [GRI 102-12][GRI 102-46][GRI 103-1][GRI 103-1 Indirect Economic Impacts][GRI 103-1 Market Presence][GRI 103-1 Procurement Practices][GRI 103-1 Anti-Corruption][GRI 103-1 Energy][GRI 103-1 Emissions][GRI 103-1 Employment][GRI 103-1 Occupational Health and Safety][GRI 103-1 Training and Education][GRI 103-1 Diversity and Equal Opportunity][GRI 103-1 Customer Privacy] and [GRI 103-1 Economic Performance]

See Section D.1.2.3.2 Global Reporting Initiative regarding the report presentation and Worldline’s Comprehensive approach.

### GRI STANDARDS 2017 TOPICS BOUNDARIES

The following topics of the 2017 Standards from the GRI have material significance for Worldline. Outside the organization, these aspects are material for the mentioned stakeholders.

Topics	Topic boundaries outside the organization
Economic Performance	Communities, Customers, Investors and analysts
Market Presence	Communities, Public bodies, Suppliers and partners
Indirect Economic Impacts	Communities, Public bodies, Suppliers and partners
Procurement Practices	Communities, Public bodies, Suppliers and partners
Energy	Customers, Investors and analysts
Emissions	Customers, Investors and analysts
Employment	
Training and Education	Not material outside the organization
Diversity and Equal Opportunity	
Occupational Health and Safety	Suppliers and Partners
Anti-corruption	Customers, Investors and analysts, Public bodies, Suppliers and partners
Socioeconomic Compliance	Investors and analysts, Public bodies, Suppliers and partners
Customer Privacy	Customers

**Process for defining report content**

The selection of the KPIs is aligned with Worldline strategy and based on a materiality assessment (See Section D.1.3.1 Materiality Analysis). The Corporate Social Responsibility strategy includes a prioritization of topics which is an essential requirement for the performance dashboard and internal project follow up.

Employees from equensWorldline have been taken into account in calculation of the scope of the Human Resources KPIs and are included in the CSR 2017 reporting of Worldline.

The Global Reporting Initiative Content Index Table is available in the Corporate Social Responsibility report.

**Reporting scope for the indicators resulting from the materiality study** [GRI 102-45] and [GRI 102-49]

Worldline obtains its Corporate Social Responsibility data from internal measurements and external sources (third parties). The frequency of the extra financial reporting will be annually.

For the year 2017, Worldline has included equensWorldline in its reporting and is organized as follows:

- ASIA: China, Hong Kong, Indonesia, Malaysia, Taiwan and Singapore;
- BENELUX (Worldline and equensWorldline): Belgium, The Netherlands and Luxembourg;
- CEE: Austria; Czech Republic, Estonia, Latvia, Lithuania, Poland;
- FRANCE (Worldline and equensWorldline): France;
- GERMANY (Worldline and equensWorldline): Germany;
- IBERIA: Spain;
- INDIA: India;
- LATAM: Argentina, Brazil and Chile;
- UK: The United Kingdom;
- Other equensworldline countries: Italy, Finland, Sweden.

On the basis of this context, the scope of the indicators has sometimes shifted compared to the 2016 reporting period. The tables "KPIs Overviews" in Sections D.1.3, D.2.4, D.3.7, D.4.3 and D.5.5 specify the scope associated with each indicator provided.

**D.6.1.4 Reporting tools** [GRI 103-3 Indirect Economic Impacts] [GRI 103-3 Market Presence] [GRI 103-3 Procurement Practices] [GRI 103-3 Anti-Corruption] [GRI 103-3 Energy] [GRI 103-3 Emissions] [GRI 103-3 Employment] [GRI 103-3 Occupational Health and Safety] [GRI 103-3 Training and Education] [GRI 103-3 Diversity and Equal Opportunity] [GRI 103-3 Customer Privacy] [GRI 103-3 Economic Performance]

The Worldline Corporate Social Responsibility office is the contact point for questions regarding the report and includes representatives from each country and representatives from the global functions. Representatives are responsible for the collecting process and evidence archiving.

In 2011, Atos group launched the implementation of SAP Sustainability Performance Management (SuPM) as a new Global Tool to facilitate the gathering of information, global workflows, validations, exploitation and visualization of KPIs results. Group Atos' challenge has been to report for the full 2014 year using this tool worldwide, including Worldline elements.

Most of the indicators are gathered using the sustainability global tool - SuPM - at country level. Most of LA indicators data have been extracted from the Atos group's HR tool - Clarity - and uploaded into SuPM via linking and interfaces. A few indicators are still not gathered into the sustainability global tool but have been collected at Atos group and Worldline level in other tools.

All the procedures, template, CSR reporting protocol and final data are stored on the Atos group SharePoint and blueKiwi with worldwide access.



## D.6.2 Process of defining report content [GRI 103-1][GRI103-2]

### D.6.2.1 Detailed information related to KPIs

#### Detailed information related to [GRI 302-1].

Data collection for the environmental KPIs involves a significant portion of Worldline's countries at a constant scope with respect to 2016: Belgium, Germany, Spain, France and UK. In 2017, Worldline has also included India, Italy and Argentina in its reporting that has expand the scope (b). With few exceptions, those countries provided the information necessary to obtain a reliable estimate of the carbon footprint. To align the GRI collecting process with the Carbon Disclosure Abatement Project, Atos group used a collection methodology based on the GHG protocol and the GRI Guidelines. In this way the two processes can be integrated and the data for both reports can be gathered.

For the CO<sub>2</sub> calculations, country regulations and calculation methods have been applied.

The conversion factors have been adjusted according to country and type of energy consumed (fuel oil, diesel, gas, electricity).

Conversion factors are based on Defra: Guidelines to Defra/DECC's Greenhouse Gas Conversion Factors for Company Reporting, available at: <http://www.ukconversionfactorscarbonsmart.co.uk/>. For the figures, Worldline used Electricity/Heat Conversion Factors from those last updated for 2015 by Atos group. [GRI 302-1\_G]

The methodology used is provided directly through the local power supplier or landlord:

- Concerning electricity, meters are installed at the site level to measure the energy consumed in kWh. The measurement recorded by the meters is used by suppliers or via landlords for issuing invoices;
- Concerning natural gas, meters are installed at site level to measure the energy consumed in M3 and converted in kWh according to local conversion ratios, in many cases directly by the supplier. The invoice is provided directly by the gas supplier or via the landlord. [GRI 302-1\_F]

Invoices state the total amount consumed in kWh and/or its monetary value (local currency). If only the monetary value is provided, the respective consumption in kWh is calculated by using a respective cost per unit rate.

Worldline has included some assumptions and techniques for underlying estimations applied to the compilation of the Indicators and other information in the specific KPIs.

For example, in the case of unavailability of actual consumption data, estimates based on previous period consumption have been used to calculate actual consumption. In the case of unavailability of consumption data, estimates based on footage and average consumption from other sites have been used to calculate actual consumption. The corresponding data is entered into the organization's application for each site. [GRI 302-1\_F]

The cooling purchased through local district cooling schemes, for DC and offices is zero (0) GJ [GRI 302-1\_C3] and the total of steam purchased through district heating schemes to heat sites is not available. [GRI 302-1\_C4]

Worldline does not sell electricity, heating, cooling, or steam to third parties. [GRI 302-1\_D1, GRI 302-1\_D2, GRI 302-1\_D3, GRI 302-1\_D4]

#### Detailed information related to [GRI 302-3]

The Energy intensity ratio is calculated by dividing the absolute energy consumption during the reporting year (the numerator) by the revenue metric expressed in € (the denominator) produced by the organization, in the same reporting year. The Energy intensity ratio expresses the energy required per unit of activity. For consistency, the scope of reporting is aligned with the country scope included within our 2017 baseline. [GRI 302-3\_A]

For the Energy intensity ratio, the denominator for revenues is covered by Belgium, France, Germany, Argentina, Spain, India, Italy and UK, however, reporting is restricted to the baseline scope measured in 2012. Within that scope, the revenue corresponds to the turnover generated by these countries within the baseline during the year (reporting period: January 1-December 31) under analysis. [GRI 302-3\_B]

For the Energy intensity ratio, the denominator for employees is the total headcounts registered at the end of the financial year for all countries within the baseline as on December 31. [GRI 302-3\_B]

The types of energy included in the intensity ratio are: vehicle fuel, electricity, gas, district heating, backup generator fuel (diesel and fuel oil). [GRI 302-3\_C]

The ratio uses energy consumed only within the organization (energy required to operate). [GRI 302-1\_D]

#### Detailed information related to [GRI 302-4]

The types of energy included in the energy reductions are: vehicle fuel, electricity, gas, district heating, backup generator fuel (diesel and fuel oil). [GRI 302-4\_B]

Worldline reports on initiatives implemented during the reporting period that have the potential to contribute significantly to reducing energy consumption. As these primarily arise through investment in infrastructure changes, the savings published are based upon full-year savings and will usually continue over several years (although each initiative is only published in its first year). [GRI 302-4\_C]

The reduction is calculated as follows:

For data centers, where multiple small activities take place, savings are calculated through PUE reductions measured in conjunction with site energy consumption. For offices, individual initiatives are justified based upon energy savings (cost savings), and are implemented based upon their merits. Those that are implemented are recorded and consolidated for this value. Data Centre and Office totals are then combined. [GRI 302-4\_D]

#### **Detailed information related to** [GRI 302-5 KPI]

The PUE is a standard calculation: total kWh consumed by the entire site infrastructure divided by the kWh consumed by the IT infrastructure. The PUE, a measure defined by the Green Grid, is the industry standard indicator used to measure and monitor the energy efficiency of a datacenter. [GRI 302-5\_C]

The base year is the reporting period (January 1 to December 31). Considering the external growth of the Company, the geographical scope can progressively change to include additional countries. [GRI 302-5\_B]

The PUE is a standard calculation: total kWh consumed by the entire site infrastructure divided by the kWh consumed by the IT infrastructure. The PUE, a measure defined by the Green Grid, is the industry standard indicator used to measure and monitor the energy efficiency of a Data Center.

#### **Detailed information related to** [GRI 305-1], [GRI 305-2], [GRI 305-3] and [GRI 305-4 KPIs]

The base year is the reporting period (January 1 to December 31). Considering the external growth of the Company, the geographical scope can progressively change to include additional countries. [GRI 305-1\_D]

Worldline is applying the GHG protocol methodology for all GHG Scopes (Scopes 1, 2 and 3). The Greenhouse Gas (GHG) Protocol, developed by World Resources Institute (WRI) and World Business Council on Sustainable Development (WBCSD), sets the global standard for how to measure, manage, and report greenhouse gas emissions. [GRI 305-1\_E, GRI 305-2\_D, GRI 305-3\_F, GRI 305-5\_D, GRI 305-6\_B, GRI 305-6\_C]

The gases included in GRI 305-2 a (CO<sub>2</sub>) - Scope 2 are CO<sub>2</sub>. [GRI 305-2\_B] The gases included in the calculation of Gases included in GRI 305-1 a (CO<sub>2</sub>) - Scope 1, in GRI 305-7 a (CO<sub>2</sub>) - Scope 3, and GRI 305-4\_D, GRI 305-4\_B, are CO<sub>2</sub> plus fugitive emissions of refrigerant gases converted to CO<sub>2</sub> equivalents. These gases include R134a, R22, R404a, R407c, R410a, R422d, R508b. [GRI 305-4\_B, GRI 305-3\_B, GRI 305-4\_D, GRI 305-5\_B]

Where possible, Worldline uses conversion factors provided by the energy generating company. Where this is not available, the conversion table used is based on the DEFRA table which provides country average ratio. The table is available at <http://www.ukconversionfactorscarbonsmart.co.uk/>.

The chosen consolidation approach for emissions is based on an operational control. Site related data are collected at site level, then consolidated with travel data which is collected at country level. This is then consolidated at GBU level then at Global level. [GRI 305-1\_G]

Worldline includes 3<sup>rd</sup> party fugitive refrigerant leaks, which are converted into CO<sub>2</sub> equivalent values. [GRI 305-3\_D]

For the GHG emission intensity ratio, the denominator for revenues is the complete organization, however, reporting is restricted to the baseline scope measured in 2012. Within that scope, the revenue is corresponding to the turnover generated by all countries within the baseline (all Service Lines) during the year (reporting period: January 1-December 31) under analysis. [GRI 305-4\_B]

For the GHG emission intensity ratio, the denominator for employees is the total headcounts registered at the end of the financial year for all countries within the baseline as on December 31. [GRI 305-4\_B]

Worldline is not producing any biogenic CO<sub>2</sub> emissions. [GRI 305-1\_C, GRI 305-3\_C]

#### **Detailed information related to** [GRI 305-5]

The reductions in GHG emissions occurred in direct (Scope 1), energy indirect (Scope 2), other indirect (Scope 3) emissions. [GRI 305-5\_E]

#### **Detailed information related to** [GRI 305-6]

In order to calculate the Global Warming Potential, Worldline has identified the emission of substances to the atmosphere through fugitive refrigerant gas leakage from cooling systems, for example R22, R404a, R407 and R410a. Additionally, these gases are mainly reported for the DCs. [GRI 305-6\_B]

The conversion table used is based on the DEFRA table which provides refrigerant gas GWP tables. The tables are available at <http://www.ukconversionfactorscarbonsmart.co.uk/>. [GRI 305-6\_D]

#### **Detailed information related to** [GRI 102-9]

Information related to subcontracting:

The reported value in Section D.4.2.16 Responsible subcontracting is the number of external onshore subcontractors (headcount) present within Worldline on December 31, 2017.

#### **Detailed information related to Human Resources KPIs**

All Human Resources indicators derived from the HR Information System (GRI 401-1, GRI 401-2, GRI 401-3, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 405-2, GRI 202-1, GRI 202-2, and AO6) are based on an extraction made on January 2018. Due to late and retroactive entries on staff movements into the HR Information System, the actual situation as of December 31 is different from the one presented through the HR dedicated indicators. This difference however remains limited: it is approximately 1% of the total workforce at the end of the period.

Equens Worldline, a legal entity acquired by Worldline in 2016, has been taken into account in the official staff.



### **Detailed information related to AO6 KPI (Diversity Perception)**

In the KPI AO6 relating Diversity perception, the countries assessed have a percentage of positive responses to each Great Place to Work® item which has been converted into a group "percentage of Diversity perception" by dividing the total positive punctuations between the number of respondents.

### **Detailed information related to AO2**

This indicator is based on the Great Place to Work® survey. After recommendation by the Great Place to Work® Institute, the calculation method has been changed for the Trust Index in 2016: a weighted average of the scores was provided by taking into account the number of people answering the GPTW survey by country. In 2017, the same calculation methodology has been followed.

### **Detailed information related to [GRI 404-1]**

Average training by employee is calculated using the headcount closing 2017. This includes the hours recorded in the Atos formal training tools (SABA, McGraw-Hill, etc.) and in the informal training tools (Nessie, Success factor). Regarding this, the 2016 value has been modified in order to be aligned with the new calculation methodology of 2017.

### **Detailed information related to [GRI 419-1]**

The reporting of the significant fines for non-compliance is linked to a Global procedure called "Litigation Docket," which requires the reporting from the Countries to the Group Litigation department of all fines, claims and penalties greater than €100,000. The reporting for GRI 419-1 follows this procedure and the results of zero (0) means that Worldline has no fines for non-compliance greater than €100,000. Compared to other companies, this threshold is very low, and enables Atos to have a clear and efficient control of the litigation issues within the Atos group.

### **Detailed information related to AO17 and [GRI 205-1]**

AO17 information contains data provided by EcoVadis. EcoVadis assessment not only covers corruption, but also HR and environment. Worldline works with EcoVadis to assess strategic suppliers' risks related to corruption (total number and percentage of operations assessed for risks related to corruption and significant risks identified).

Information published in 2017 and 2016 are no longer comparable with previous year values until 2015 as the definition of strategic supplier was changed to reflect the Atos procurement supplier consolidation strategy. Nevertheless, 2017 value and 2016 value are comparable. According to the new three-year plan, Atos is focusing on the top 250 vendors, which represents 70% of the total expenditure. The supplier scorecard is shared with Atos group thanks to the supplier evaluation campaign made by EcoVadis.

### **Detailed information related to the AO14 KPI**

Worldline reports this KPI only for the sites that are directly controlled by the Company. Therefore, sites such as Worldline Spain and Worldline Austria have been reported in the ISO 14001 list of Atos group because these country sites are shared with Atos. In total, two offices from Worldline in Spain and two in Austria are certified but reported on Atos group.

### **Detailed information related to [GRI 205-2 KPI]**

Awareness in Code of Ethics KPI is divided in the e-learning training for all employees available in the training platform of Worldline and virtual classroom webinar training for management employees.

The calculation method of GRI 205-2 KPI for e-learning training takes into account all current Worldline employees who had taken the training since 2013.

### **Detailed information related to AO16 KPI**

The scope of the data taken into account to calculate absenteeism hours is related to sickness and accident leave.

### **Detailed information related to WL6 KPI**

The method for calculating turnover rate divides the number of employees leaving the Company by the final headcount at the end of the year.

### **Detailed information related to AO7**

AO7 KPI is calculated based on the revenues of sustainably-oriented offers that Worldline sells to its customers. These revenues are multiplied by an index that assesses the degree of sustainability within each offer. Sustainably-oriented offers are identified and the associated indexes (degrees of sustainability) are set by Worldline Solution Managers based on their screening of offerings on 15 aspects (regrouping economic, social and environmental benefits provided by the offering). The overall process is coordinated by a dedicated person in the Corporate Social Responsibility team. Worldline portfolio continually evolves and the KPI definitions are subject to updates.

Worldline has made an effort to estimate the revenue linked to its sustainable solutions. To obtain this information, Worldline has calculated the revenue by business division and grouped the list of offers that are part of this division in proportion of their total contract value as reported on 2017. Then, Worldline applies the sustainability percentage obtained to the revenue, thus obtaining the revenue linked to sustainable offers. The percentage of sustainability is 0% when the sustainability analysis could not be finalized.

The figures are not comparable to the 2015 figures because of the change in the definition of this KPI. Nevertheless, 2016 and 2017 values are comparable as they follow the same calculation methodology.

**Detailed information related to the KPIs [GRI 201-1] and [GRI 203-1]**

The information required in GRI 201-1 is mostly included in the financial statement of this document, however for the part relating to community investments Worldline reports the total social contribution reached in 2017.

The reporting of this information is aligned with the guidelines of the London Benchmark Group related to the measurement of the community investment made by companies. It is detailed in Section D.4.2 of this document.

**Detailed information related to the KPI AO11**

Worldline has reported the KPI AO11 with a modification in the calculation methodology with respect to 2016. Indeed, the data between 2016 and 2017 are no longer comparable. In 2016, active communities were those notified with a "3 stars" or more. In 2017, this criteria is no longer available and the value is based on the existence or not of the active users in the communities.

**Detailed information related to the KPI AO10**

Worldline reports only the innovation workshops retained by the scientific community and directly organized by Worldline. Furthermore, Worldline organizes other innovation workshops with Atos group that have been taken into account into Atos group reported AO10 KPI.

**Detailed information related to the Scope 3 calculation**

For the 11<sup>th</sup> category of used products, Worldline based its calculation on the CO<sub>2</sub> emissions of the lifecycle production of the payment terminal Yomani in order to estimate the CO<sub>2</sub> emissions of other payment Terminals. The Yomani model represents 65.5% of the payment Terminals sold by Worldline in 2017.

**D.6.2.2 Detailed information for the no reporting of some Grenelle II information**

The amount of the provisions and guarantees for environment-related risks, provided that this information would not be likely to cause the Company serious damage within the framework of ongoing litigation, is not significant given the activity sector.

Worldline's operations do not significantly impact the environment in terms of noise pollution or any other specific form of pollution. This information was not identified as essential/priority in the Worldline relevance test.

Water consumption and water procurement on the basis of local constraints: these have not been identified as essential/priority in Worldline's materiality test assessment. Worldline's operations do not have a significant impact on water consumption or procurement.

Land use has not been identified as essential/priority in Worldline's materiality test assessment. Worldline's operations do not have a significant impact on Biodiversity as the Group is operating within areas already zoned for economic activities (business/commercial/industry zones).

The exploitation of raw materials in Worldline's activities is not relevant and does not represent a material issue.

Human Rights: the Atos group and Worldline, given their IT services activities, do not produce goods or deliver services that represent a high violation risk of fundamental rights in this area.



### D.6.3 Report of one of the statutory auditors, appointed as independent third-party, on the consolidated social, environmental and societal information published in the management report - year ended December 31, 2017 [GRI 103-3 Indirect Economic Impacts] [GRI 103-3 Market Presence] [GRI 103-3 Procurement Practices] [GRI 103-3 Anti-Corruption] [GRI 103-3 Energy] [GRI 103-3 Emissions] [GRI 103-3 Employment] [GRI 103-3 Occupational Health and Safety] [GRI 103-3 Training and Education] [GRI 103-3 Diversity and Equal Opportunity] [GRI 103-3 Customer Privacy] [GRI 103-3 Economic Performance] [GRI 103-3 Socioeconomic compliance] [GRI 102-56] [GRI 102-55] and [GRI 103-3]

To the Shareholders,

In our capacity as Statutory Auditors of WORLDLINE SA, (the "Company"), appointed as independent third party and certified by COFRAC under number 3-1048<sup>(1)</sup>, we hereby report to you on the consolidated human resources, environmental and social information for the year ended December 31, 2017 included in the management report (hereinafter named "CSR Information"), pursuant to article L.225-102-1 of the French Commercial Code (*Code de commerce*).

#### Company's responsibility

The Board of Directors is responsible for preparing a company's management report including the CSR Information required by article R.225-105-1 of the French Commercial Code in accordance with the reporting protocols used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request from the company's head office.

#### Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics (*Code de déontologie*) of our profession and the requirements of article L. 822-11 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

#### Statutory Auditor's responsibility

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

Attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R. 225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);

- Express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information);

- Express limited assurance on the fact that the description made by the Group in chapter "Respect of the AA1000 standard" of the management report on the compliance with AA1000 APS (2008) principles of inclusivity, materiality and responsiveness in the process of developing the chapter. "Corporate Responsibility" in the management report ("the report" and the "Principles"), is fair in all material aspects (Report of assurance on the process of development of social information, environmental and other sustainable development)

It is not our responsibility to provide any conclusion on the compliance with other applicable legal expectations, in particular those concerning article L.225-102-4 of the French code of commerce (duty of care) or the French law 2016-1691 (fight against corruption).

Our work involved seven persons and was conducted between September 2017 and February 2018 during an eleven-week period. We were assisted in our work by our sustainability experts.

We performed our work in accordance with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and the professional guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement and with ISAE 3000<sup>(2)</sup> concerning our conclusion on the fairness of CSR Information.

### 1. Attestation regarding the completeness of CSR Information

#### Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programs arising from them.

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.

(1) whose scope is available at [www.cofrac.fr](http://www.cofrac.fr)

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



For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R. 225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, *i.e.*, the Company, its subsidiaries as defined by article L. 233-1 and the controlled entities as defined by article L. 233-3 of the French Commercial Code within the limitations set out in the methodological note, presented in the management report.

### Conclusion

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

## 2. Conclusion on the fairness of CSR Information

### Nature and scope of our work

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

- Assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- Verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important<sup>1</sup>:

- At parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- -at the level of a representative sample of entities selected by us<sup>2</sup> on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied and to identify potential undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents all the quantitative social and societal data disclosed and between 40% and 81% of quantitative environmental data disclosed.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the Company.

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

We believe that the sampling methods and sample sizes we have used, based on our professional judgment, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

### Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

<sup>1</sup> **Quantitative informations:** Services availability rate; Overall customer Satisfaction from Tactical surveys; Customer innovation workshops delivered in GBU's; Number of WIN members; Percentage of PhD and PhD students at R&D department; External awards success rate; Total number of substantiated complaints; Number of security incidents; Average hours of training that employees have undertaken during the year; Percentage of total employees who received a regular performance and career development review during the year; Participation rate to the Great Place to Work® survey; Great Place to Work Trust® index rate; Percentage of female in Worldline's top positions; Absenteeism rate %; Total number of collaborative working communities; Percentage of management employees trained in Code of Ethics - Virtual Classroom; Percentage of employees trained in Code of Ethics - E-learning; Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulation; Proportion of spending on local suppliers at significant locations of operation; Percentage of strategic suppliers evaluated by EcoVadis; Percentage of total expenses assessed by EcoVadis; Energy consumption within the organization (Gj); Global turnover rate; Percentage of females; Diversity perception (GPTW); Energy intensity revenue (Gj/million euros); Energy intensity employee (Gj/employee); Total CO2 emissions (t); CO2 emissions by revenue (tCO2/million euros); CO2 emissions by employee (tCO2/employee); Number of sites certified ISO14001; Number of employees at the end of the reporting period (legal staff); Total number of employees recruited.

**Qualitative information:** Stock option plan; Responsible mineral sourcing; Calculation of scope 3 emissions.

<sup>2</sup> Worldline Germany and Worldline France.





### 3. Limited assurance report on the development process of social, environmental and societal information regarding the AA1000 principles

#### **Nature and scope of procedures**

We conducted the following procedures, which correspond to the requirements of a Type 2 verification in accordance with the AA1000 AS (2008) standard, that lead to obtain a moderate assurance on the fact that the description of the Principles has no significant anomalies that call into question its fairness, in all material aspects. A higher level of assurance would have required more extensive review.

We met the people contributing to the identification of key issues, facilitation and reporting of Corporate Responsibility (Executive Committee, Head of Corporate Responsibility and Human Resources), in order to assess the implementation of the report's preparation process as defined by the Group.

We conducted tests at corporate level on the implementation of the procedure related to:

- Identification of stakeholders and their expectations;
- Identification of material Corporate Responsibility issues;
- Implementation of policies and guidelines of Corporate Responsibility.

#### **Conclusion**

Based on our work, we did not identify any material anomaly likely to call into question the fact that the description made by the Group in the chapter "Respect of the AA1000 standard" on the compliance with principles of inclusivity, materiality and responsiveness as set out in the AA1000 APS (2008) standard in the process of developing the management report has been presented fairly, in all material aspects.

Neuilly-sur-Seine, February 20th 2018  
One of the Statutory Auditors  
Deloitte & Associés

Jean-Pierre Agazzi  
Partner

Erwan Harscoët  
Director, Sustainability Services

# E

## Financials

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## Introduction

### Principal Factors Affecting the Group's Revenue and Profitability

#### Payment Services Industry Dynamics

The payment services industry is currently undergoing a period of significant change in response to changing consumer habits, new technology and regulatory developments. Trends in the payment services industry can have a significant impact on the underlying performance of the Group's business. As further described in Section B.1, "Industry and market overview" includes the following:

**Transaction Volume Growth.** The Group generates a substantial portion of its revenue from the processing of payment transactions charged primarily on either a per transaction or volume basis (based on a percentage of transaction value). These kinds of transactions are growing significantly as consumers gradually shift from cash to non-cash payments, driven by a number of factors including increased acceptance of non-cash payments by merchants in stores, growth in e-Commerce transactions and transactions using mobile devices, government initiatives to encourage non-cash payments and other factors. A.T. Kearney estimates that non-cash transactions in the European Union grew at a compound annual growth rate of 6% over the past 10 years. A.T. Kearney forecasts that the CAGR will grow to 7% between 2020 and 2015 to reach 238 billion transactions ;

**Regulatory changes.** Recent regulatory changes in Europe have significantly decreased interchange fees and are expected to increase the ability of payment institutions to access European markets other than those of the originating member state in which they have a license (Visa/MasterCard) to issue payment cards or undertake Commercial Acquiring activities. Because the Group records its revenue net of interchange fees paid to issuing banks, and does not itself act as an issuing bank, the effects of the reduction of interchange fees on the Group's revenue will be indirect rather than direct. In the medium to long term the impact of these changes on the Group's revenue will be driven by their effects on the Group's merchant and banking clients and consumer behavior. The Group believes that the reduction in interchange fees will progressively encourage more merchants to accept credit and debit cards for small payments, thus driving additional growth in the number of transactions. In addition, the Group believes that issuing banks, which will see the amount of revenue they receive from interchange decrease, will increasingly consider outsourcing their payment processing services to reduce costs. They will also seek to add new value added services to generate new fees to offset the reduction in interchange fees. The Group has experienced pricing pressure in recent periods and expects pricing pressure from banks to continue to increase due to the changes to interchange fees.

**Technology changes.** Mobility and big data technology are creating new payment methods and new business models. These developments have the potential to drive additional growth in transaction numbers. Similarly, payment service hub services are becoming more and more important in order to adapt existing systems to new payment methods and models, which may create new outsourcing opportunities from banks whose near-term transaction volume is not sufficient to support investment in redesigning their own systems;

**Emergence of new electronic payment methods.** New electronic payment methods such as Online Banking enabled Payments (OBeP) and person-to-person electronic wallets are creating new non-card based methods for electronic payments that the Group believes will generate increased transaction volumes. Because these new services offer opportunities for fee structures that differ from the traditional credit card interchange fee system, they may also lead to further pressure on prices, which may in turn further fuel volume growth. The net impact on the Group will depend on whether the effect of increased volume outweighs the effect of any associated price decreases;

**Pricing dynamics.** The payment services industry is highly competitive, and the ability to deliver reliable, high quality processing services at competitive prices for high processing volumes is an important differentiator. The Group seeks to leverage its scale and global factory approach to achieve low costs and enhance its ability to provide highly competitive pricing without sacrificing reliability or profitability;

**Emergence of new digital businesses.** The digital revolution is creating new digital businesses that are expected to drive additional payment transaction growth in the coming years. E-Ticketing and automated fare collection, new government services and Connected Living services that leverage the "internet of things" are each creating new service ecosystems with new non-cash payment needs.

## Contract Structure

Although each contract is tailored to the circumstances and the specific terms vary from client to client, the Group's contracts typically have one of two main structures:

**Build to run contracts.** The Group provides most of its services under mid- to long-term term "build to run" contracts. These arrangements typically include fixed fees paid to the Group upon completion of specified milestones during the "build" phase of the service, as well as ongoing "run" fees paid once the service has become operational. "Run" fees for operating and maintaining the system typically include a fixed component, typically with a pre-agreed capacity or assumed minimum number of transactions, and a variable component based on the number of transactions beyond a pre-agreed threshold;

**Transaction value based contracts.** The Group provides some services under contracts that are primarily based on the value of transactions processed, with minimal fees for initial set up of the service. These arrangements include the processing of credit (or debit) card transactions in the Group's Commercial Acquiring business and some of the Group's e-Ticketing contracts in Latin America. The Group recognizes revenue from transaction based contracts at the time of the transaction.

The Group's revenue and profitability recorded during any given period is affected by the mix of types of contracts and the development stage of those contracts.

From a revenue perspective, the Group generally records a significant amount of revenue from a build to run contract during the "build" phase. Once the "run" phase of a project begins, the Group typically earns lower transaction based revenue during the "ramp" phase of the project and higher transaction based revenue once the project reaches the "maturity" stage;

In terms of profitability, the most profitable stage of a contract is typically the "maturity" stage, where the Group earns increasing transaction based revenue (or they remain high) with relatively small additional cost. The "build" stage is typically less profitable because the costs of building a service are usually higher than the fixed costs of running a service once it is in place. During the "ramp" phase, a contract with "run" revenue priced on a per transaction or value basis may or may not be profitable, depending on the terms of the agreement and whether the minimum fees charged without reference to the number or value of transactions are high enough to offset the associated costs;

Given the front-end nature of build revenue and the lower associated profitability of the build and early ramp phases of a project, differences in the mix of development stages of the Group's projects from period to period may cause significant period to period fluctuations in revenue and profitability at the consolidated level, and the effect may be even more pronounced at the level of a particular global business line or business division.

## Composition of Global Business Line Revenue

The Group's consolidated revenue is generated by sales of services and products by its three global business lines.

### Revenue of the Merchant Services Global Business Line

The Group's Merchant Services global business line generates revenue from two business lines:

**Merchant Payment Services.** This business line includes :

**Commercial Acquiring.** The Group's Commercial Acquiring revenue is primarily derived from the processing of credit and debit card transactions. The fees the Group charges generally consist of either a percentage of the value of the transaction (in the case of credit card transactions) or a fixed fee per transaction (in the case of debit cards), or both (in the case of low-value debit transactions), and are recognized at the time of the transaction. The Group also generates revenue from ancillary value added services such as fraud detection, customer feedback surveys, loyalty and gift card solutions, DDC (dynamic currency conversion) services. Revenue from the Group's Commercial Acquiring business is affected primarily by average transaction values, the mix of merchant types in its client portfolio and the commercial performance of the Group's merchant clients;

**Revenue linked to online secured payment (WL Sips and Worldline Online Payment acceptance)** is generated primarily from activation fees, monthly subscription fees and per transaction processing fees that incorporate volume discounts for higher numbers of transactions. The Group also includes in this business line revenue from other acceptance-related processing services. Revenue from its Online Services business is impacted primarily by the number of omni-commerce projects in the build phase during the relevant period, the number of omni-commerce transactions processed for projects in the run phase and the number of Sips and other acceptance transactions processed;

**Payment Terminals.** The Group's payment terminals are generally offered to merchants on a purchase or rental basis, with an initial installation fee and recurring monthly maintenance fees, and are often sold as a package with its Commercial Acquiring services in countries where the Group offers such services. The Group's terminals revenue is driven primarily by the number of terminals sold or rented out and the average price or rental fee per terminal, which is in turn influenced primarily by market conditions and the mix of terminals sold.

**Merchand Digital Services.** This business line includes:

**The Group's omni-commerce solutions** are generally sold under mid- to long-term contracts that include fees for designing and implementing the service, and recurring fees generally with an assumed minimum number of transactions, and agreed per-transaction fees above the assumed minimum. Omni-commerce revenue also include revenue from the Group's [redspottedhanky.com](http://redspottedhanky.com) e-Commerce site, from which the Group earns commission revenue for the sale of train tickets and other travel-related purchases generally based on a percentage of the value of the items sold.

**Private Label Cards & Loyalty Services.** Revenue from the Group's private label card and loyalty services are driven primarily by the number of cards or loyalty accounts managed, the level of transactions per account, and average fee per managed account and per transaction. When designing a new loyalty program the Group also typically receives "build" fees for the initial implementation of the program;

### Revenue of the Financial Services Global Business Line

The Group's Financial Services global business line generates revenue from four business lines:

#### **Issuing Processing:**

The Group earns most of its Issuing Processing revenue from the processing of transactions under long term contracts under which fees are primarily based on the number of credit cards managed and the number of transactions processed. The Group's card issuing services revenue is therefore primarily a function of the number of cards managed, the average level of transaction activity and the average fee per managed card and per transaction. The Group typically offers volume discounts based on pre-determined bands of transaction volumes and cards managed. When the Group acquires a new client or helps implement new services such as electronic wallets, the Group typically earns a "build" fee for the initial set up of the service, then earns fees based on the number of business transactions processed.

Part of Issuing Processing revenue comes from payment Software Licensing fees, paid at the time the software is sold and ongoing maintenance and thereafter support fees charged annually based on a percentage of the initial license fee as well as project revenue to help banks roll out and integrate the software into their existing systems;

#### **Acquiring Processing:**

The Group's Acquiring Processing revenue is primarily driven by the number of acquiring transactions processed by the Group in countries where it is not itself the commercial acquirer and the average fee per transaction. The Group's Acquiring Processing business also includes revenue from the processing of cheques (until June 30th, 2017, after which this activity was disposed), a business line that is experiencing a steady revenue decline as consumers increasingly pay for transactions using cards and other non-cash, non-cheque payment methods and whose profitability is adversely affected to the extent of any bad debt losses for which the Group indemnifies merchants,

Part of Acquiring Processing revenue comes from payment Software Licensing fees, as described above;

**Digital Banking.** The Group's Digital Banking revenue is generated from transaction fees for processing eBrokerage transactions, which are typically charged on a per transaction fee basis. The Group also generates revenue through this business line from projects such as enhancements to Online Banking and mobile banking sites, which are typically charged on a build and run project basis;

**Account Payments.** The Group's Account Payments division's revenue is generated from transaction fees for processing OBeP transactions, SEPA credit transfer and direct debit transactions, which are typically charged on a per transaction fee basis. The Group also generates revenue through this business line from projects such as adaptation of client systems to accommodate SEPA transactions, to comply with new regulations.

### Revenue of the Mobility & e-Transactional Services Global Business Line

The Group's Mobility & e-Transactional Services global business line generates revenue from three business lines:

**E-Ticketing.** The Group's e-Ticketing and journey management services are typically sold under mid- to long-term build to run project contracts. These include initial project implementation fees as well as ongoing fees over the life of the contract based on the number or value of tickets managed. This division's revenue is largely driven by the number of contracts the Group wins, the mix between projects in the build phase and those in the run phase, the volume or value of transactions, and average pricing terms;

**Trusted digitization.** The Group's e-Government Collection business line offers a range of services, including large scale digitization services, road traffic enforcement, tax collection, healthcare information and reimbursement systems and other services to public sector entities under a range of contract types, often of significant size. Many of these services are provided on a build to run project basis where the Group earns an initial fee for the design and implementation of the project and thereafter earns ongoing fees for maintaining and running the program based on the system's capacity. The Group also earns some fees based on the number of transactions or records processed and additional system capacity. After a service has begun operations, the Group may also earn new project revenue to further expand its capabilities;

**E-Consumer & Mobility.** The Group's e-Consumer & Mobility business line offers a large range of services. Consumer cloud services are typically priced based on the number of end users and the average usage per user. Revenue from these services may also include some project revenue in connection with implementing new services. Contact services are typically based on the number and duration of connections. Connected Living projects typically include build revenue and then an ongoing fee based on the number of connected devices managed.

## Contract Renewal Cycles

The Group's revenue and profitability can be significantly affected by contract renewal cycles. The Group's contracts generally range from three to five years in length, with some private sector contracts in Latin America having a length of up to ten years. When an agreement reaches the end of its term, a client may seek to renew it or renegotiate the terms of the agreement or may decide not to renew the agreement. The terms of a contract renewal, or failure to renew a contract, can have, depending on the relative size of the agreement in question, a significant impact on the revenue and profitability of the Group or a global business line in any given period. Although the Group's business is spread across a large number of agreements and no single client represented more than c.5% of the Group's revenue in 2017, the relative weighting of a particular contract can be higher within a business division or global business line.

## General Economic Conditions

The Group generates the majority of its revenue from the processing of payment transactions on either a per transaction or percentage of transaction value basis. During economic downturns, consumers typically reduce spending, and card issuers often reduce credit limits and tighten their card issuance rates, which can have a negative effect on the overall value of transactions generated by consumers and number of cards managed. Although this effect exists, it has been far outweighed in recent years by the secular shift from cash to non-cash payments. Also, while consumers reduce spending during downturns, many consumers may make smaller but more frequent transactions. Because a majority of the Group's revenue is generated on the basis of the number of transactions that take place, this helps reduce the effect of overall spending declines. In addition, a significant portion of the Group's Merchant Services business is earned from retailers that are in non-discretionary spending categories such as groceries or fuel, the sales of which are less volatile, which further insulates the Group from the full effect of economic downturns.

## Services Mix

The Group's revenue and profitability are also affected by the mix and stage of maturity of the services it sells. As noted in Section "Contract Structure," while the highest revenue under a build to run contract is typically earned during the "build" phase, the most profitable stage of such contracts is typically the "maturity" phase of the "run" period. Each of the Group's three global business lines has a mix of some services that have reached scale and others that are still in the build or ramp up phase. From a global business line profitability perspective, the Group's Financial Services global business line and Merchant Services global business line have a higher proportion of

services that have reached full scale, allowing it to generate OMDA margins of 28.5% and 21.0% respectively for these two global business lines in 2017. Conversely, because the Group's Mobility & e-Transactional Services division tends to generate a proportionately higher portion of its revenue from projects in the build and ramp phase, it achieves higher revenue growth but lower margins (OMDA margin of 12.5% in 2017). Similarly, the Group earns higher average fees on credit card transactions than it does on debit, OBeP and certain electronic wallet transactions. To the extent that these categories of non-cash payments experience significant growth in future periods, the Group's profitability would be affected by the extent to which the new volumes generated by these payment methods outweigh the lower per transaction fees and the Group's success in building scalable platforms to process these volumes profitably.

## Geographic Footprint

Although the Group provides services across the extended payment services ecosystem, it currently does not generate revenue from its full range of services across each of its principal jurisdictions. As part of its strategy, the Group intends to gradually expand the geographic footprint of its services throughout the markets where it operates, leveraging its new global business lines structure and its increasingly integrated and standardized IT platforms.

Although most of the Group's revenue is currently generated in its core historical markets in Europe (approximately 90% in 2017), the Group is earning an increasing proportion of its revenue from emerging market countries in Latin America and Asia. The percentage of the Group's revenue generated in emerging markets in Latin America and Asia was 9.8% in 2017, and this percentage is expected to grow over time as the Group pursues further international growth. While penetration rates in the Group's core markets in Europe still show room for growth, growth rates in adoption of card-based and other non-cash payments are significantly higher in emerging markets, notably in India, where the Government has put in place a strong policy to promote non-cash payments, notably through the demonetization of 500 and 1000 rupee bills decided on November 8, 2016.

## Seasonality and Period to Period Variability

Although the Group's operations typically do not show strong seasonal variations, the fourth quarter of the year, which is favorably affected by higher shopping volumes during the end of year holidays, is the Group's highest revenue quarter, and the first quarter of the year, when new projects are often in their early phases, usually shows the lowest revenue. The effect of the end of year holiday season is offset to some extent by a slowdown in some of the Group's e-Government contracts that have lower volumes during holiday periods.



While the Group's results do not typically show strong seasonal variations, the Group may experience significant period-to-period fluctuations at the consolidated level or in a particular global business line or business division. In particular, given the front-end nature of build revenue and the lower associated profitability of the build and early ramp phases of a project, a greater or lesser proportion of build revenue from one period to the next can have a significant impact on revenue and profitability. A range of other factors could cause or contribute to period to period fluctuations, including non-renewals of contracts or the end of life of a terminal product.

## Changes in Scope [GRI 102-45] and [GRI 102-49]

The Group's scope of consolidation has evolved significantly in 2016 and 2017 as detailed in Section A.6.1 "Formation on the group". The Group's scope of consolidation will continue to evolve given its external growth strategy.

## TEAM and TEAM<sup>2</sup> projects

In early 2014, the Group had launched "TEAM", a four-year efficiency, industrialization, and standardization program whose underlying objective was to extract the full value and potential of the Group by improving the efficiency and integration of all of its component activities, globally. Through the TEAM program, the Group aims at improving its operating model, reducing costs and leveraging its resources and strengths across the Group's business to benefit from the strong growth in the markets and industries in which the Group operates, improve resource allocation and standardization across its network, and take full advantage of the Group's size and global reach. Through TEAM, the Group leveraged "continuous improvement" initiatives already begun as part of Atos' similar TOP Program, such as lean management and improved purchasing efficiency, while implementing new "efficiency through transformation" initiatives aimed at increasing the Group's production volumes, enhancing the globalization of its business, and integrating and standardizing the Group's IT infrastructure.

The TEAM program, which had an objective to generate € 150 million of cost saving by the end of 2017, was realized as soon as in 2016, by capturing the productivity gains and by finding additional levers, which allowed compensating the price decreases requested by clients.

Given the good results of this program and the strong internal mobilization that it has created to deeply transform the Company, a new TEAM<sup>2</sup> program has been launched early 2017. This new program covers the next 3 years with an ambition similar to that of the first TEAM program, but incorporating news workstreams. TEAM<sup>2</sup> pursue the initiatives that have proven successful over the long term and where there is still potential improvement opportunities, while introducing new workstreams centered around transformation and innovation of our core business.

The initiatives Lean, Purchasing, Real Estate, Contract profitability and Workforce management have been taken into consideration in the TEAM<sup>2</sup> program for the next three years, with the objective to continue progressing in terms of performance and operational efficiency:

**Contract profitability.** Further enhance the profitability of existing projects and contracts through improved monitoring of contract performance and by mobilizing expert task forces to implement remediation processes when necessary;

**Purchasing.** Continue to expand the involvement of the Group's procurement teams to leverage the Group's best practices and scale, by systematically involving procurement teams throughout a project's lifecycle, including them early on and in the decision-making process, expanding team sizes in response to greater demand levels, and creating specific purchasing milestones in bid and budget processes;

**Workforce management.** Reinforce the optimization of our production capacity management, by ensuring the right resources are allocated to the various projects whatever their localization. This includes the development of offshore services for our various countries in addition to onshore resources that are closer to the client;

**Lean.** Continue with and follow up on the implementation of the "lean" program initiated by Atos, which applies a standard methodology designed to strengthen operations across the Group, develop customer loyalty and leverage the skills and creativity of staff to increase operational efficiency, improve quality of service, promote well-being at work and attract and retain top talent;

**Real estate.** Optimize the Group's real estate in order to ensure adequate office space for our employees at the best market price.

Five new initiatives have been added to the program:

**Make or buy infrastructure:** Optimize the Group's IT infrastructure by rationalizing the solution offerings, industrializing the tools and production processes, pursuing the Cloud transformation and rationalizing the hosting and localization of the datacentres;

**Robotics & automation:** Introducing in our production processes automatization and robotization of IT tasks in order to create productivity gains and increase the quality of service. This will be enabled by the quicker delivery of some IT tasks by robots in operation 24x7 and therefore by limiting to the maximum extent human errors;

**1<sup>st</sup> time right development:** Promote new ways of working by promoting Agile/DevOps development methods and by adapting the associated processes, organization and tools. This will go along the automation of testing work and the unification of development tools, in order to unify the developers' practices and have them evolve towards market best practices;

**Zero incident objective:** Automate, reinforce and improve the incident management through tooling, process and organization optimization around three axis: incident forecasting, incident detection and problem solving. The purpose is to increase the visibility of the root cause and the frequency of the incident in order to perform deeper bug fixing in application, in procedures or in terms of organization;



**From App to Product portfolio:** Structure our product portfolio through better management, pricing calculation and identification of new solutions to be included in the portfolio. Roll out portfolio management across all Worldline activities to push further their usability, to avoid duplication of solutions and accelerate the sales process towards customers.

In addition to the cost cutting initiatives, TEAM also includes a sales effectiveness initiative designed to enhance sales by increasing the amount of time spent by sales teams on pure marketing and client-facing activities, establishing commercial action plans to ensure clear sales priorities, address clients' needs, and pursue cross-selling opportunities to bring a fuller range of Worldline products to its existing clients, and incentivizing Worldline's sales force by further optimizing variable compensation schemes.

### Atos Services

Atos provides the Group with a number of support and IT services on an arm's length basis. The amount paid to Atos for these services was € 108.4 million and 104.8 million in 2017 and 2016 respectively. For a description of the agreements related to

these services, see Section E.8, "Related party Transaction" and Note 27 to the Consolidated Financial Statements.

The principal categories of expenses billed to the Group by Atos include:

**Rental costs.** The Group pays Atos for its share of the rental cost of shared facilities. This charge is recorded under "Operating Expenses" under the line item "rent and lease expense";

**Subcontracting costs.** Atos rebills the Group, at a price based on Atos' actual costs plus an agreed margin, for the cost of Atos personnel that provide IT services and maintenance services to the Group. These expenses are recorded under the line item "subcontracting costs";

**General and administrative expenses.** Atos also provides the Group with support services for corporate office functions, including accounting and HR related services. These costs are recorded under the line item "Operating Expenses" under "other charges";

**Financing charges.** The Atos group provides the Group with funding on an arm's length basis. These costs are recorded under "financial expenses".

## Summary Description of Principal Income Statement Line Items

### Revenue

The Group generates revenue from its three global business lines as described below.

### Personnel Expenses

The Group's personnel expenses primarily consist of wages and salaries, social security charges, taxes, training and profit sharing expense and differences between pension contributions and net pension expenses. These charges are generally driven by the average number of employees and average compensation levels. Over the period under review, these charges have been reduced from 41.0% of revenue in 2016 to 38.4% of revenue in 2017.

### Operating Expenses

The Group's operating expenses include the following categories of expenses:

**Subcontracting costs direct.** Subcontracting costs consist of the cost for subcontracted services, roughly half of which is typically IT subcontracting, mostly on a time & materials basis. The other half comes from other outsourced services, which mainly include non-IT services such as printing, mailing and other statement preparation activity and ATM services. The level of these expenses in any given period is mainly driven by the number of projects in the project phase, some aspects of which the Group may decide to outsource rather than handle in-house, and customer volumes, which drive costs that are dependent on volume, such as printing, mailing and statement activity.

**Purchases of hardware and software.** These expenses primarily consist of the cost of components used to manufacture the Group's terminals, hardware security modules and other devices, and to a lesser extent hardware sold as part of integration projects. The primary driver of these costs is the number and mix of terminals sold and the average cost of components per terminal;

**Maintenance.** Maintenance costs relate primarily to expenses for the maintenance of the Group's software, equipment and facilities;

**Rent and lease expenses.** Rent and lease expenses consist of facility rental costs, software rental fees and certain card scheme royalties. Rental costs for facilities are generally a function of the size of the relevant facility and average rental rates, which are generally driven by the location and nature of the facility;

**Telecommunications costs.** The group makes significant use of postal services and communications bandwidth. These costs are generally a function of the amount of usage and average rates;

**Travel expenses and company cars.** These expenses consist of travel costs and the cost of company cars, which have remained fairly constant as a percentage of sales in 2017;

**Professional fees.** These fees include fees paid to professionals such as consultants, accountants and lawyer;

**Taxes and similar expenses (other than income tax).** These charges include various taxes other than income taxes such as non-recoverable VAT, and have slightly decreased as a percentage of sales over the period under review;

**Scheme fees.** Include the fees paid to Visa, MasterCard and Bancontact (Belgium debit card scheme) as part of the Group's Commercial Acquiring activities;

**Other expenses.** This line item includes a number of items, including the allocation of Atos global management & global support function cost to the Group, energy costs for the Group's data centers and the cost of indemnities for unpaid cheques paid to cheque service customers (activity disposed on July 1, 2017);

**Other operating expenses.** Other operating expenses include depreciation charges as well as other charges such as gains or losses on disposals of assets, write offs of trade receivables and net change to provisions. Depreciation charges are driven primarily by the size and the evolution of the Group's asset base;

**Capitalized production costs.** Operating expenses are reported net of capitalized production costs. Costs of specific application development for clients or technology solutions made available to a group of clients with a useful life of the underlying asset greater than one year are capitalized. Their aggregate amount is offset in the profit and loss statement through this line item.

## Operating Margin

The Group's operating margin is calculated by subtracting personnel costs and operating costs from revenue. The primary drivers of the Group's operating margin are the level of its revenue and the average level of its personnel costs and operating costs as a percentage of revenue.

## OMDA

The Group also presents OMDA, a non-IFRS measure that it believes provides useful additional information to investors. See Section E.7, "Non-IFRS Financial Measures" for a reconciliation of OMDA to operating margin and further information on its calculation.

## Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual and infrequent, and include staff reorganization costs, rationalization and associated costs, integration and acquisition costs, amortization of customer relationships and other costs. These costs include transition and reorganizational costs related to the Reorganization Transactions. The line item "other costs" under "other operating costs and expenses" primarily includes gain or loss on the sale of assets.

## Net financial expense

Net financial expense consists of the cost of net financial debt, gains (losses) on exchange rates and related instruments and other financial income (expense). The main driver of net financial expense is the amount of outstanding net debt and the average rates paid.

## Income taxes

The Group's income taxes are a function of pre-tax income and the effective tax rate. The effective tax rate depends on a number of factors including the relative mix of the Group's pre-tax income, the tax rates applicable in the jurisdictions where income is earned as well as factors such as the availability and usability of deferred tax assets.

## E.1 Operational review

### E.1.1 Significant events of the year

#### Acquisition of First Data Baltics

On September 27, 2017, Worldline announced the completion of the acquisition of 100% of the share capital of First Data's fully owned subsidiaries in Lithuania, Latvia, Estonia (together "First Data Baltics" or "FDB") for c. € 72 million, financed by available cash.

Having generated revenue of c. € 23 million in 2016, presenting a strong financial profile with EBITDA margin materially above Worldline's EBITDA, FDB currently employs c.200 employees and is the leading financial processor in the Baltics, providing to the main Baltic banking groups and also to some banks in the wider Nordic region, a large range of outsourcing services.

Through this acquisition, Worldline gains a unique leading position in the fast-growing Baltic countries, significant development perspectives in the Baltics (n°1 in Latvia & Lithuania, n°2 in Estonia) thanks to structural electronic payments growth. Numerous synergy levers with Worldline portfolio have been identified allowing the acceleration of both revenue and profitability.

FDB has been consolidated in the Financial Services division of Worldline since October 1, 2017.

#### Acquisition of Digital River World Payments (DRWP)

On October 18, 2017, Worldline successfully completed the merger and integration of Digital River World Payments (DRWP), a leading online global payment service provider, from Digital River, Inc., a leading global provider of Commerce-as-a-Service solutions.

Founded in 1997 and headquartered in Stockholm, Sweden, DRWP is a subsidiary of Digital River and employs approximately 120 employees worldwide. With global payment gateway, multi-acquiring and collecting services under one roof and having generated yearly gross revenue of c. € 37 million in 2016, DRWP delivers comprehensive online payment acceptance and optimization solutions for leading enterprise brands, spanning a variety of industries, including travel, retail, direct selling and digital goods. DRWP's global platform and large geographical footprint support international payment schemes and currencies across 175 countries, a wide range of local payment brands and methods, and more than 40 acquiring bank connections. With its global reach, positioning as a PSP and collector, DRWP represents a perfect fit with Worldline's existing and proven internet payment gateway, WL Sips.

Through the acquisition of DRWP, Worldline increases its internet payment capabilities, notably with online payment collecting services, and gain access to a client base composed of Tier 1 e-Merchants. The Group also expands its global reach to new geographies (USA, Brazil, Sweden). With this acquisition, Worldline is today in a unique position to deliver the next generation of payment services for the digital commerce market.

DRWP has been consolidated in the Merchant Services division of Worldline since November 1, 2017.

#### Acquisition of MRL Posnet

On October 27, 2017, Worldline announced the completion of the agreement to acquire 100 percent of the share capital of MRL Posnet, for a consideration up to c. 6.5 billion Indian rupees (approximately € 84 million), representing a transaction multiple based on the 2017 estimated OMDA a bit below Worldline's current trading OMDA multiple. The transaction is financed by the available cash of Worldline.

Founded in 2008 and headquartered in Chennai, India, MRL PosNet employs approximately 140 highly skilled engineers in Payment in India. Operating an innovative and state-of-the-art terminal management platform, enabling very cost efficient deployment and management of new Terminals, MRL PosNet currently processes payment transactions on behalf of 18 Indian banks, through the management of c.100,000 payment Terminals.

Presenting a very strong growth track record since incorporation and an OMDA rate above Worldline's OMDA rate, the transaction is expected to be immediately margin accretive, before synergies.

MRL Posnet has been consolidated in the Merchant Services division of Worldline since November 1, 2017.

#### Disposal of the Cheque Service

As part of the regular review of its portfolio, the Group has decided to sell its Cheque Services Business in France through a management buy-out, as there were low synergies with the other activities of Worldline and as this business was dilutive to the Group's growth and profitability. This activity generated revenue of less than € 20 million and was dilutive to the Group's OMDA margin in 2016.

This transaction, which is supported by Cheque Service employees, will allow Cheque Service to pursue its commercial expansion in France.

This business, which as reported within the Financial Services division, has been excluded from the consolidation scope since July 1, 2017.



## Worldline, jointly with Total, partners with the African payment Fintech InTouch

On July 13, 2017, Worldline and Total signed a binding technological, commercial, and financing agreement with African fintech InTouch. Worldline and Total will support the deployment acceleration of the "Guichet Unique" platform in eight African countries (Senegal, Ivory Coast, Cameroon, Burkina Faso, Guinea (Conakry), Mali, Morocco and Kenya). This solution allows merchants to aggregate payment means (e.g. mobile money, payments through private label cards, cash) and to sell third party services (subscriptions to media content, bill settlements, money transfer, cards top-up, etc.) through a unique interface. As part of the agreement, Worldline will take along with Total a minority stake in InTouch and will provide, as a first step of a broader technological agreement, a secure and industrial hosting infrastructure to enable the fast deployment of *Guichet Unique*.

## Reinforcement of Worldline's Account Payments division through the acquisition of Diamis

On December 21, 2017, Worldline has purchased from Atos *Intégration*, a wholly owned subsidiary of its parent Atos SE, 100 percent of the share capital of Diamis, for an enterprise value of c.€ 11 million, value determined by an independent expert.

It is reminded that Atos Integration owned 60% of the share capital of Diamis and recently acquired the 40% remaining stake in the company from a minority shareholder on October 20, 2017.

Founded in 1990 and headquartered in Bezons, France, Diamis is notably the editor of the Cristal software that is used by many leading European banks in order to manage SEPA and domestic mass payments, through the module "Mass Payment Highway" as well as the intra-day liquidity for interbank payments and securities trading (modules "Proactive Liquidity Manager" and "Target2-Securities"). Cristal is currently being used to exchange 15% of the high-value payments in Europe, which represents more than € 500 billion processed daily.

This transaction was initiated by Worldline in order to reinforce the commercial portfolio of its Financial Services Global Business Line, which is currently the European leader in *Account Payments* (ACH - Automated Clearing Houses, direct debits and credit transfers solutions for corporates, instant payments, etc.) through a strongly complementary software offer, notably for the contemplated deployment of instant payment solutions in Europe and for the T2/T2S consolidation project of the European Central Bank.

Diamis is consolidated in the financial statements of Worldline from December 31, 2017, in the "Financial Services" Global Business Line. Diamis generated a revenue of c. € 8 million in 2017 and its OMDA rate is expected to be in line with Worldline's profitability.

## E.1.2 Executive Summary

At constant scope and exchange rates, Worldline revenue stood at **€ 1,593.9 million** representing an organic growth of **+4.0%** (€+61.0 million) compared with 2016. Revenue growth in H2 2017 (+6.3%) accelerated sequentially as planned compared with the growth rate reported in H1 2017 (which was +1.7%), as the negative comparative effect arising from the termination of the RADAR contract in June 2016 ended in June 2017.

- **Merchant Services**, which represented 34% of Worldline's revenue, grew by **+5.4%** organically and reached **€ 535.5 million**, mainly led by the growth in *Merchant Payment Services*.
- Accounting for 44% of total revenue, **Financial Services** revenue reached € 708.3 million, improving organically by **+6.4%** compared to 2016. All four business divisions of the Global Business Line contributed to that growth.
- Representing 22% of total revenue, **Mobility & e-Transactional Services** revenue reached **€ 350.0 million**, decreasing by **-2.6%** as the *Trusted Digitization* Business Line was impacted as planned during the first semester, by the termination of the RADAR aforementioned. Excluding that effect, the growth of MeTS would have exceeded +7% in 2017.

**Sales through Atos** decreased organically by €-2.9 million (-6.3%) and reached € 43.9 million in 2017.

**By geography**, revenue growth was mostly driven by Emerging Markets (€+45.0 million or +40.1%) reflecting in particular the strong growth of the Group's Indian operations, by the Netherlands (€+21.7 million or +12.6%) thanks to projects in *Issuing Processing* and *Accounts Payments* and by North & South Europe (€+15.2 million or +12.4%) with the ramp up of the contract with the OP bank and good commercial activity in Private Label Cards in Spain. Growth in Germany & Central and Eastern Europe was moderate (€+3.4 million or +1.5%), sales in Belgium were stable and revenue decreased by €-7.2 million or -6.2% in the United Kingdom due to temporary less sales of *e-Ticketing* services. Last, France (€-17.0 million or -4.1%) was impacted by the termination of the Radar contract in H1 (-10.9%) but renew with growth during the second half of the year (+3.6%).

As a percentage of revenue, Worldline's Operating Margin before Depreciation and Amortization ("OMDA") increased by **+240 basis points** ("bp") or €+50.1 million organically and reached **€ 335.4 million (21.0% of revenue)**.

- This strong improvement was driven by the **Financial Services** division (**+680 basis points**), thanks to good transaction volume growth and to the fast delivery of equensWorldline synergies;
- In **Merchant Services**, despite the very good business dynamism in India and the overall transaction volume growth, the OMDA decreased by **-140 basis points** compared with 2016 as it adapted its pricing structure in 2016 to retrocede the interchange fee reduction, as well as commercial efforts to develop business in the faster growing geographies;
- Last, **Mobility & e-Transactional Services** OMDA decreased by **-130 basis points**, as it was temporarily impacted by the end of a mature contract (RADAR), which was partly substituted by new business consisting of project activities and ramping-up volumes with a lower profitability at start.

The **backlog** at the end of December 2017 remained high and amounted to **€ 2.6 billion**.

The **total headcount** was **9,467** at the end of December 2017, compared to **8,725** at the end of 2016. The increase of +8.5% (or +742 staff) of the Group total workforce was mainly related to:

- The acquisitions of Digital River World Payments, First Data Baltics and MRL Posnet which brought 438 employees, while 38 employees left the company upon the disposal of the cheque service business; and
- The net increase in direct workforce of 363 staff. This increase in staff was linked to strong business development, in particular in India and in France.

### E.1.3 Statutory to constant scope and foreign exchange rates reconciliation [GRI102-45][GRI102-49]

For the analysis of the Group's performance, revenue and OMDA for 2017 is compared with 2016 revenue and OMDA at constant scope and foreign exchange rates.

Reconciliation between the 2016 reported revenue and OMDA and 2016 revenue and OMDA at constant scope and foreign exchange rates, per Global Business Line is presented below:

In € million	Revenue				FY 2016*
	FY 2016 Statutory	Internal Transfers	Scope effect	Exchange rates effect	
Merchant Services	439.6	+19.2	+51.4	-2.2	508.0
Financial Services	500.0	-19.2	+186.0	-1.3	665.5
Mobility & e-Transactional Services	369.6		+0.0	-10.2	359.3
<b>Worldline</b>	<b>1,309.1</b>	<b>0.0</b>	<b>+237.5</b>	<b>-13.8</b>	<b>1,532.9</b>

\* At constant scope and December 2017 YTD average exchange rates

In € million	Revenue				FY 2016*
	FY 2016 Statutory	Internal Transfers	Scope effect	Exchange rates effect	
France	428.5		-8.7	0.0	419.7
Belgium	358.5		+0.1	0.0	358.5
Germany / CEE	159.0		+72.9	+0.6	232.6
Netherlands	67.1		+105.2	0.0	172.3
Emerging markets	115.7		+1.8	-5.5	112.0
Rest of Europe	56.5		+66.2	-0.1	122.6
United Kingdom	124.0		0.0	-8.9	115.1
<b>Worldline</b>	<b>1,309.1</b>	<b>0.0</b>	<b>+237.5</b>	<b>-13.8</b>	<b>1,532.9</b>

\* At constant scope and December 2017 YTD average exchange rates



In € million	OMDA				FY 2016*
	FY 2016 Statutory	Internal Transfers	Scope effect	Exchange rates effect	
Merchant Services	99.3	+7.1	+7.3	-0.3	113.5
Financial Services	130.6	-7.1	+21.9	-0.5	144.9
Mobility & e-Transactional Services	51.5		-0.0	-2.0	49.5
Corporate	-22.6				-22.6
<b>Worldline</b>	<b>258.7</b>	<b>0.0</b>	<b>+29.2</b>	<b>-2.7</b>	<b>285.3</b>

\* At constant scope and December 2017 YTD average exchange rates

Internal transfers correspond to the reclassification in Merchant Services of the revenue from Worldline India previously classified in Financial Services, as this revenue relates primarily to business done directly or indirectly (through banks) with merchants.

Scope effects refer mainly to:

- The acquisitions of Equens, Paysquare and KB Smartpay on September 30, 2016. Hence, Equens, Paysquare and KB Smartpay revenue and OMDA for the first three quarters of 2016 are included in the 2016 revenue and OMDA at constant scope and exchange rates, for a like-for-like comparison with FY 2017;
- The consolidation of and First Data Baltics on October 1, 2017. Hence, First Data Baltics revenue and OMDA for the fourth quarter of 2016 are included in the 2016 revenue and OMDA at constant scope and exchange rates, for a like-for-like comparison with FY 2017;
- The consolidation of Digital River World Payments and MRL Posnet on November 1, 2017. Hence, Digital River World Payments and MRL Posnet revenue and OMDA for November and December 2016 are included in the 2016 revenue and OMDA at constant scope and exchange rates, for a like-for-like comparison with FY 2017;
- The disposal of the cheque service business on July 1, 2017. Hence revenue and OMDA related to Cheque Service in H2 2016 have been excluded from the 2016 revenue and OMDA at constant scope and exchange rates, for a like-for-like comparison with FY 2017;
- The disposal of PaySquare Belgium, on March 31, 2017. The 2016 revenue and OMDA at constant scope and exchange rates has been similarly adjusted for a like-for-like comparison with FY 2017.

Exchange rate effects reflect mostly the depreciation of the British Pound and the Argentinian Peso versus the Euro.

The 2016 figures presented in this Operational review are based on the constant scope and foreign exchange rates data.

## E.1.4 Revenue profile evolution

Worldline's 2017 revenue profile reflects the new scope of the Group, following:

- The closing of the Equens, PaySquare and KB SmartPay transactions end of Q3 2016;
- The consolidation of Digital River World Payments, First Data Baltics and MRL Posnet in the course of Q4 2017;
- The disposal of the cheque service business and of PaySquare Belgium.

In € million	Revenue		
	FY 2017	FY 2016*	% of Total
Merchant Services	535.5	508.0	33.6%
Financial Services	708.3	665.5	44.4%
Mobility & e-Transactional Services	350.0	359.3	22.0%
<b>Worldline</b>	<b>1,593.9</b>	<b>1,532.9</b>	<b>100.0%</b>

\* At constant scope and December 2017 YTD average exchange rates

Europe remained Worldline's main operational base, generating c.90% of total revenue.

In € million	Revenue		
	FY 2017	FY 2016*	% of Total
France	402.7	419.7	25.3%
Belgium	358.5	358.5	22.5%
Germany, Central & Eastern Europe	236.0	232.6	14.8%
Netherlands	194.1	172.3	12.2%
Emerging markets	156.9	112.0	9.8%
North & South Europe	137.8	122.6	8.6%
United Kingdom	107.9	115.1	6.8%
<b>Worldline</b>	<b>1,593.9</b>	<b>1,532.9</b>	<b>100.0%</b>

\* At constant scope and December 2017 YTD average exchange rates

## E.1.5 Performance by Global Business Line

In € million	Revenue			OMDA		OMDA %	
	FY 2017	FY 2016*	% Organic Growth	FY 2017	FY 2016*	FY 2017	FY 2016*
Merchant Services	535.5	508.0	+5.4%	112.3	113.5	21.0%	22.3%
Financial Services	708.3	665.5	+6.4%	202.1	144.9	28.5%	21.8%
Mobility & e-Transactional Services	350.0	359.3	-2.6%	43.6	49.5	12.5%	13.8%
Corporate Costs				-22.6	-22.6	-1.4%	-1.5%
<b>Worldline</b>	<b>1,593.9</b>	<b>1,532.9</b>	<b>+4.0%</b>	<b>335.4</b>	<b>285.3</b>	<b>21.0%</b>	<b>18.6%</b>

\* At constant scope and December 2017 YTD average exchange rates

### E.1.5.1 Merchant Services

In € million	Merchant Services		
	FY 2017	FY 2016*	% Growth
Revenue	535.5	508.0	+5.4%
OMDA	112.3	113.5	
% OMDA	21.0%	22.3%	-1.4 pt

\* At constant scope and December 2017 YTD average exchange rates

#### Revenue

**Merchant Services**, which represented 34% of Worldline's revenue, grew by **+5.4%** organically and reached **€ 535.5 million**.

- The growth mainly came from *Merchant Payment Services*, which benefitted from a strong momentum in India with the demonetization impact leading to higher volumes of transactions and from positive business trends in

Continental Europe, in particular in Germany, Netherlands and Eastern Europe. These good operational performances more than compensated the negative price/volume mix effect that occurred as planned in the course of the first semester in Belgium in *Commercial Acquiring*;

- Merchant Digital Services* grew slightly, thanks to Private Label Cards & Loyalty services in Spain as well as to higher project revenues with transportation companies in the United Kingdom.

**OMDA**

**Merchant Services' OMDA** reached **€ 112.3 million** at the end of December or 21.0% of revenue, decreasing organically by €-1.1 million (-140 basis points compared with 2016). Despite the very good dynamism of *Merchant Payment Services* in India and the overall transaction volume growth, the Global Business

Line was indeed impacted by the adaptation during 2016 of its pricing structure to retrocede the interchange fee reduction, as well as commercial efforts to develop business in the faster growing geographies.

**E.1.5.2 Financial Services**

In € million	Financial Services		
	FY 2017	FY 2016*	% Growth
Revenue	708.3	665.5	+6.4%
OMDA	202.1	144.9	
% OMDA	28.5%	21.8%	+6.8 pt

\* At constant scope and December 2017 YTD average exchange rates

**Revenue**

Representing 44% of Worldline's total revenue, **Financial Services** revenue reached **€ 708.3 million**, improving organically by €+42.8 million or **+6.4%** compared to 2016. All four business divisions contributed to that growth:

- Revenue in *Issuing Processing* grew thanks to good transaction volume growth (+11%), successful sale of added value services such as strong authentication services (c. x2), high level of software licenses sales and projects in Asia, and overall significant project work;
- *Acquiring Processing* was also particularly dynamic during the period thanks to more volume and projects mainly in South of Europe and in France;
- *Digital banking* grew mainly thanks to continued development and good fertilization on projects in France and in the United Kingdom;

- The Business Line *Accounts Payments* grew thanks to increased transaction of non-card payments (+7%), notably on SEPA payment in the Netherlands and in Germany, and for iDEAL in the Netherlands (+32%). Promising new projects were also conducted on new payment functionalities such as Instant Payments.

**OMDA**

**Financial Services** reached an **OMDA** of **€ 202.1 million** (28.5% of revenue) representing an organic increase of +680 basis points or €+57.1 million, compared to the same period in 2016. This performance was mainly driven by operating leverage, particularly due to good trends in *Acquiring and Issuing Processing* businesses, and also by significant savings in the cost base (notably a reduction of external costs in equensWorldline), resulting from the faster than planned implementation of the synergy plan that started end of 2016. Profitability also improved thanks to some *Acquiring Processing* contract set-up costs incurred in 2016 that did not occur again in 2017.

**E.1.5.3 Mobility & e-Transactional Services**

In € million	Mobility & e-Transactional Services		
	FY 2017	FY 2016*	% Growth
Revenue	350.0	359.3	-2.6%
OMDA	43.6	49.5	
% OMDA	12.5%	13.8%	-1.3 pt

\* At constant scope and December 2017 YTD average exchange rates



## Revenue

Representing 22% of total revenue, **Mobility & e-Transactional Services** revenue reached **€ 350.0 million**, decreasing by **-2.6%** as the *Trusted Digitization* Business Line was impacted for the last time as planned during the first semester, by the termination of the French automated traffic offence management system (the "RADAR" contract) that occurred in June 2016. Excluding that effect, the growth of MeTS would have exceeded +7% in 2017. This performance could be achieved thanks to:

- A good activity in *Trusted Digitization* notably in France with government agencies and in Latin America (healthcare services and tax collection activities);
- A double digit growth in *e-Consumer & Mobility* thanks to the ramp up of projects in France and in Germany;

- The double digit growth of *e-Ticketing* business in Latin America and in Germany, which nearly compensated for the temporarily decline of *e-Ticketing* services in the United Kingdom, which was affected by lower projects delivered to rail transport companies.

## OMDA

**Mobility & e-Transactional Services OMDA** reached **€ 43.6 million** or 12.5% of revenue, decreasing by €-5.9 million or -130 basis points. Despite margin improvement in the United Kingdom (end of loss making projects in 2016), in Germany (higher revenue combined to costs reduction) and in Latin America (higher *e-Ticketing* volumes and price renegotiation), the OMDA of the Global Business Line was impacted by the end of a mature contract (RADAR), which was partly substituted by new business consisting of project activities and ramping-up volumes with a temporarily lower profitability.

## E.1.6 Performance by geography

The primary operating segments of the Group are the *Global Business Lines* ("GBLs"). The secondary axis is by geography, for which revenue is presented below.

The revenue presented in one geography can refer to sales or services rendered in different countries or regions (for example, most of the sales of payment Terminals worldwide are reported under Belgium revenue).

In € million	Revenue			
	FY 2017	FY 2016*	Var	% Var.
France	402.7	419.7	-17.0	-4.1%
Belgium	358.5	358.5	0.0	0.0%
Germany / Centrale & Eastern Europe	236.0	232.6	3.4	1.5%
Netherlands	194.1	172.3	21.7	12.6%
Emerging Markets	156.9	112.0	45.0	40.1%
North & South Europe	137.8	122.6	15.2	12.4%
United-Kingdom	107.9	115.1	-7.2	-6.2%
<b>Worldline</b>	<b>1,593.9</b>	<b>1,532.9</b>	<b>61.0</b>	<b>4.0%</b>

\* At constant scope and December 2017 YTD average exchange rates

**France** posted revenue of **€ 402.7 million**, decreasing **organically by -4.1%**. Revenue decreased by -10.9% during the first half of the year (mainly due to Mobility & e-Transactional Services, which was indeed impacted by the end, in June 2016, of the RADAR contract) but increased sequentially during H2 2017, where the growth reached +3.6%.

**Belgium** had revenue of **€ 358.5 million** in 2017, stable organically with 2016. Growth in Financial Services, driven by steady increase in transaction volumes and in fraud management services was offset by the decrease in sales of

Merchant Services, which was impacted by the negative price/volume mix effect that was anticipated in Commercial Acquiring.

In **Germany and CEE**, revenue amounted to **€ 236.0 million** in 2017, representing an organic growth of **+1.5%**. The good growth of *Merchant Payment Services* and Mobility & e-Transactional Services was partly offset by lower revenue in *Issuing Processing*, as a consequence of inactive accounts cleaning activities performed by some clients and in Accounts Payments.



**Netherlands** recorded revenue of **€ 194.1 million**, growing by **+12.6%** organically. Financial Services was supported by good business trends, including significant project activity, in *Issuing Processing* and *Account Payments*, and Merchant Services benefitted from the double digit revenue growth of PaySquare in the Netherlands.

Revenue in **Emerging markets** was **€ 156.9 million**, up **+40.1%** organically, as revenue in India grew significantly thanks to the increase in number of transactions processed in Merchant Services, and to a double digit growth in Latin

America (eTicketing and *Trusted Digitization* contracts) and in Asia-Pacific.

The **North and South Europe** region (Baltic countries, Finland, Spain and Italy) recorded sales of **€ 137.8 million**, **+12.4%** organically, thanks to strong activity in Financial Services in Southern Europe and in Private Label cards in Spain.

Finally, revenue in the **United Kingdom** reached **€ 107.9 million**, decreasing by **-6.2%** organically as higher sales of Private Label cards and Loyalty services could not fully compensate less revenue with transport companies in *e-Ticketing*.

## E.1.7 Commercial activity

### E.1.7.1 Main signatures of the year

#### Merchant Services

The commercial activity in Merchant Services was dynamic in 2017. In Commercial Acquiring, the Group maintained its market leadership position in Benelux and grew rapidly in Central and Eastern Europe following the acquisition of Paysquare and KB Smartpay in 2016.

Also, Worldline India played a crucial role in digitalization drive by deploying a total of c.500,000 net installations of terminals and QR code acceptance. As of December 2017, Worldline was managing about 850,000 POS terminals in addition to 160,000 alternative touch points (QR code) which, beyond their short term contribution to the turn-over of the division are set to generate additional recurring revenues in the future.

Other key commercial success for the year included:

- In acceptance services, the existing contract with Trinity Purchasing, a leading company specialized in hospitality purchasing services, was extended to the Nordics: through this new agreement, Worldline will have the opportunity to provide end-to-end payment acceptance services (commercial acquiring, payment terminals, DCC, connected hotel solutions) to 1,200 hotels throughout Europe;
- In online payment acceptance, Worldline implemented a P2P payment acceptance solution for a leading global customer. Worldline also extended its market position in e-acquiring, where its innovative e-Bancontact mobile payments solution has been selected by a major international player in Belgium;
- Also, the Global Business Line renewed an important long term Private Label Cards contract with Whitbread Plc in the UK and a large contract was concluded with Arriva Rail London for the provision of ticketing digital kiosks;
- Last, fast commercial development is recorded for the newly launched VALINA unattended payment terminal.

#### Financial Services

Key commercial successes of Financial Services in 2017 included the renewal or extension of key contracts in the Group's home markets across Europe. In this respect:

- The partnership agreement with Santander Consumer Bank was extended, for payment services in Poland, which includes a real-time "instalment credit" solution;
- A major *Issuing Processing* contract was renewed with a Belgium bank for a period of five years;
- Worldline significantly increased the scope of services provided to one of its German clients by signing a contract related to the outsourcing of Swift payment processing;
- Also, a major Finnish bank decided to consolidate all its *issuing processing* volumes with equensWorldline.

In Payment Software Licencing, a new payment licensing contract was concluded with RHB Bank Berhad in Malaysia and a new client was won in Indonesia for *issuing Processing* services (Lanka Orix Finance Plc).

In addition, equensWorldline was particularly involved during the year in the deployment of new payments means or form factors:

- Belfius bank started its rollout of the HCE Mobile Payment solution based on equensWorldline technology and products, enabling the use of Maestro-, Visa- and MasterCard, but also the Belgium local scheme Bancontact with the mobile phone, allowing cardholders to use their Android mobile phone for payments;
- As PSD2 came into force in January 2018, Worldline won a number of contracts for PSD2 compliant secured platform to manage requests to access bank accounts;
- Instant payment services will be provided to several Dutch bank;

- The Group Mobile P2P payment service went live at a major Dutch bank and paves the way for future growth in the field of peer-to-peer and instant payment services;
- More generally, equensWorldline is positioned as a major actor for the adoption of instant payments. In particular, following the decision by the Governing Council of the European Central Bank (ECB) to develop a new service for the settlement of instant payments (called "TIPS"), equensWorldline announced it will connect its European and national Instant Payments Clearing and Settlement services to TIPS from the first day TIPS is operational.

### Mobility & e-Transactional Services

In 2017, Worldline reaffirmed its strong market position in advanced innovations for real-time secured transaction management.

- In particular, order entry in *Trusted Digitization* has been very healthy:
  - Worldline has signed a contract with the French Ministry of Justice to design and run the future highly secured information system that will be used to manage prisoners' bracelets,
  - Also, a contract signed for the provision of a new highly secured real time and mutualized solution for the "SAMU", the French nationwide medical emergency call centre organization, which will enable a better management and real time dispatch of incoming calls during sanitary crisis as well as secured traceability and archiving of all related transactions,
  - In the frame of the digital Military Medical centre project, Worldline will deliver an end-to-end solution (information system, e-Health digital services and IT infrastructure) to support the military-health activity of the medical arm of the du service de santé des armées (SSA), and
  - The contract for the secured management of the French Personal Medical Record was renewed for a period of 3 years;
- In *e-Ticketing*:
  - Worldline developed its next-generation Digital Ticketing platform that will allow consumers to travel without the need to buy a ticket. In this regard, Worldline announced that it is one of the first companies globally to participate in Visa's new Visa Ready for Transit programme. The Worldline solution, WL Tap 2 Use, which has also received a prize in France, enables contactless cards, mobile devices and wearable technology to be used for entry and exit of transit systems and is using the acquiring and issuing capability of the Group,
  - A contract was signed with UK's largest rail franchise, Govia Thameslink Railway, to replace the operator's current desktop Ticketing Issuing Services (TIS) with the Worldline Mobile Ticketing Service, @Station, which will provide significant advantages of a Mobile point-of-sale system,

- Also, the Group will sell its rail operations suite of solutions and its on board retailing solution, enabling the new South Western Rail franchise franchise selected to be able to operate from Day 1,
- Last, the contract for mobile parking payment solution developed by Worldline for the City of Vienna (Austria) was renewed;
- Last, in *e-Consumer & Mobility*, Worldline, together with Atos, will implement several "Worldline Contact" solutions, a state of the art contact centre, for a global leader in medical technologies and for a Dutch insurer for its UK operations.

In terms of innovation:

- Worldline has entered an agreement with Apigee to combine and integrate Apigee Edge Software with its services and expertise to implement digital solutions; and
- Financed by the European Commission, a consortium of companies & entities led by Worldline will implement a Blockchain platform for media copyright information, to enable fast micropayments of media content and to increase transparency in copyright management and monetization.

### E.1.7.2 Backlog and commercial perspectives

The **backlog** at the end of December 2017 was stable at **€ 2.6 billion**.

On the commercial side, perspectives are very positive:

- Merchant Services is expected to benefit in 2018 from the deployment of the new online payment offerings (cross border acceptance, payment collecting services, etc.) as well as from the launch of new payment terminals notably the Valina unattended POS terminal. Strong commercial synergies in On-Line payments are also expected between Worldline and Digital River World Payments (now renamed WL Online Payment Acceptance);
- In Financial Services, Worldline anticipates another year of growth thanks to its strong pipeline of payment processing outsourcing opportunities and Instant Payment & API management platforms, for which there is a currently a strong market appetite in the context of the PSD2 and Instant Payment regulations implementation;
- Last, Worldline anticipates a continued deployment of its Open Payment technologies for *e-Ticketing* as well as new implementations of its Contact platform for banks and industrial companies.



## E.1.8 Integration and synergy plans

Regarding the integration and synergy plans of equensWorldline, the implementation speed of the program is faster than anticipated. While the Group fully confirms the

objective of c.€ 45 million of OMDA run rate synergies expected in 2018 (instead of an initial estimation of € 40 million).

## E.1.9 Human resources [GRI 102-4][GRI 102-7][GRI 102-8]

The **total headcount** was **9,467** at the end of December 2017, compared to **8,725 at the end of 2016**. The increase of +8.5% (or +742 staff) of the Group total workforce was mainly due to:

- The acquisitions of Digital River World Payments, First Data Baltics and MRL Posnet which brought 438 employees, while 38 employees left the company upon the disposal of the cheque service business; and
- The net increase in direct workforce of 363 staff, mainly in the emerging markets. This increase in staff was linked to

strong business development, in particular in India and in France.

The number of direct employees at the end of December 2017 was 8,682, representing 91.7% of the total Group headcount, stable since December 2016. Indirect staff was 785, increased by +32 employees compared to the end of December 2016.

Attrition rate slightly increased to -6.61% at Worldline Group level. Attrition rate for direct employees was -6.51% for 2017, and indirect staff attrition rate was -7.70%.

### HEADCOUNT MOVEMENTS FOR THE FIRST SEMESTER OF 2017 ARE DETAILED BY NATURE AND COUNTRY HERE BELOW:

Headcount	Opening Jan-17	Reclass.	Adjusted opening Jan-17	Scope effects	Hiring	Leavers	Dismissals / Restructurings	Other	Closing Dec. -17	Changes	%
France	2,769		2,769	-38	255	-125	-12	-45	2,804	35	1.3%
Belgium	1,074		1,074	0	66	-36	-5	-26	1,073	-1	-0.1%
Germany / Centrale and Eastern Europe	1,265	-39	1,226	1	140	-39	-6	-46	1,276	50	4.1%
Netherlands	707	-95	612	0	41	-55	-7	-8	583	-29	-4.7%
Emerging markets (Americas, Asia)	1,127	0	1,127	127	422	-170	-12	-8	1,486	359	31.9%
Northern and Southern Europe	676	-26	650	250	121	-28	-15	-2	976	326	50.2%
United-Kingdom	514		514	7	50	-81	-4	-2	484	-30	-5.8%
<b>Direct</b>	<b>8,132</b>	<b>-160</b>	<b>7,972</b>	<b>347</b>	<b>1,095</b>	<b>-534</b>	<b>-61</b>	<b>-137</b>	<b>8,682</b>	<b>710</b>	<b>8.9%</b>
<b>Indirect</b>	<b>593</b>	<b>160</b>	<b>753</b>	<b>53</b>	<b>118</b>	<b>-57</b>	<b>-9</b>	<b>-73</b>	<b>785</b>	<b>32</b>	<b>4.2%</b>
<b>Total (D+I)</b>	<b>8,725</b>	<b>0</b>	<b>8,725</b>	<b>400</b>	<b>1,213</b>	<b>-591</b>	<b>-70</b>	<b>-210</b>	<b>9,467</b>	<b>742</b>	<b>8.5%</b>

2017 opening has been adjusted so as to incorporate Equens, Paysquare and KB Smartpay indirect staff. Therefore the number of direct staff at 2016 closing decreased by -160 employees while the number of indirect staff increased by +160 to reach 753 employees.

## E.2 2018 Objectives

Fully in line with 2019 ambition (6 to 8% organic growth, OMDA rate above 23% <sup>(\*)</sup> and between € 230 million and € 245 million of free cash flow), the 2018 objectives are as follows:

### Revenue

The Group expects to achieve an organic growth of its revenue, at constant scope and exchange rates, of **between 5% and 7%**.

### OMDA

The Group targets an OMDA margin **between 22% and 23%**<sup>(\*)</sup>.

### Free cash flow

The Group has the ambition to generate a free cash flow of between **€ 200 million and € 210 million**, including c.€ 20 million of synergy implementation costs.

(\*) Calculated based on revenue recognized under IFRS15

## E.3 Financial review [GRI 102-7]

### E.3.1 Income statement

The Group reported a net income (attributable to owners of the parent Worldline SA) of € 105.5 million for the full year 2017 (€ 144.2 million for the full year 2016), which represented 6.6% of Group revenue for the period. The normalized net income

before unusual and infrequent items (net of tax) for the period was € 144.1 million, representing 9.0% of revenues compared to € 127.4 million in 2016.

#### E.3.1.1 Reconciliation from operating margin to net income

<i>(In € million)</i>	12 months ended December 31, 2017		12 months ended December 31, 2016	
		% Margin		% Margin
<b>Operating margin</b>	<b>253.1</b>	<b>15.9%</b>	<b>196.6</b>	<b>15.0%</b>
Other operating income/(expenses)	-67.6		13.3	
<b>Operating income</b>	<b>185.5</b>	<b>11.6%</b>	<b>210.0</b>	<b>16.0%</b>
Net financial income/(expenses)	-8.1		-5.9	
Tax charge	-44.1		-53.7	
Share of net profit/(loss) of associates	0.1			
Non-controlling interests and associates	-27.9		-6.2	
<b>Net income – Attributable to owners of the parent</b>	<b>105.5</b>	<b>6.6%</b>	<b>144.2</b>	<b>11.0%</b>
<b>Normalized net income – Attributable to owners of the parent*</b>	<b>144.1</b>	<b>9.0%</b>	<b>127.4</b>	<b>9.7%</b>

\* Defined hereafter, section E.3.1.6

### E.3.1.2 Operating margin before depreciation and amortization

Operating margin before depreciation and amortization (OMDA) represents the underlying operational performance of the current business and is analysed in the operational review.

<i>(In € million)</i>	<b>12 months ended December 31, 2017</b>	<b>12 months ended December 31, 2016</b>	<b>Variation</b>
<b>Operating margin</b>	<b>253.1</b>	<b>196.6</b>	<b>56.4</b>
+ Depreciation of fixed assets	90.5	54.6	35.9
+ Net book value of assets sold/written off	1.1	7.3	-6.2
+/- Net charge/(release) of pension provisions	-10.1	3.0	-13.1
+/- Net charge/(release) of provisions	0.8	-2.8	3.6
<b>OMDA</b>	<b>335.4</b>	<b>258.7</b>	<b>76.6</b>

### E.3.1.3 Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual and infrequent. They represent a net cost € 67.6 million in 2017. The following table presents this amount by nature:

<i>(In € million)</i>	<b>12 months ended December 31, 2017</b>	<b>12 months ended December 31, 2016</b>
Staff reorganization	-4.9	-4.5
Rationalization and associated costs	-4.3	-4.5
Integration and acquisition costs	-25.6	-9.9
Equity based compensation	-7.9	-6.8
Customer relationships and patents amortization	-14.2	-6.1
Other items	-10.8	45.0
<b>Total</b>	<b>-67.6</b>	<b>13.3</b>

**Staff reorganization** expenses of € 4.9 million increased by € 0.4 million compared to last year and correspond mainly to the restructuring costs induced following the acquisition of Equens and Paysquare, and are also related to the adaptation of the organization mainly in France and in Belgium.

The € 4.3 million of **rationalization and associated costs** resulted mainly from costs linked to the continuation of the TEAM program and to the reorganization of office premises in France and in Belgium. Those costs have decreased by € 0.2 million compared to 2016.

**Integration and acquisition costs** reached € 25.6 million (increase of €+15.7 million compared to the prior period) and correspond to the costs related to the execution of the Equens and Paysquare post-acquisition integration costs. They also included the costs linked to the acquisitions of First Data Baltics, Digital River World Payment and MRL Posnet for a total amount of €2.7 million.

The 2017 **customer relationships amortization** of € 14.2 million corresponds to:

- € 10.0 million of Equens and Paysquare customer relationships;
- € 2.6 million of Cataps (KB Smartpay) customer relationships;
- € 0.7 million related to the portion of the consideration paid allocated to the value of the customer relationships and backlog brought by Quality Equipements and Siemens IT Solutions & Services;
- € 0.4 million of MRL Posnet customer relationships and technologies amortization starting November 1, 2017
- € 0.3 million of First Data Baltics customer relationships amortization starting October 1, 2017
- € 0.2 million of Digital River World Payment customer relationships and technologies amortization starting November 1, 2017

The €-10.8 million of **other items** mainly consisted on non-recurring costs. In 2016 the other items included the gain on the Visa Share disposal for € 51.2 million.

### E.3.1.4 Net financial expense

Net financial expense amounted to € 8.1 million in 2017 compared to € 5.9 million in 2016 and was composed of a net cost of financial debt of € 1.1 million and non-operational financial costs of € 6.9 million.

The net cost of financial debt amounted to € 1.1 million in 2017 compared to € 0.6 million in 2016.

The other financial income / expenses were mainly composed of foreign exchange losses for € 4.1 million and pension financial costs for € 2.1 million. The pension financial costs represent the difference between interest costs on defined benefit obligations and the interest income on plan assets for plans which are funded (Cf. Note 21 "Pensions and similar benefits").

### E.3.1.5 Corporate tax

The tax charge at the end of December 2017 was € 44.1 million with a profit before tax of € 177.4 million. The annualized Effective Tax Rate (ETR) was 24.9% (26.3% in 2016).

### E.3.1.6 Normalized net income

The normalized net income is defined as net income excluding unusual, abnormal, and infrequent items net of tax attributable to owners of the parent. For 2017, the amount was € 144.1 million.

<i>(In € million)</i>	<b>12 months ended December 31, 2017</b>	<b>12 months ended December 31, 2016</b>
<b>Net income – Attributable to owners of the parent</b>	<b>105.5</b>	<b>144.2</b>
Other operating income and expenses	-54.7	15.8
Tax impact on unusual items	16.1	1.0
<b>Normalized net income – Attributable to owners of the parent</b>	<b>144.1</b>	<b>127.4</b>

### E.3.1.7 Earning per share

The number of shares as at January 1, 2017 was 132,346,996 shares. The weighted average number of shares amounts to 132,557,598 shares for the period. As at the end of December 2017, potential dilutive instruments comprised stock subscription (equivalent to 771,637 options).

<i>(In € million)</i>	<b>12 months ended December 31, 2017</b>	<b>% Margin</b>	<b>12 months ended December 31, 2016</b>	<b>% Margin</b>
<b>Net income [a]</b>	<b>105.5</b>	<b>6.6%</b>	<b>144.2</b>	<b>11.0%</b>
Normalized net income [b]	144.1	9.0%	127.4	9.7%
Average number of shares [c]	132,557,598		132,102,935	
Impact of dilutive instruments	771,637		323,007	
Diluted average number of shares [d]	133,329,234		132,425,942	
<i>(In EUR)</i>				
<b>Basic EPS [a] / [c]</b>	<b>0.80</b>		<b>1.09</b>	
<b>Diluted EPS [a] / [d]</b>	<b>0.79</b>		<b>1.09</b>	
<b>Normalized basic EPS [b] / [c]</b>	<b>1.09</b>		<b>0.96</b>	
<b>Normalized diluted EPS [b] / [d]</b>	<b>1.08</b>		<b>0.96</b>	



## E.3.2 Cash flow

<i>(In € million)</i>	<b>12 months ended December 31, 2017</b>	<b>12 months ended December 31, 2016</b>
<b>Operating Margin before Depreciation and Amortization (OMDA)</b>	<b>335.4</b>	<b>258.7</b>
Capital expenditures	-107.0	-85.3
Change in working capital requirement	33.8	33.4
<b>Cash from operation</b>	<b>262.2</b>	<b>206.8</b>
Taxes paid	-44.1	-39.1
Net cost of financial debt paid	-1.1	-0.6
Reorganization in other operating income	-6.5	-5.2
Rationalization & associated costs in other operating income	-4.1	-4.1
Integration and acquisition costs	-20.1	-9.9
Net Long term financial investments	-2.0	-1.3
Other changes*	-8.4	-10.1
<b>Free Cash Flow</b>	<b>176.0</b>	<b>136.5</b>
Net material (acquisitions)/disposals	-220.1	-111.0
Capital increase/(decrease)	10.7	7.5
Proceeds from the disposal of the Visa Share	0.0	35.6
<b>Change in net cash/(debt)</b>	<b>-33.5</b>	<b>68.6</b>
<b>Opening net cash/(debt)</b>	<b>347.7</b>	<b>276.0</b>
Change in net cash/(debt)	-33.5	68.6
Foreign exchange rate fluctuation on net cash/(debt)	-5.1	3.0
<b>Closing net cash/(debt)</b>	<b>309.1</b>	<b>347.7</b>

Note: Figures have been restated from change in Worldline's intermediation activities presentation (effect of €-47m on 2016 opening net cash, €-3,9m on 2016 FCF, and €-51m on 2017 opening net cash) detailed in "Accounting rules and policies".

\* "Other changes" include other operating income with cash impact (excluding reorganization, rationalization and associated costs, integration costs and acquisition costs), dividends paid to non-controlling interests and other financial items with cash impact.

**Free cash flow** represented by the change in net cash or net debt, excluding equity changes, dividends paid to shareholders, disposal of Visa Share, purchase of shares, impact of foreign exchange rate fluctuation on opening net cash balance, and net acquisitions and disposals, reached € 176.0 million compared to € 136.5 million in 2016 corresponding to an increase of +28.9%.

**Cash From Operations** amounted to € 262.2 million and increased by € 55.4 million compared to last year, including the following items:

- OMDA (€+76.7 million);
- Higher capital expenditures (€-21.7 million);
- Higher improvement in change in working capital requirement (€+0.4 million).

**OMDA** of € 335.4 million, representing an increase of €+76.7 million compared to December 2016, reached 21.0% of revenues against 19.8% of revenues in 2016.

**Capital expenditures** amounted to € 107.0 million or 6.7% of revenue slightly above the level of 2016 at 6.5%. Main part is related to investment in software platforms through capitalized cost, in connection with the modernization of proprietary technological platforms for € 46.6 million.

The positive **change in working capital requirement** was € 33.8 million. The DSO ratio reached 39 days at the end of December 2017, while the DPO was 78 days as of December 2017.

Cash out related to **taxes paid** reached € 44.1 million increasing by € 5.0 million compared to 2016.

Net outflow related to **cost of net debt** of € 1.1 million increased by € 0.5 million compared to the year 2016.

Cash outflow linked to **reorganization costs** represented € 6.5 million.

**Integration costs** linked to the acquisitions and post-acquisition integration costs realized in 2016 and in 2017 reached € 20.1 million.

**Net financial investments** amounted to € 2.0 million and related mainly to investments in non-consolidated companies.



**Other changes** of €-8.4 million corresponded to:

- Foreign exchange losses and other financials costs for € 4.9 million;
- Other non-recurring items for € 3.5 million.

As a result, the **Free Cash Flow (FCF)** generated in 2017 was € 176.0 million.

The **net acquisitions** of € 220.1 million represented mainly the net cash effects linked to the acquisitions realized in 2017 (First Data Baltics, Digital River World Payment, MRL Posnet, Diamis and In Touch) and the cash/debt included in the acquired

companies at the date of the closing. It also includes the effect of disposals of Cheque Service activities and Paysquare Belgium.

In December 2017, the € 10.7 million **Capital increase** corresponded to issuance of common stock following employee's exercise of stock options issued in September 2014 and in September 2015.

In 2016, it is reminded the **proceeds from disposal of the Visa Share** of € 35.6 million related to the cash impact of the Visa share disposal in Belgium.

**Foreign exchange rate fluctuation** which is determined on debt or cash exposure by country had a negative impact on net cash of €-5.1 million.

### E.3.3 Financing policy

#### Financing structure

Worldline's expected liquidity requirements are currently fully covered by the positive cash position and if needed, would be financed by long-term committed loans or other appropriate long-term financial instruments.

In this respect, on June 26, 2014, Worldline SA (as Borrower) signed a Revolving Credit Facility (RCF) with Atos SE (as Lender) for an amount € 300 million, in order to cover the Group's liquidity requirements, including temporary fluctuations in its working capital needs, that was renewed on November 2<sup>nd</sup>, 2015 and transferred to Bull International (subsidiary of the Atos group) on January 2, 2016. The RCF has a duration until June 26<sup>th</sup>, 2019, is concluded at customary market conditions and contains no financial covenants.

#### Investment policy

Worldline has a policy to lease its office space and other real estate assets either administrative or technical. Some other fixed assets such as IT equipment and company cars may be financed through leases depending on the cost of funding and on the most appropriate type of financing for each new investment.



## E.4 Consolidated financial statements

### E.4.1. Statutory auditors' report on the consolidated financial statements for the year ended December 31, 2017

*This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.*

*This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To annual general meeting of Worldline,

#### Opinion

In compliance with the engagement entrusted to us by your annual general meeting we have audited the accompanying consolidated financial statements of Worldline for the year ended December 31, 2017.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2017 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

#### Basis for Opinion

##### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

#### Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (*code de déontologie*) for statutory auditors.

#### Observation

Without qualifying our opinion, we draw your attention to the note "Intermediation activities of Worldline" and its paragraph E.4.7.2 "Basis of preparation of consolidated financial statements" concerning the new presentation of the positions of those activities in the assets and liabilities in the consolidated financial statements.

#### Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

**Revenue recognition on long term fixed-price contracts**

Note 'Accounting rules and policies – Revenue recognition' of consolidated financial statements

**Key Audit Matter**

Regarding fixed-price contracts performed over the course of several years, particularly related to development projects and/or migration of platform with customers, revenues are recognized, in accordance with IAS 11 'Construction contracts' based on the costs incurred to date as a percentage of the total estimated costs to fulfil the contract.

For multi-element service contracts, which may be a combination of different services, revenue is recognized separately for each of the service when it is separately identifiable.

Total contract costs and expected remaining costs are subject to regular monitoring to determine whether the stage of completion and margin recognized should be revised. If these estimates indicate that the contract will be unprofitable, the entire estimated loss for the remainder of the contract is recorded immediately through a provision for estimated losses on completion.

We consider revenue recognition on long-term contracts and the associated costs as a key audit matter as estimated costs on these contracts are based on operational assumptions and their estimation has a direct impact on revenue and margin recognized in the consolidated financial statements.

**Our audit approach**

We assessed the internal control environment relating to contract accounting. We tested the effectiveness of the key controls implemented by the financial controllers and the operational managers, in particular those relating to the costs incurred on contract and those relating to the costs to complete.

For a number of contracts that were selected based upon quantitative and qualitative criteria (contracts that experienced technical difficulties or low profitability), we performed the following procedures:

- For new contracts, we corroborated initial budget margin to the financial data within the signed contract and the associated cost estimation. When a contract included multiple elements, we corroborated the company's analysis and accounting treatment with the contractual provisions and our understanding of the services provided.
- For contracts in progress:
  - We reconciled the financial data (revenue, billing and work-in-progress) including in the workprogress spreadsheet that is updated monthly by the financial controller to the accounting records;
  - we corroborated the amount of costs incurred with the data from the timesheet application system;
  - We analyzed standard hourly rates' calculation methodology;
  - We performed interviews with financial controllers and / or operational managers to assess the estimated costs yet to be incurred and the percentage of completion on the contract, which is the basis on which revenue and margin is recognized, we have furthermore analyzed the appropriateness of these estimates by comparing the forecasted data with the actual performance of the contract and by reconciling, if necessary, to the discussions with the client since the contract was signed;
  - When necessary, we analyzed assumptions used by management to determine the loss recognized on any unprofitable contracts and confirmed these assumptions with historical performance on the contract and the remaining technical milestones to be achieved.



**Revenue arising from transactional activities**

*Note 'Accounting rules and policies – Revenue recognition' of consolidated financial statements*

**Key Audit Matter**

Regarding the revenue arising from transactional activities, in particular those in relation with payments, the transactions are recognized over the period during which the treatment has been completed.

Those activities are relying upon numerous and complex IT applications which are collecting and processing high volume of data in order to calculate and record the revenue.

Also the accounting treatment of the revenue is dependent upon the nature of each transaction and the contractual agreements with the merchants, the banks and the card schemes.

We have considered the revenue arising from transactional activities as a key audit matter due to the reliance upon a highly complex IT environment, the high number of transactions processed through those IT applications, and the necessary manual inputs to process the invoices.

**Our audit approach**

We have tested the internal controls in relation with the transactional activities internal processes in order to ensure the validity and completeness of the revenue recorded in the financial statements. Our IT specialists have assisted us in order to perform the following procedures:

- We have tested the general IT controls of the main IT applications supporting transactional activities revenue streams ;
- We have also tested the operating effectiveness of the manual or automated controls securing the completeness and the validity of the accounting records.

Moreover, we have performed substantive testing on manual journal entries impacting transactional revenue in order to ensure the validity of the accounting entries booked in the financial statements.

We have reviewed the accounting treatment of each revenue streams in order to ensure the consistency of the accounting treatment with the contractual arrangements of the company with the merchants, the banks and the card schemes.

### Capitalization of development costs

Note 'Accounting rules and policies – Intangible assets other than goodwill' and note 13 'Intangible assets' of consolidated financial statements

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#### Key Audit Matter

The Group capitalizes development costs corresponding to technical solutions developed specifically for the use of customers or made available to a group of customers. As of December 31, 2017, development costs capitalized in accordance with IAS 38 "Intangible assets" are recorded on the company's balance sheet for a total net book value of 172.7 million euros.

An intangible asset arising from internal developments shall be recognized only if certain criteria are met and, in particular, the demonstration of the probability of future economic benefit from the use of the asset.

These capitalized costs are amortized on a straight-line basis over the average useful life and are subject to an impairment test if there is any indication that those assets have suffered a loss in value.

We considered the capitalization of development costs and their valuation as a key audit matter as Management's judgment is used to apply the recognition criteria for booking those assets, determine the amortization period and to identify impairment indicators which, if present, could lead the Group to depreciate a portion of its value.

#### Our audit approach

We examined the principles for capitalization of development costs implemented by the Group and assessed the recognition criteria applied against the accounting standards.

For the projects on which the capitalized costs are the most significant, we performed the following procedures:

- We reconciled the capitalized costs for the period with the direct time incurred and charged on the development project of the asset concerned;
- We analyzed the methods for calculating standard hourly rates;

For these projects, we assessed the amortization period applied to the intangible asset against the nature of the technical solution developed and the expected average life of the solution.

We also analyzed the consistency of the revenue forecasts associated with the use of this asset included in the underlying business plans, and in particular:

- We compared the consistency of revenue forecasts in the business plan related to the use of this asset with in-progress and future contracts related to the technical solution developed;
- We corroborated these forecast assumptions with the perspectives of development of the solution and the contracts identified in the order backlog.

We assessed whether any indication of impairment loss not taken into account by Management occurred during the year (obsolescence of the solution, loss of business, etc.). Any impairment losses are then estimated on the basis of expected revenues related to the use of the asset as documented by the Management in the business plans.

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**Finalization of the Equens purchase price allocation**

*Note 1 'Main changes in the scope of consolidation'*

**Key Audit Matter**

The merger of the Financial Services business of Worldline with Equens resulted in the creation of equensWorldline held at 63.6% by Worldline and 36.4% by Equens' previous shareholders.

Transaction price has been subject to a preliminary allocation as of December 31, 2016 to the identified assets acquired and liabilities assumed based on their estimated respective fair values. Those fair values were estimated thanks to available information at that date.

The time window for adjusting the PPA has ended on September 30, 2017. At that date, the company has retroactively recorded adjustments in relation with the valuation of intangible assets and non-current liabilities based on more up to date and complete information obtained.

We have considered the finalization of the Equens purchase price allocation as a key audit matter considering the importance of Management's estimate and judgements in order to estimate the fair value of the assets acquired and liabilities assumed as required by IFRS 3 "Business Combination".

**Our audit approach**

The company appointed an independent appraiser in order to assist with the identification and valuation of intangible assets. Our approach consisted in reviewing the expert's report and assessing the consistency of the hypothesis and estimation used with the business plan obtained as well as the company's strategy:

- We have discussed with the independent appraiser on the scope of his work, the methodology used and the main assumptions used;
- We have reviewed the reliability of the valuation methods used with the use of our own valuation specialists
- We have interviewed with the Management in order to corroborate the hypothesis and estimation used within the underlying business plan supporting the valuation of the intangible assets with growth expected in the coming years and the group's strategy

We have also reviewed the estimates used to determine the fair value of non-current liabilities in relation with the execution of certain contracts.

**Verification of the Information Pertaining to the Group Presented in the Management Report**

As required by law, we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented 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 of the information given in the management report of the Board of Directors.

**Report on Other Legal and Regulatory Requirements**

**Appointment of the Statutory Auditors**

We were appointed as statutory auditors of Worldline by the annual general meeting held on June 30<sup>th</sup>, 1997 for Deloitte & Associés and April 30<sup>th</sup>, 2014 for Grant Thornton.

As at December 31, 2017, Deloitte & Associés and Grant Thornton were respectively in their 21<sup>st</sup> year and 4<sup>th</sup> year of total uninterrupted engagement, which represent the 4<sup>th</sup> year of engagement for both statutory auditors since the Company securities were admitted to trading on a regulated market.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

## Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

### Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going

concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

### Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine, February 20, 2018

The Statutory Auditors

### French original signed by

Deloitte & Associés

Jean-Pierre Agazzi

Grant Thornton

Virginie Paethorpe

**E.4.2. Consolidated Income Statement** [GRI 201-1]

<i>(In € million)</i>	Notes	<b>12 months ended December 31, 2017</b>	12 months ended December 31, 2016
<b>Revenue</b>	<b>Note 3</b>	<b>1,593.9</b>	<b>1,309.2</b>
Personnel expenses	Note 4	-611.6	-536.3
Operating expenses	Note 5	-729.2	-576.3
<b>Operating margin</b>		<b>253.1</b>	<b>196.6</b>
<b>% of revenue</b>		<b>15.9%</b>	<b>15.0%</b>
Other operating income and expenses	Note 6	-67.6	13.3
<b>Operating income</b>		<b>185.5</b>	<b>210.0</b>
<b>% of revenue</b>		<b>11.6%</b>	<b>16.0%</b>
Financial expenses		-11.5	-13.6
Financial income		3.4	7.7
Net financial expenses	Note 7	-8.1	-5.9
<b>Net income before tax</b>		<b>177.4</b>	<b>204.0</b>
Tax charge	Note 8	-44.1	-53.7
Share of net profit/(loss) of associates		0.1	0.0
<b>NET INCOME</b>		<b>133.4</b>	<b>150.4</b>
Of which:			
• <b>attributable to owners of the parent</b>		<b>105.5</b>	<b>144.2</b>
• <b>non-controlling interests</b>	Note 10	<b>27.9</b>	<b>6.2</b>

<i>(In € and number of shares)</i>	Notes	<b>12 months ended December 31, 2017</b>	12 months ended December 31, 2016
Net income - Attributable to owners of the parent		132,557,598	132,102,935
<b>Basic earnings per share</b>	<b>Note 11</b>	<b>0.80</b>	<b>1.09</b>
Diluted weighted average number of shares		133,329,234	132,425,942
<b>Diluted earnings per share</b>	<b>Note 11</b>	<b>0.79</b>	<b>1.09</b>

**E.4.3. Consolidated statement of comprehensive income**

<i>(In € million)</i>	<b>12 months ended December 31, 2017</b>	12 months ended December 31, 2016
<b>Net income</b>	<b>133.4</b>	<b>150.4</b>
<b>Other comprehensive income</b>		
• <b>to be reclassified subsequently to profit / (loss) recyclable:</b>	<b>-16.2</b>	<b>-43.9</b>
Cash flow hedging	-0.1	0.1
Change in fair value of available for sale financial assets	3.7	-43.7
Exchange differences on translation of foreign operations	-20.6	-0.5
Deferred tax on items recyclable recognized directly on equity	0.8	0.2
• <b>not reclassified to profit / (loss) non-recyclable:</b>	<b>9.2</b>	<b>-17.8</b>
Actuarial gains and (losses) generated in the period on defined benefit plan	11.5	-22.2
Deferred tax on items non-recyclable recognized directly on equity	-2.3	4.4
<b>Total other comprehensive income</b>	<b>-7.0</b>	<b>-61.7</b>
<b>Total comprehensive income for the period</b>	<b>126.4</b>	<b>88.7</b>
Of which:		
• <b>attributable to owners of the parent</b>	<b>97.7</b>	<b>81.3</b>
• <b>non-controlling interests</b>	<b>28.7</b>	<b>7.4</b>



## E.4.4. Consolidated statement of financial position

### ASSETS

<i>(In € million)</i>		<b>As at December 31, 2017</b>	<b>As at December 31, 2016 (*)</b>
Goodwill	Note 12	933.8	766.4
Intangible assets	Note 13	352.6	312.2
Tangible assets	Note 14	129.2	103.8
Non-current financial assets	Note 15	35.4	27.8
Deferred tax assets	Note 9	52.4	45.3
<b>Total non-current assets</b>		<b>1,503.4</b>	<b>1,255.4</b>
Trade accounts and notes receivables	Note 16	315.6	294.9
Current taxes		14.1	6.7
Other current assets	Note 18	136.3	129.0
Assets linked to intermediation activities	Note 17	316.6	249.6
Current financial instruments		0.4	0.3
Cash and cash equivalents	Note 19	355.8	374.0
<b>Total current assets</b>		<b>1,138.9</b>	<b>1,054.5</b>
<b>Total assets</b>		<b>2,642.2</b>	<b>2,309.9</b>

### LIABILITIES AND SHAREHOLDERS' EQUITY

<i>(In € million)</i>		<b>As at December 31, 2017</b>	<b>As at December 31, 2016*</b>
Common stock		90.4	90.0
Additional paid-in capital		259.2	248.7
Consolidated retained earnings		843.6	675.0
Translation adjustments		-47.3	-26.7
Net income attributable to the owners of the parent		105.5	144.2
Equity attributable to the owners of the parent		1,251.3	1,131.1
Non-controlling interests	Note 10	175.1	160.9
<b>Total shareholders' equity</b>		<b>1,426.4</b>	<b>1,292.0</b>
Provisions for pensions and similar benefits	Note 21	116.0	131.6
Non-current provisions	Note 22	14.2	8.0
Borrowings	Note 23	3.1	2.2
Deferred tax liabilities	Note 9	57.4	47.2
Other non-current liabilities		0.0	0.4
<b>Total non-current liabilities</b>		<b>190.7</b>	<b>189.5</b>
Trade accounts and notes payables	Note 24	264.1	223.7
Current taxes		51.2	37.5
Current provisions	Note 22	12.0	22.4
Current financial instruments		0.2	0.1
Current portion of borrowings	Note 23	43.6	24.1
Liabilities linked to intermediation activities	Note 17	316.6	249.6
Other current liabilities	Note 25	337.5	271.1
<b>Total current liabilities</b>		<b>1,025.2</b>	<b>828.4</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,642.2</b>	<b>2,309.9</b>

\* 31 December 2016 adjusted to reflect change in presentation disclosed in Note "Accounting rules and policies"



## E.4.5. Consolidated cash flow statement

<i>(In € million)</i>		<b>As at December 31, 2017</b>	<b>As at December 31, 2016*</b>
<b>Profit before tax</b>		<b>177.4</b>	<b>204.0</b>
Depreciation of assets	Note 5	90.5	54.6
Net charge/ (release) to operating provisions		-9.3	0.2
Net charge/ (release) to financial provisions		2.1	2.0
Net charge/ (release) to other operating provisions		12.9	-0.8
Customer relationships & Patent amortization		14.2	6.1
Losses/ (gains) on disposals of fixed assets		0.4	-44.1
Net charge for equity-based compensation		7.1	6.8
Losses/(gains) on financial instruments		-	-0.2
Net cost of financial debt	Note 7	1.1	0.6
<b>Cash from operating activities before change in working capital requirement, financial interest and taxes</b>		<b>296.3</b>	<b>229.2</b>
Taxes paid		-44.1	-39.1
Change in working capital requirement		33.8	33.4
<b>Net cash from/ (used in) operating activities</b>		<b>286.0</b>	<b>223.5</b>
Payment for tangible and intangible assets		-107.0	-85.3
Proceeds from disposals of tangible and intangible assets		0.1	0.2
<b>Net operating investments</b>		<b>-106.8</b>	<b>-85.1</b>
Amounts paid for acquisitions and long-term investments		-238.5	-142.8
Cash and cash equivalents of companies purchased /sold during the period		17.9	37.4
Proceeds from disposals of financial investments		1.7	35.9
Cash and cash equivalents of companies sold during the period		-2.6	-
<b>Net long-term investments</b>		<b>-221.4</b>	<b>-69.5</b>
<b>Net cash from/ (used in) investing activities</b>		<b>-328.2</b>	<b>-154.6</b>
Common stock issues on the exercise of equity-based compensation		10.7	4.4
Capital increase subscribed by non-controlling interests		-	3.1
New borrowings	Note 23	18.3	0.8
New finance lease	Note 23	0.1	-
Repayment of long and medium-term borrowings	Note 23	-2.6	-0.6
Net cost of financial debt paid		-1.1	-0.6
<b>Net cash from/ (used in) financing activities</b>		<b>25.5</b>	<b>7.2</b>
<b>Increase / (decrease) in net cash and cash equivalents</b>		<b>-16.8</b>	<b>76.0</b>
<b>Opening net cash and cash equivalents</b>		<b>357.0</b>	<b>277.9</b>
Increase / (decrease) in net cash and cash equivalents	Note 23	-16.8	76.0
Impact of exchange rate fluctuations on cash and cash equivalents		-6.1	3.0
<b>Closing net cash and cash equivalents</b>	<b>Note 19</b>	<b>334.2</b>	<b>357.0</b>

\* 31 December 2016 adjusted to reflect change in presentation disclosed in Note "Accounting rules and policies".

## E.4.6. Consolidated statement of changes in shareholder's equity

(In € million)	Number of shares at period-end (thousands)	Common Stock	Additional paid-in capital	Retained earnings		Translation adjustments	Net income	Equity attributable to the owners of the parent	Non controlling interests	Total shareholders' equity
				Retained earnings	Business combination impact					
<b>At January 1, 2016</b>	<b>131,926</b>	<b>89.7</b>	<b>241.5</b>	<b>581.1</b>	<b>-200.8</b>	<b>-26.2</b>	<b>103.4</b>	<b>788.7</b>	<b>-</b>	<b>788.7</b>
• Common stock issued	421	0.3	7.2					7.5		7.5
• Appropriation of prior period net income				103.4			-103.4	-		-
• Equity-based compensation				6.8				6.8		6.8
• Scope Changes					246.8			246.8	153.5	400.3
<b>Transactions with owners</b>	<b>421</b>	<b>0.3</b>	<b>7.2</b>	<b>110.2</b>	<b>246.8</b>	<b>-</b>	<b>-103.4</b>	<b>261.1</b>	<b>153.5</b>	<b>414.6</b>
• Net income							144.2	144.2	6.2	150.4
• Other comprehensive income				-62.3		-0.5		-62.9	1.2	-61.7
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-62.3</b>	<b>-</b>	<b>-0.5</b>	<b>144.2</b>	<b>81.3</b>	<b>7.4</b>	<b>88.7</b>
<b>At December 31, 2016</b>	<b>132,347</b>	<b>90.0</b>	<b>248.7</b>	<b>629.0</b>	<b>46.0</b>	<b>-26.7</b>	<b>144.2</b>	<b>1,131.1</b>	<b>160.9</b>	<b>1,292.0</b>
• Common stock issued	552	0.4	10.5					10.9		10.9
• Appropriation of prior period net income				144.2			-144.2	0.0		0.0
• Equity-based compensation				7.1				7.1		7.1
• Scope Changes					14.5			14.5	-14.5	0.0
• Transaction under common control				-9.9				-9.9		-9.9
<b>Transactions with owners</b>	<b>552</b>	<b>0.4</b>	<b>10.5</b>	<b>141.3</b>	<b>14.5</b>	<b>-</b>	<b>-144.2</b>	<b>22.6</b>	<b>-14.5</b>	<b>8.1</b>
• Net income							105.5	105.5	27.9	133.4
• Other comprehensive income				12.8		-20.6		-7.8	0.7	-7.1
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.8</b>	<b>-</b>	<b>-20.6</b>	<b>105.5</b>	<b>97.7</b>	<b>28.7</b>	<b>126.4</b>
<b>At December 31, 2017</b>	<b>132,899</b>	<b>90.4</b>	<b>259.2</b>	<b>783.1</b>	<b>60.5</b>	<b>-47.3</b>	<b>105.5</b>	<b>1,251.3</b>	<b>175.1</b>	<b>1,426.4</b>



## E.4.7. Appendices to the consolidated financial statements

### E.4.7.1. General information

Worldline SA, the Worldline Group's parent company, is a public limited company under French law whose registered office is located at 80, Quai Voltaire, 95870 Bezons, France. The Company is registered with the Registry of Commerce and Companies of Pontoise under the reference 378,901,946 RCS Pontoise. Worldline SA shares are traded on the Euronext Paris market under ISIN code FRO011981968. The shares are not listed on any other stock exchange and Worldline SA is the only listed company in the Group. The Company is administrated by a Board of Directors.

Worldline is a European leader and a global market player in the electronic payment and transactional services sector. Worldline activities are organized around three axes: Merchant Services, Financial Services and Mobility & e-Transactional Services.

Worldline SA is majority-owned by Atos SE, its parent company, whose shares are traded on the Euronext Paris market, under ISIN code FRO000051732.

These consolidated financial statements were approved by the Board of Directors on February 19, 2018. The consolidated financial statements will then be submitted to the approval of the General Meeting of Shareholders scheduled to take place on May 24, 2018.

### E.4.7.2. Accounting rules and policies

#### Basis of preparation of consolidated financial statements

Pursuant to European Regulation N°. 1606/2002 of July 19, 2002, the consolidated financial statements for the twelve months ended December 31, 2017 have been prepared in accordance with the applicable international accounting standards, as endorsed by the European Union as at December 31, 2017. The international standards comprise the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

Accounting policies applied by the Group comply with those standards and interpretations, which can be found at [http://ec.europa.eu/internal\\_market/accounting/ias/index\\_en.htm](http://ec.europa.eu/internal_market/accounting/ias/index_en.htm)

As of December 31, 2017, the accounting standards and interpretations endorsed by the European Union are similar to the compulsory standards and interpretations published by the International Accounting Standards Board (IASB). Consequently, the Group's consolidated financial statements are prepared in accordance with the IFRS standards and interpretations, as published by the IASB.

The new standards, interpretations or amendments whose application was mandatory for the Group effective for the fiscal year beginning January 1, 2017 had no material impact on the consolidated financial statements:

- Amendment to IAS 7 - Disclosure Initiative;
- Amendment to IAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses;
- Annual improvements to IFRSs 2014-2016 Cycle - various standards (Amendment to IFRS 12).

A number of new standards are effective for annual periods beginning after January 1, 2018 and an earlier application is permitted. However, the Worldline Group has not early applied the following new or amended standards in preparing these consolidated statements.

**IFRS 15, applicable to Worldline Group starting January 1, 2018, and IFRS 16, applicable to Worldline Group starting January 1, 2019 are expected to have a material impact on the Group's financial statements in the period of initial application.**

#### IFRS 15

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Constructions Contracts and IFRIC 13 Customers Loyalty Programs. IFRS 15 is effective for Worldline Group starting January 1, 2018. Worldline took part in Syntec Numérique task force to assess the impacts of this new standard in the computer services companies and conducted an analysis in its contracts portfolio to identify impacts in its consolidated financial statements which are the following.

#### Principal versus agent

The Group has performed an analysis of the nature of its relationship with its customers to determine if it is acting as principal or as an agent in the delivery of its contracts or part of it and in particular in the Commercial Acquiring and issuing businesses, resale of IT services and telecommunication embedded in the delivery to customers.

Under IAS 18, the Group currently applies a risks and rewards analysis to determine whether it is acting as an agent or as principal in a transaction. Under IFRS 15, the Group is considered as acting as principal if it controls goods and services before delivering them to the client.

#### Segmenting versus combining obligations of contracts including build phases

The Group performed an analysis of the contracts where the IFRS 15 criteria may change the current revenue recognitions rules.

For the run phases, no changes have been identified. Worldline will apply the practical expedient of IFRS 15 and recognize revenue when invoiced as invoicing is phased with delivery to the customer.

As Worldline is providing standalone value to its customers as part of the build phases, build phases will be considered as a separate obligation under IFRS 15 and revenue will be recognize during the build phase (no expected changes compared to previous practices).

**Costs to acquire a contract**

Under IFRS 15, incremental costs to acquire a contract have to be capitalized. Such change has no major impacts at Group level.

**Financial impacts at Group level**

The Group will adopt the full retrospective method with restatement of 2017 comparative figures. 2017 revenue will decrease by circa -2.6%, most of the impact being generated by principal versus agent restatements. The cumulative effect in equity as of January 1, 2017 will be nil.

**IFRS 16**

The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 replaces existing leases guidance IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. There are recognition exemptions for short-term leases and leases of low-value items.

IFRS 16 introduces a single on-balance sheet lease accounting model for lessees. Worldline Group, as a lessee, will have to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group has completed an initial assessment of potential impact on its consolidated financial statements but has not yet completed its detailed assessment. So far, the most significant impact identified is that the Group will recognize assets and liabilities for its operating leases of Real Estate and IT equipment. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge of right-of-use assets and interest expense on lease liabilities.

**The Group is required to adopt IFRS 9 Financial Instruments from January 1, 2018. IFRS 9 application will have no material impact on the Group consolidated Financial Statements.**

**IFRS 9**

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement. The following three main areas have been amended by IFRS 9.

**Classification of Financial assets**

IFRS 9 defines a new classification and measurement approach for financial assets. There are three principal classification categories for financial assets: measured at amortized cost, Fair Value Through Other Comprehensive Income (FVOCI), and Fair Value Through Profit or Loss (FVTPL).

Based on its assessment, the Group does not believe that the new classification requirements will have a material impact on its accounting for trade receivables, loans, investments in receivables, contract assets, loans, and cash and cash equivalent.

**Impairment of financial assets and contract assets**

IFRS 9 introduces a new forward-looking "expected loss" impairment model which will replace the existing "incurred loss" impairment model.

**Trade and other receivables, including contract assets**

The Group has assessed the actual credit losses experienced over the past several years and estimated that the application of IFRS 9's impairment requirement at 1 January 2018 results in no material impact over the impairment recognized under IAS 39.

**Cash and cash equivalent**

The cash and cash equivalents are held with bank and financial institution counterparties, majority of which are rated from A- to AA-. The Group used not to depreciate such assets, the estimated impairment on cash and cash equivalent was calculated based on the S&P ratings and is not material on the Group accounts.

**Hedge accounting**

While initially applying IFRS 9, the Group has to choose as its accounting policy to continue to apply the hedge accounting requirement of IAS 39 instead of the requirements in IFRS 9. The Group has elected to apply the new requirements of IFRS 9.

The Group uses forward foreign exchange contracts to hedge the variability in cash flows arising from changes in foreign exchange rates relating to foreign currency sales and purchases.

The Group designates only the change in fair value of the spot element of the forward exchange contract as the hedging instrument in cash flow hedging relationship. Under IAS 39, the change in fair value of the forward element of the forward exchange contracts is recognized immediately in profit and loss.

On adoption of IFRS 9 requirements, the Group has elected to separately account for the forward points as a cost of hedging. Consequently, the changes in forward points will be recognized in OCI and accumulated in a cost of hedging reserve as a separate component within equity and accounted for subsequently as gain and losses accumulated in the cash flow hedge reserve.

The estimated impact on reserves and retained earnings at 1 January 2018 as result of the application of IFRS 9 hedge accounting requirements is not material.

**The following other standards, potentially applicable to the Group consolidated financial statements, are not expected to have a significant impact on Worldline Group's consolidated financial statements.**

- Annual Improvement to IFRSs 2014-2016 Cycle - Amendments to IFRS 1 and IAS 28;
- Amendment to IFRS 2 Classification and Measurement of Share-based Payment;
- Transfers of Investment property (Amendment to IAS 40);
- Sale or Contribution of Assets between an Investor and its Associate or Joint venture (Amendment to IFRS 10 and IAS 28);
- IFRIC 22 Foreign Currency Transactions and Advance Consideration;
- IFRIC 23 Uncertainty over Income Tax treatments.

**Intermediation activities of Worldline**

Acquiring is part of the business of Worldline consisting in contracting with merchants for payment card acceptance. The key role of an acquirer is to transfer to the merchant's bank account the funds received in a card transaction from the cardholder's issuing bank.

Through this intermediation activity, Worldline and its affiliates are facing cash fluctuations due to the lag that may exist between the payment to the merchants and the receipt of the funds from the payment schemes (Visa, MasterCard or other schemes). Payment Schemes also define interchange fees that apply except if there is a bilateral agreement between the Acquirer and the Issuer. Worldline has no such bilateral agreement with the Issuers. Interchange fees are consequently completely driven by the rates defined by the Schemes.

In the past, the Group had elected to net the assets and liabilities related to its intermediation activities (funds received in advance and payables to merchants). With respect to interchange fees collected from merchants, the Group used to consider them as a cash item and to recognize a liability for the corresponding payments to be made to the issuers. Interchange fees positions were not netted.

In recent years, the Group completed several acquisitions in the "Commercial Acquiring" business and witnessed that in some instances the time lag of intermediation flows was not as short as that experienced by the Group in the past. In addition, the Group noted that the de-netted presentation of the flows had become a common practice among larger acquiring listed players publishing their Financial Statements in IFRS or US Gaap.

In order to take into account the new variety of its acquiring activities and allow for a better comparability of its financial statements with its main peers, the Group decided to stop netting and to change the presentation of its balance sheet by isolating in dedicated lines assets and liabilities related to its intermediation activities (including interchange fees for consistency purposes). The Group believes that this change provides reliable and more relevant information about effects of acquiring transactions on Worldline consolidated financial position. This change has been applied retrospectively and Worldline has restated its opening statement of financial position accordingly presenting those intermediation positions in current assets and current liabilities.

The effects of the change of presentation on the cash are: €-47 million on 2016 opening net cash, €-3.9 million on 2016 free cash flow and €-51 million on 2017 opening net cash.

See Note 17 Intermediation activities

**Transaction of entities under common control**

In order to better reflect the economics of those transactions between entities under common control the Group has elected to account for the assets and liabilities, of acquired companies under common control, at their historical value in the IFRS consolidated account of Worldline. Difference between the purchase price and the net assets is recognized directly in retained earnings.

These consolidated financial statements are presented in euro, which is the Group's functional currency. All figures are presented in € million with one decimal. This may in certain circumstances lead to non-material differences between the sum of the figures and the subtotals that appear in the tables.

The policies set out below have been applied in consistency with all years presented.

**Accounting estimates and judgments**

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense in the financial statements and disclosures of contingent assets and liabilities at the closing date. The estimates, assumptions and judgments that may result in significant adjustments to the carrying amounts of assets and liabilities are essentially related to:

**Goodwill impairment tests**

The Group tests at least annually whether goodwill has suffered any impairment, in accordance with the accounting policies stated below. The recoverable amounts of Cash Generating Units are determined based on value-in-use calculations or on their fair value reduced by the costs of sales. These calculations require the use of estimates as described in Note 12 "Goodwill".

**Revenue recognition and associated costs on long-term contracts**

Revenue recognition and associated costs, including forecast losses on completion are measured according to policies stated below. Total projected contract costs are based on various operational assumptions such as forecast volume or variance in the delivery costs that have a direct influence on the level of revenue and possible forecast losses on completion that are recognized.

**Capitalization of development costs**

The Group capitalizes development costs corresponding to technical solutions developed for its own use, for some customers or made available to a group of customers. The criteria to recognize such assets require some judgment and a global overview of the amount of costs that can be capitalized. Such capitalized development costs are amortized over their estimated average life (Cf. Note on accounting rules "Intangible assets other than goodwill" & Note 13 "Intangible assets").

## Consolidation methods

### Subsidiaries

Subsidiaries are entities controlled directly or indirectly by the Group. Control is defined by the ability to govern the financial and operating policies generally, but not systematically, consolidated with a shareholding of more than 50 percent of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible, the power to appoint the majority of the members of the governing bodies and the existence of veto rights are considered when assessing whether the Group controls another entity. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group. They are excluded from the consolidation from the date on which control ceases.

### Associates

Associates are entities over which the Group has significant influence but not control or joint control, generally, but not systematically, accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for by the equity method.

### Translation of financial statements denominated in foreign currencies

The balance sheets of companies based outside the euro zone are translated at closing exchange rates. Income statement items are translated based on average exchange rate for the period. Balance sheet and income statement translation adjustments arising from a change in exchange rates are recognized as a separate component of equity under "Translation adjustments".

Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of that foreign entity and translated into euro at the closing date.

The Group does not consolidate any entity operating in a hyperinflationary economy.

### Translation of transactions denominated in foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement under the heading "Other financial income and expenses", except where hedging accounting is applied.

## Revenue recognition

### Services

Services constitute the major part of the revenue of the Group.

Revenues arising from transactional activities, particularly in the area of payments are recognized over the period during which the treatment has been completed.

The proceeds from subscriptions are recognized on a straight line basis over the term of the contract.

Revenues for development projects and/or migration of platform with customers are recognized as and when the service is performed, based on the stage of completion when the outcome can be determined reliably. The percentage of completion is determined by comparing the cumulative costs incurred, on a given date, with the expected total costs of the contract. Benefits from these contracts are recorded in the balance sheet under "Trade accounts and notes receivables" for the share of proceeds to be received and under "Other current liabilities" for the portion of deferred revenue. When the outcome of a fixed price contract cannot be estimated reliably, revenue is recognized only to the extent of contract costs incurred probably recoverable.

Income relating to other services performed on behalf of clients is recognized at the completion of the service.

The Group may sign in some cases service contracts with multiple elements, which may include a combination of different services. Revenue is recognized separately for each of the elements when they are separately identifiable. A set of contracts is combined and treated as a single contract when the group of contracts is negotiated as a single package, the contracts are so closely interrelated that they are, in fact, part of a single project with an overall margin and that the contracts are performed concurrently or following one another without interruption.

The Group performs regularly and in special circumstances, profitability studies on service contracts to determine whether the latest estimates of revenue, costs and percentage of completion need to be revised. If these estimates indicate that the contract will be unprofitable, a provision for loss is recorded immediately covering the loss in its entirety.

### Payment Terminals

Revenues from the sale of payment Terminals installed by the technical staff of the Company are recognized at the time of installation. In the event that payment Terminals are only delivered to a wholesaler, the income from their sale is recognized at the time of delivery of goods in accordance with the Incoterm agreed.

Income from the rental of Terminals merchants is recognized over the term of the contract. A similar recognition of revenues from maintenance contracts is applied, that is to say, spread over the contract period.

### Agent

When the Group acts as an agent between the client and the supplier, revenue is accounted for net of suppliers' billings. Factors generally considered to determine whether or not the Group acts as an agent include contractual liability towards the client, the responsibility for credit risk and the risk level of service and added value to services or products provided by the supplier.

The "Merchant Services" external revenue is presented net of interchange bank commissions received on behalf credit card companies.



### **Operating margin and Operating Margin before Depreciation and Amortization (OMDA)**

The underlying operating performance on the Group ongoing business is presented within operating margin, while unusual operating income/expenses are separately itemised and presented below the operating margin, in line with the ANC (Autorité des Normes Comptables) recommendation n°2013-03 (issued on November 7<sup>th</sup>, 2013) regarding the financial statements presentation.

The Operating Margin before Depreciation and Amortization is based on Operating margin minus items without impact on the cash flows from operations and excluding amortization and depreciation.

### **Other operating income and expenses**

"Other operating income and expenses" covers income or expense items that are unusual, abnormal and infrequent. They are presented below the operating margin.

Classification of charges to (or release from) restructuring and rationalization and associated costs provisions in the income statement depends on the nature of the plan:

- Plans directly in relation with operations are classified within the "Operating margin";
- Plans related to business combinations or qualified as unusual, abnormal and infrequent are classified in the "Other operating expenses";
- If a restructuring plan qualifies for "Other operating expenses", the related real estate rationalization & associated costs expenses regarding premises and buildings is also presented in "Other operating expenses".

"Other operating income and expenses" also include major litigations, and capital gains and losses on the disposal of tangible and intangible assets, significant impairment losses on assets other than financial assets, the amortization of the Customer Relationships, the amortization cost of equity based compensation plans or any other item that is infrequent, abnormal and unusual.

### **Current and deferred taxes**

The income tax charge includes current and deferred tax expenses. Deferred tax is calculated wherever temporary differences occur between the tax base and the consolidated base of assets and liabilities, using the liability method. The deferred tax is valued using the enacted tax rate at the closing date that will be in force when the temporary differences reverse.

In case of change in tax rate, the deferred tax assets and liabilities are adjusted counterpart the income statement except if those change related to items recognized in other comprehensive income or in equity.

The deferred tax assets and liabilities are netted off at the taxable entity, when there is a legal right to offset. Deferred tax assets corresponding to temporary differences and tax losses carried over forward are recognized when they are considered to be recoverable during their validity period, based on historical and forecast information.

Deferred tax liabilities for taxable temporary differences relating to goodwill are recognized, to the extent they do not arise from the initial recognition of goodwill.

Deferred tax assets are tested for impairment at least annually at the closing date, based on December actuals, business plans and impairment test data.

### **Earnings per share**

Basic earnings per share are calculated by dividing the net income (attributable to owners of the parent), by the weighted average number of ordinary shares outstanding during the period. Treasury shares are not taken into account in the calculation in the basic or diluted earnings per share.

Diluted earnings per share are calculated by dividing the net income (attributable to owners of the parent), adjusted for the financial cost (net of tax) of dilutive debt instruments, by the weighted average number of ordinary shares outstanding during the period, plus the average number of shares which, according to the share buyback method, would have been outstanding had all the issued dilutive instruments been converted.

### **Business combination and goodwill**

A business combination may involve the purchase of another entity, the purchase of all the net assets of another entity or the purchase of some of the net assets of another entity that together form one or more businesses.

Major services contracts involving staff and asset transfers that enable the Group to develop or significantly improve its competitive position within a business or a geographical sector are accounted for as business combinations.

### **Valuation of assets acquired and liabilities assumed of newly acquired subsidiaries**

Business combinations are accounted for according to the acquisition method. The consideration transferred in exchange for control of the acquired entity is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

Direct transaction costs related to a business combination are charged to the income statement when incurred.

During the first consolidation, all the assets, liabilities and contingent liabilities of the subsidiary acquired are measured at their fair value.

### **Goodwill**

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, of the amount of any non-controlling interests in the acquiree and of the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Goodwill is allocated to Cash Generating Units (CGU) for the purpose of impairment testing. Goodwill is allocated to those CGUs that are expected to benefit from synergies of the related



business combination and represent the lowest level within the Group at which management monitors goodwill.

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. CGUs correspond to *Global Business Lines* defined by IFRS 8.

The recoverable value of a CGU is based on the higher of its fair value less costs to sell and its value in use determined using the discounted cash-flows method. When this value is less than its carrying amount, an impairment loss is recognized in the operating income.

The impairment loss is first recorded as an adjustment of the carrying amount of the goodwill allocated to the CGU and remainder of the loss, if any, is allocated pro rata to the other long term asset of the unit.

Goodwill is not amortized and is subject to an impairment test performed at least annually by comparing its carrying amount to its recoverable amount at the closing date based on December actuals and latest 3 year plan, or more often whenever events or circumstances indicate that the carrying amount could not be recoverable.

Such events and circumstances include but are not limited to:

- Significant deviance of economic performance of the asset when compared with budget;
- Significant worsening of the asset's economic environment;
- Loss of a major client;
- Significant increase in interest rates.

### Intangible assets other than goodwill

Intangible assets other than goodwill consist primarily of software and user rights acquired directly by the Group, internally developed IT solutions as well as software and customer relationships acquired in relation with a business combination.

No intangible asset arising from research (or from the research phase of an internal project) shall be recognized. Expenditure on research (or on the research phase of an internal project) shall be recognized as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) shall be recognized if, and only if, an entity can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the intangible asset and to use or sell it;
- Its ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and;

- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development expenses correspond to assets developed for the own use of the Group, to specific implementation projects for some customers or innovative technical solutions made available to a group of customers. These projects are subject to a case-by-case analysis to ensure they meet the appropriate criteria for capitalization. Are capitalized as development costs only those directly attributable to create produce and prepare the asset to be capable of operating in the manner intended by management.

Development expenses that are capitalized are accounted for at cost less accumulated depreciation and any impairment losses. They are amortized on a straight-line basis over a useful life between 3 and 12 years, of which two categories can be identified:

- For internal software development with fast technology serving activities with shorter business cycle and contract duration, the period of amortization will be between 3 and 7 years, the standard scenario being set at 5 years in line with the standard contract duration;
- For internal software development with slow technology obsolescence serving activities with long business cycle and contract duration, the period of amortization will be between 5 and 12 years with a standard scenario at 7 years. It is typically the case for large mutualized payment platforms.

The customer relationships recognised as a business combination in accordance with IFRS 3, are valued as per the multi-period excess earning method that consists in summing future operating margins attributable to contracts, after tax and capital employed.

Intangible assets are amortized on a straight-line basis over their expected useful life in operating margin. Customer relationships and patents acquired in a business combination, are amortized on a straight-line basis over their expected useful life; their related depreciation is recorded as other operating expenses.

### Tangible assets

Tangible assets are recorded at acquisition cost. They are depreciated on a straight-line basis over the following expected useful lives:

- |                                  |                |
|----------------------------------|----------------|
| ● Buildings                      | 20 years ;     |
| ● Fixtures and fittings          | 5 to 20 years; |
| ● Computer hardware              | 3 to 5 years ; |
| ● Vehicles                       | 4 years ;      |
| ● Office furniture and equipment | 5 to 10 years. |

### Leases

Asset leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Assets acquired under finance lease are depreciated over the shorter of the assets' useful life and the lease term.



The corresponding liability to the lessor is included in the statements of financial position as a liability arising from a lease financing. Payments under the leases are apportioned between finance charges and reduction of the debt arising from the lease so as to produce a constant rate of interest on the remaining balance of the liability. Finance charges are recognized directly in profit or loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the general method used by the Group for accounting for borrowing costs.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are expensed linearly throughout the duration of the lease.

Terminals leases are treated as an operating lease and their revenue is recognized according to the accounting rules described in this note (§ "Revenue recognition").

### **Impairment of assets other than goodwill**

At the end of each reporting period of the financial information, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If it is not possible to assess the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If a reasonable and consistent method of allocation can be identified, corporate assets are also allocated to cash-generating units individually; otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation method can be determined.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the estimated recoverable amount (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

### **Financial assets non-current and current assets**

Financial assets non-current and current assets are accounted for at trade date.

Assets securitization programs, in which the Group retains substantially all the risks and rewards of ownership of the transferred assets, do not qualify for de-recognition. A financial liability for the consideration received is recognized. The transferred assets and the financial liability are valued at their amortized costs.

Available-for-sale financial assets include equity investments in non-consolidated entities. They are measured at fair value, with changes in fair value recognized in other comprehensive income. When an available-for-sale financial asset is sold or impaired; the cumulative fair value adjustment recognized in other comprehensive income is transferred to the income statement.

For securities listed on an active market, fair value is considered to equal market value. If no active market exists, fair value is generally determined based on appropriate financial criteria for the specific security. If the fair value of an available-for-sale financial asset cannot be reliably measured, it is recognized at cost.

Loans are part of non-current financial assets. Loans are recorded initially at their fair value and subsequently at their amortized value.

## **Currents assets and current Liabilities**

### **Presentation rules**

Assets and liabilities classified as current are expected to be realized, used or settled during the normal cycle of operations, which can extend beyond 12 months following period-end. All other assets and liabilities are classified as non-current. Current assets and liabilities, excluding the current portion of borrowings, financial receivables and provisions represent the Group's working capital requirement.

### **Trade accounts and notes receivable**

Trade accounts and notes receivable are recorded initially at their fair value and subsequently at their amortized value. The nominal value represents usually the initial fair value for trade accounts and notes receivable. In case of deferred payment over one year, where the effect is significant on fair value, trade accounts and notes receivables are discounted. Where appropriate, a provision is raised on an individual basis to take likely recovery problems into account.

### **Inventory**

Inventory recognised under "Other current assets", which mainly consists in payment Terminals, are assessed at the lower cost or net realizable value. The net realizable value is the estimated selling price in the normal course of business, less estimated costs deemed necessary to sell. Inventory cost is determined according to the weighted average method and include the acquisition costs and incidental expenses.

### **Cash and cash equivalents**

Cash and cash equivalent include cash at bank and financial instruments such as money market funds. Such financial instruments are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. They are held for the purpose of meeting short-term cash commitments and have a short maturity, in general three months or less from the date of acquisition.

Some instruments, such as term deposits, that have at inception a longer maturity but provide for early withdrawal and a capital guarantee may also be classified as cash equivalents under certain circumstances. Money market funds are recognized at their fair value. Changes in fair value are recorded in the income statement under "Other financial income and expenses".

For entities having subscribed to the Group cash pooling agreement, the cash/debt balance sheet position which are linked to this agreement are mutualized and only the net position is presented in the consolidated balance sheet.

### **Borrowings**

Borrowings are recognized initially at fair value, net of debt issuance costs. Borrowings are subsequently stated at amortized costs. The calculation of the effective interest rate takes into account interest payments and the amortization of the debt issuance costs.

Debt issuance costs are amortized in financial expenses over the life of the loan. The residual value of issuance costs for loans repaid in advance is expensed in the year of repayment.

Bank overdrafts are recorded in the current portion of borrowings.

### **Pensions and similar benefits**

Employee benefits are granted by the Group through defined contribution and defined benefit plans. Costs relating to defined contribution costs are recognized in the income statement based on contributions paid or due in respect of the accounting period when the related services have been accomplished by beneficiaries.

The valuation of Group defined benefit obligation is based on a single actuarial method known as the "projected unit credit method". This method includes the formulation of specific assumptions, detailed in Note 21 "Pensions and similar benefits", which are periodically updated, in close liaison with external actuaries of the Group.

Plan assets usually held in separate legal entities are measured at their fair value, determined at closing. The fair value of plan assets is determined based on valuations provided by the external custodians of pension funds and following complementary investigations carried-out when appropriate.

From one accounting period to the other, any difference between the projected and actual pension plan obligation and their related assets is actuarial differences. These actuarial differences may result either from changes in actuarial assumptions used, or from experience adjustments generated by actual developments differing, in the accounting period, from assumptions determined at the end of the previous accounting period. All actuarial gains and losses generated on post-employment benefit plans on the period are recognized in "other comprehensive income".

Benefit plans costs are recognized in the Group's "Operating Margin", except for interest costs on net obligations which are recognized in "other financial income and expenses".

### **Equity-based compensation**

Stocks options are granted to management and certain employees at regular intervals. These equity-based compensations are measured at fair value at the grant date using the binomial option-pricing model. Changes in the fair value of options - taking into account assumptions such as personnel turnover and fulfilment of performance conditions - after the grant date have no impact on the initial valuation. The fair value of share options is recognized in "Other Operating Income", on a straight-line basis over the period during which those rights vest, using the straight-line method, with the offsetting credit recognized directly in equity.

Employee Share Purchase Plans offer employees the opportunity to invest in Group's shares at a discounted price. Shares are subject to a lock-up period restriction. Fair values of such plans are measured taking into account:

- The exercise price based on the average opening share prices quoted over the 20 trading days preceding the date of grant;
- The percent discount granted to employees;
- The number of free shares granted linked to the individual subscriptions
- The consideration of a lock-up restriction to the extent it affects the price that a knowledgeable, willing market participant would pay for that share; and
- The grant date: date on which the plan and its term and conditions, including the exercise price, is announced to employees.

### **Provisions**

Provisions are recognized when:

- The Group has a present legal, regulatory, contractual or constructive obligation as a result of past events,
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and
- The amount has been reliably quantified.



### E.4.7.3. Notes to the consolidated financial statements

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#### Note 1 Main changes in the scope of consolidation

##### Equens - Paysquare

On September 30, 2016, Worldline acquired a 63.6% interest in equensWorldline and a 100% interest in Paysquare.

The business combination was made up of two components:

##### 1/ equensWorldline

The merger of the Financial Services business of Worldline with Equens resulted in the creation of equensWorldline held at 63.6% by Worldline and 36.4% by Equens' previous shareholders.

In accordance with IFRS 3, this operation has been treated as a business combination with the takeover of equensWorldline by the Group and the sale to the previous shareholders of Equens of a Non-controlling interest in the Financial Services business. equensWorldline is controlled by the Worldline Group and fully consolidated within Worldline Group since October 1, 2016. The

Company equensWorldline is consolidated within the Group's Financial Services division ("FS") since October 1, 2016.

As the transaction is non cash, the consideration transferred by the Group to the previous shareholders of Equens corresponds to 36.4% of the fair value of the Financial Services business (on the basis of a valuation of € 700 million by an independent expert for the full business) and to the counterpart received by the Group of 63.6% of the fair value of Equens (on the basis of a valuation of € 400.3 million by an independent expert for the full business).

The net assets and liabilities acquired from Equens have been booked at fair value in the Group consolidated financial statements. The net assets and liabilities of the Financial Services business are kept at their net book value before business combination as well as the part transferred to the previous Equens' Shareholders for € 7.8 million.

The impacts as at December 31<sup>st</sup>, 2017 of the business combination in the equity of the Group are as follows:

<i>(in € million)</i>	<b>Impact in shareholder's equity Consideration transferred from Wordline</b>	<b>Consideration transferred from Equens</b>	<b>Total consideration</b>
Group share	-7.8	254.6	246.8
Non controlling interests	7.8	145.7	153.5
<b>Total shareholder's equity</b>	<b>-</b>	<b>400.3</b>	<b>400.3</b>

## 2/ Paysquare

As of September 30, 2016, Worldline acquired from Equens 100% of its Commercial Acquiring subsidiary Paysquare. The cash consideration paid is € 116.4 million. Paysquare is fully consolidated in Worldline Group since October 1, 2016. Paysquare is consolidated in the Group's Merchant Services division ("MS") since October 1, 2016.

The fair value of Equens and Paysquare net assets acquired are set out in the table below:

<i>(in € million)</i>	<b>Assets acquired and liability assumed at the end of the measurement period</b>
Fixed assets	178.2
Net debt	36.6
Provisions	-55.3
Other net assets	-48.4
<b>Fair value of acquisition</b>	<b>111.1</b>

Identifiable assets acquired and liabilities assumed have been further analysed during the measurement period which finished at the end of September 2017, based on the better understanding of Equens-Paysquare acquired business. This analysis led to a decrease by € 36.7 million of the equity acquired mainly due to impairment of technological assets and recognition of a provision for an onerous contract, all originating prior to September 30, 2016.

## Final Goodwill

The Group has opted to measure the non-controlling interests at fair value (full goodwill method).

<i>(in € million)</i>	<b>Goodwill</b>
Consideration transferred for Equens	254.6
Consideration transferred for Paysquare	116.4
<b>Total Consideration</b>	<b>371.0</b>
<b>Fair Value of Non controlling Interest</b>	<b>145.7</b>
Equity acquired (Equens & Paysquare)	42.7
Customer RelationShips acquired net of deferred tax	68.4
<b>Fair Value of net assets</b>	<b>111.1</b>
<b>Total</b>	<b>405.6</b>

The customer relationships has been recognized for an amount of € 92.0 million and is amortized over a period from 8.3 to 12.3 years. Those valuations have been performed by an independent expert.



## Note 2 Other significant event of the year

### Other acquisitions

#### KB SmartPay / Cataps

This entity is fully consolidated in Worldline consolidated financial statements since October 1, 2016 and led to the recognition of customer relationships for € 23.6 million amortized over 11.3 years and a goodwill of € 30.4 million. The Group has recognized a financial liability of € 6.7 million as at December 31<sup>st</sup>, 2016 corresponding to the fair value of the put option owned by Non-Controlling Interests on the outstanding 20% shares exercisable at any time from the date of the transaction.

#### First Data Baltics / Digital River World Payments / MRL Posnet

During the second half of 2017, Worldline completed acquisitions of First Data Baltics ("FDB"), Digital River World Payments ("DRWP") and MRL Posnet ("MRL"). FDB is consolidated in financial statements since October 1, 2017 and DRWP and MRL since November 1, 2017. Those acquisitions led to the recognition of customer relationships for € 49.1 million amortized over between 14 and 16 years and a preliminary goodwill of € 126.0 million. The total consideration was € 218.8 million.

Through those acquisitions, Worldline gains leading positions in fast-growing countries such as the Baltics countries or India and significant development perspectives in online payments. Numerous synergy levers with Worldline portfolio have also been identified allowing the acceleration of both revenue and profitability.

#### Diamis

On December 21 2017 the Group acquired 100% of the shares in Diamis SA from Atos Integration SA. The Company was consolidated as from December 31, 2017. The Group has elected to account for transactions between entities under common control at their historical value in the IFRS consolidated account of Worldline. Difference between the purchase price and the net assets at December 31 are recognized in retained earnings.

#### In Touch

Worldline and Total signed a binding technological, commercial, and financing agreement with African fintech InTouch. The Company is consolidated in financial statements under the equity method.

### Disposal

#### Cheque Service

Worldline has sold as of July 1, 2017 its cheque services business in France through a management buy-out, as there were low synergies with the other activities of Worldline and as this business was dilutive to the Group's growth and profitability. This activity generated revenue of less than € 20 million and was dilutive to the Group's OMDA margin in 2016.

## Note 3 Segment information by Global Business Lines

According to IFRS 8, reported operating segments profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker, and is reconciled to Group profit or loss. The chief operating decision maker assesses segments profit or loss using a measure of operating profit. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the company CEO who makes strategic decisions.

The internal management reporting is designed based on *Global Business Lines* (Merchant Services, Financial Services and Mobility & e-Transactional Services). *Global Business Lines* have

been determined by the Group as key indicators by the Chief operating decision maker. As a result and for IFRS 8 requirements, the Group discloses *Global Business Lines* (GBL) as operating segments. Each GBL is managed by a dedicated member of the Executive Committee.

The P&L indicators as well as the assets have been allocated according to these GBL segments. On OMDA, a part of the cost related to Global Structures has not been allocated by GBL. Regarding Group Assets, the shared assets not allocated by GBL primarily relate to shared infrastructure delivering mutualized services to those three GBL.

The geographical scope and the activities covered by each operating segment are as follows:

Operating segments	Business divisions	Geographical areas
Merchant Services	Commercial Acquiring, Terminal Services, Omnichannel Payment Acceptance, Private label Card & Loyalty Services, Digital Retail	Argentina, Belgium, Brazil, Czech Republic, France, Germany, India, Luxembourg, Malaysia, Poland, Spain, Sweden, The Netherlands, United Kingdom, USA
Financial Services	Issuing Processing, Acquiring Processing, Digital Banking, Account Payments	Belgium, China, Estonia, Finland, France, Germany, Hong Kong, Indonesia, Italy, Latvia, Lithuania, Luxembourg, Malaysia, Singapore, Spain, Taiwan, The Netherlands and the United Kingdom
Mobility & e-Transactional Services	Trusted Digitization, e-Ticketing, Contact & consumer cloud, Connected Living & Mobility	Argentina, Austria, Belgium, Chile, China, France, Germany, Spain, The Netherlands and United Kingdom

Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

No external customer generates more than 10% of total Group sales.

The operating segment information for the period was the following:

(In € million)	Merchant Services	Financial Services	Mobility &e-transactional services	Total Group
<b>12 months ended December 31, 2017</b>				
<b>External revenue by Global Business Lines</b>	<b>535.5</b>	<b>708.3</b>	<b>350.0</b>	<b>1,593.9</b>
% of Group revenue	33.6%	44.4%	22.0%	100.0%
<b>12 months ended December 31, 2016</b>				
<b>External revenue by Global Business Lines</b>	<b>439.6</b>	<b>500.0</b>	<b>369.6</b>	<b>1,309.2</b>
% of Group revenue	33.6%	38.2%	28.2%	100.0%

The "Merchant Services" external revenue is presented net of interchange bank commissions received on behalf credit card companies.

(In € million)	Merchant Services	Financial Services	Mobility &e-transactional services	Global structures	Total Group
<b>12 months ended December 31, 2017</b>					
<b>Operating Margin before Depreciation and Amortization (OMDA)</b>	<b>112.3</b>	<b>202.1</b>	<b>43.6</b>	<b>-22.6</b>	<b>335.4</b>
% revenue	21.0%	28.5%	12.5%	-1.4%	21.0%
<b>12 months ended 31 December 2016</b>					
<b>Operating Margin before Depreciation and Amortization (OMDA)</b>	<b>99.3</b>	<b>130.6</b>	<b>51.5</b>	<b>-22.6</b>	<b>258.7</b>
% revenue	22.6%	26.2%	13.9%	-1.7%	19.8%

Operating margin before depreciation and amortization (OMDA) represents the underlying operational performance of the current business and is determined as follows:

(In € million)	12 months ended December 31, 2017	12 months ended December 31, 2017	Variation
<b>Operating margin</b>	<b>253.1</b>	<b>196.6</b>	<b>56.4</b>
+ Depreciation of fixed assets	90.5	54.6	35.9
+ Net book value of assets sold/written off	1.1	7.3	-6.2
+/- Net charge/(release) of pension provisions	-10.1	3.0	-13.1
+/- Net charge/(release) of provisions	0.8	-2.8	3.6
<b>OMDA</b>	<b>335.4</b>	<b>258.7</b>	<b>76.6</b>

The assets detailed above by *Global Business Lines* are reconciled to total assets as follows:

(In € million)	Merchant Services	Financial Services	Mobility &e-transactional services	Shared (Not allocated)*	Total Group
<b>As at December 31, 2017</b>					
<b>Total fixed assets by Global Business Lines</b>	<b>605.6</b>	<b>690.6</b>	<b>56.7</b>	<b>62.7</b>	<b>1,415.6</b>
<b>Goodwill</b>	<b>427.3</b>	<b>480.6</b>	<b>25.8</b>	<b>-</b>	<b>933.8</b>
% of Group goodwill	45.8%	51.5%	2.8%	-	100.0%
<b>Other intangible assets</b>	<b>136.3</b>	<b>171.7</b>	<b>27.5</b>	<b>17.1</b>	<b>352.6</b>
<b>Tangible assets</b>	<b>42.0</b>	<b>38.3</b>	<b>3.3</b>	<b>45.5</b>	<b>129.2</b>

\* Part of intangible and tangible assets are not directly attributable to one single *Global Business Lines* as they are mutualized assets usable and shared between the three *GBL*.



(In € million)	Merchant Services	Financial Services	Mobility & e-transactional services	Shared (Not allocated*)	Total Group
<b>As at December 31, 2016</b>					
<b>Total fixed assets by Global Business Lines</b>	<b>404.6</b>	<b>655.1</b>	<b>57.1</b>	<b>65.5</b>	<b>1,182.3</b>
<b>Goodwill</b>	<b>293.6</b>	<b>446.9</b>	<b>25.9</b>	<b>-</b>	<b>766.4</b>
% of Group goodwill	38.3%	58.3%	3.4%	-	100.0%
<b>Other intangible assets</b>	<b>88.9</b>	<b>182.4</b>	<b>26.2</b>	<b>14.5</b>	<b>312.1</b>
<b>Tangible assets</b>	<b>22.1</b>	<b>25.8</b>	<b>5.0</b>	<b>51.0</b>	<b>103.8</b>

\* Part of intangible and tangible assets are not directly attributable to one single Global Business Lines as they are mutualized assets usable and shared between the three GBL.

The geographical segment information for the period was the following:

(In € million)	France	Belgium	Germany & CEE	UK	Netherlands	North & South Europe	Emerging Markets	Total Group
<b>12 months ended December 31, 2017</b>								
<b>External revenue by geographical area</b>	<b>402.7</b>	<b>358.5</b>	<b>236.0</b>	<b>107.9</b>	<b>194.1</b>	<b>137.8</b>	<b>156.9</b>	<b>1,593.9</b>
% of Group revenue	25.3%	22.5%	14.8%	6.8%	12.2%	8.6%	9.8%	100.0%
<b>12 months ended 31 December 2016</b>								
<b>External revenue by geographical area</b>	<b>428.5</b>	<b>358.5</b>	<b>159.0</b>	<b>124.0</b>	<b>67.1</b>	<b>56.5</b>	<b>115.7</b>	<b>1,309.2</b>
% of Group revenue	32.7%	27.4%	12.1%	9.5%	5.1%	4.3%	8.8%	100.0%

The non-current assets are mainly comprised of goodwill and capitalized development expenses which are non attributable by geographical area because they are allocated to several areas. The rest is composed of tangible assets which are not significant.

Therefore, it is not relevant to present the non-current assets by geographical area.

#### Note 4 Personnel expenses

(In € million)	12 months ended December 31, 2017	% Revenue	12 months ended December 31, 2016	% Revenue
Wages, salaries & social security charges	-617.2	38.7%	-526.9	40.2%
Tax, training, profit-sharing	-5.0	0.3%	-6.5	0.5%
Net (charge)/release to provisions for staff expenses	0.6	0.0%	0.1	0.0%
Net (charge)/release to provisions for pensions and similar benefits	10.1	-0.6%	-3.0	0.2%
<b>Total</b>	<b>-611.6</b>	<b>38.4%</b>	<b>-536.3</b>	<b>41.0%</b>

In 2017, the net charge to provision for pensions and similar benefit has been impacted by the change in the plan rules for the Railways Pension Scheme in the UK. See Note 21 - Pensions and similar benefits.



## Note 5 Non personnel operating expenses

<i>(In € million)</i>	<b>12 months ended December 31, 2017</b>	<b>% Revenue</b>	<b>12 months ended December 31, 2016</b>	<b>% Revenue</b>
Subcontracting costs direct	-292.6	18.4%	-244.3	18.7%
Hardware and software purchase	-64.1	4.0%	-49.6	3.8%
Maintenance costs	-50.2	3.1%	-31.4	2.4%
Rent & Lease expenses	-59.1	3.7%	-45.0	3.4%
Telecom costs	-42.4	2.7%	-38.3	2.9%
Travelling expenses	-14.0	0.9%	-11.8	0.9%
Company cars	-9.6	0.6%	-7.9	0.6%
Professional fees	-41.8	2.6%	-42.9	3.3%
Taxes & Similar expenses	-8.8	0.6%	-10.2	0.8%
Scheme fees	-41.0	2.6%	-20.7	1.6%
Other expenses	-55.0	3.5%	-55.0	4.2%
<b>Subtotal expenses</b>	<b>-678.7</b>	<b>42.6%</b>	<b>-557.1</b>	<b>42.6%</b>
Depreciation of assets	-90.5	5.7%	-54.6	4.2%
Net (charge)/release to provisions	-1.4	0.1%	2.7	-0.2%
Gains/(Losses) on disposal of assets	-1.0	0.1%	-7.1	0.5%
Trade Receivables write-off	-4.3	0.3%	-5.4	0.4%
Capitalized Production	46.6	-2.9%	45.4	-3.5%
<b>Subtotal other expenses</b>	<b>-50.5</b>	<b>3.2%</b>	<b>-19.1</b>	<b>1.5%</b>
<b>Total</b>	<b>-729.2</b>	<b>45.7%</b>	<b>-576.3</b>	<b>44.0%</b>

## Note 6 Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual and infrequent.

<i>(In € million)</i>	<b>12 months ended December 31, 2017</b>	<b>12 months ended December 31, 2016</b>
Staff reorganization	-4.9	-4.5
Rationalization and associated costs	-4.3	-4.5
Integration and acquisition costs	-25.6	-9.9
Equity based compensation	-7.9	-6.8
Customer relationships and patents amortization	-14.2	-6.1
Other items	-10.8	45.0
<b>Total</b>	<b>-67.6</b>	<b>13.3</b>

**Staff reorganization** expenses of € 4.9 million increased by € 0.4 million compared to last year and correspond mainly to the restructuring costs induced following the acquisition of Equens and Paysquare, and are also related to the adaptation of the organization mainly in France and in Belgium.

The € 4.3 million of **rationalization and associated costs** resulted mainly from costs linked to the continuation of the TEAM program and to the reorganization of office premises in France and in Belgium. Those costs have decreased by € 0.2 million compared to 2016.

**Integration and acquisition costs** reached € 25.6 million (increase of € 15.7 million compared to the prior period) and correspond to the costs related to the execution of the Equens and Paysquare post-acquisition integration costs. They also

included the costs linked to the acquisitions of First Data Baltics, Digital River World Payment and MRL Posnet for a total amount of € 2.7 million.

The 2017 **customer relationships amortization** of € 14.2 million corresponds to:

- € 10.0 million of Equens and Paysquare customer relationships;
- € 2.6 million of Cataps (KB Smartpay) customer relationships;
- € 0.7 million related to the portion of the consideration paid allocated to the value of the customer relationships and backlog brought by Quality Equipements and Siemens IT Solutions & Services;



## Financials

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- € 0.4 million of MRL Posnet customer relationships and technologies amortization starting November 1, 2017
- € 0.3 million of First Data Baltics customer relationships amortization starting October 1, 2017
- € 0.2 million of Digital River World Payment customer relationships and technologies amortization starting November 1, 2017

The €10.8 million of **other items** mainly consisted on non-recurring costs. In 2016 the other items included the gain on the Visa Share disposal for € 51.2 million.

#### Equity-based compensation

The € 7.9 million expense recorded within "Others Operation Income" for equity based compensation (€ 6.8 million in 2016) is mainly related to 2016 & 2017 free share plans, the 2015 & 2016 stock option plans and previous Atos free share plans.

<i>(In € million)</i>	<b>12 months ended December 31, 2017</b>	<b>12 months ended December 31, 2016</b>
Free share plans Worldline	6.5	1.2
Stock option plans	1.3	4.8
Free share plans Atos	0.1	0.1
Employee share purchase plans	-	0.7
<b>Total</b>	<b>7.9</b>	<b>6.8</b>

#### Free share plans

Rules governing the free share plans are as follows:

- to receive the share, the grantee must generally be an employee or a corporate officer of the Group or a company employee related to Worldline;
- vesting is also conditional on both the continued employment condition and the achievement of performance criteria, financial and non-financial ones;
- the financial performance criteria are the following:
  - group Free Cash Flow (FCF);
  - group Operating Margin before Depreciation and Amortization (OMDA); and
  - group revenue growth.
- the vesting period varies according to the plans rules but never exceeds 4 years;
- the number of shares are subject to a multiplier from 85% to 115% according to an under/over performance;
- the lock-up period is 0 to 1 year;
- free shares plans give the right to issue Worldline shares.

The Group has implemented two new free shares plans in January 2<sup>nd</sup>, 2017 and July 24<sup>th</sup>, 2017. The plans impacting the 2017 charge for € 6.5 million are detailed as follows:

Grant Date	July 25, 2016		January 2, 2017	July 24, 2017
	French plan	Foreign plan		
Number of shares granted	229,250	133,000	229,500	441,000
Share price at grant date <i>(in €)</i>	26.865	26.865	26.775	33.240
			February 1, 2019	
Vesting Date(s)	July 25, 2018	July 25, 2019	September 1, 2019	July 24, 2020
			April 1, 2020	
Expected Life	2 years	3 years	2.0 / 2.65 / 3.25 years	
Lock-up period	1 year	-	-	-
Risk free interest rate	-0.047%	-	-	-
Borrowing-lending spread	4.0%	-	-	-
Expected dividend yield	1.10%	1.10%	1.10%	1.10%
<b>Fair value of shares granted <i>(in €)</i></b>	<b>26.28</b>	<b>25.99</b>	<b>26.17/26.00/25.84</b>	<b>32.16</b>
<b>Expense recognized in 2017 <i>(in € million)</i></b>	<b>2.9</b>	<b>0.9</b>	<b>1.3</b>	<b>1.4</b>

### Stock option plans

Rules governing the stock options plans are as follows:

- to exercise the option, the grantee must generally be an employee or corporate officer of the Group or a company employee related to Worldline;
- vesting is also conditional on the achievement of performance criteria, financial and non-financial ones;
- the financial performance criteria are the following :
  - group Free Cash Flow (FCF);
  - group Operating Margin before Depreciation and Amortization (OMDA) ; and
  - group revenue growth.
- the vesting period varies according to the plans rules but never exceeds 2 years;
- the option expiration date varies according to the plans rules but never exceeds 8.5 years after the vesting date;
- the exercise of the option is equity-settled.

The Group recognized a total expense of € 1.3 million on stock options detailed as follows:

Grant Date	2017 Expense <i>(in € million)</i>	Number of options initially granted	Vesting Date	Number of options vested
September 1, 2015	0.8	1,558,500	May 15, 2017	1,404,000
May 25, 2016	0.4	196,000	May 25, 2018	N/A
August 16, 2016	0.1	45,000	May 25, 2018	N/A
<b>Total</b>	<b>1.3</b>	<b>1,799,500</b>		<b>1,404,000</b>

The characteristics of each current stock options plans are detailed as follows:

Grant Date	September 1, 2015	May 25, 2016	August 16, 2016
Number of options granted	1,558,500	196,000	45,000
Share price at grant date <i>(in €)</i>	21.38	27.10	27.35
Strike price <i>(in €)</i>	22.87	26.82	28.58
Vesting date	May 15, 2017	May 25, 2018	May 25, 2018
Expected volatility	21%	21%	21%
Expected maturity of the plan	5 years	5 years	5 years
Risk free interest rate	0.352%	-0.196%	-0.325%
Expected dividend yield	1.10%	1.10%	1.10%
<b>Fair value of options granted <i>(in €)</i></b>	<b>2.94</b>	<b>4.21</b>	<b>3.67</b>
<b>Expense recognized in 2017 <i>(in € million)</i></b>	<b>0.8</b>	<b>0.4</b>	<b>0.1</b>

The change in outstanding share options for Worldline SA during the period was the following:

	12 months ended December 31, 2017		12 months ended December 31, 2016	
	Number of shares	Weighted average strike price <i>(in €)</i>	Number of shares	Weighted average strike price <i>(in €)</i>
<b>Outstanding at the beginning of the year</b>	<b>2,851,641.0</b>	<b>20.9</b>	<b>2,997,420.0</b>	<b>20.1</b>
Granted during the year	-	-	241,000.0	27.1
Forfeited during the year	-29,500.0	22.9	-129,500.0	21.5
Exercised during the year	-551,967.0	19.7	-257,279.0	17.2
Expired during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>2,270,174.0</b>	<b>21.2</b>	<b>2,851,641.0</b>	<b>20.9</b>
<b>Exercisable at the end of the year, below year-end stock price*</b>	<b>2,270,174.0</b>	<b>21.2</b>	<b>2,851,641.0</b>	<b>20.9</b>



## Note 7 Net Financial Result

Net financial expense amounted to € 8.1 million for the period (compared to € 5.9 million in 2016) and was made up of:

- A net cost of financial debt of € 1.1 million (€ 0.6 million in 2016); and
- A non-operational financial cost of € 7.0 million.

Net cost of financial debt of € 1.1 million is made up of:

- € 1.9 million of cost of gross debt of the Group's subsidiaries representing an average interest rate of 1.06%; and

- € 0.8 million of remuneration of gross cash of the Group's subsidiaries representing an average interest rate of 0.28%.

The other financial income / expenses were mainly composed of foreign exchange losses for € 4.1 million and pension financial costs for € 2.1 million. The pension financial costs represent the difference between interest costs on defined benefit obligations and the interest income on plan assets for funded plans (cf. Note 21 "Pensions and similar benefits").

## Note 8 Income tax expenses

### CURRENT AND DEFERRED TAXES

<i>(In € million)</i>	<b>12 months ended December 31, 2017</b>	<b>12 months ended December 31, 2016</b>
Current taxes	-52.0	-43.2
Deferred taxes	7.9	-10.5
<b>Total</b>	<b>-44.1</b>	<b>-53.7</b>

### EFFECTIVE TAX RATE

The difference between the French standard tax rate and the Group Effective tax rate is explained as follows:

<i>(In € million)</i>	<b>12 months ended December 31, 2017</b>	<b>12 months ended December 31, 2016</b>
Profit before tax	177.4	204.0
French standard tax rate	34.4%	34.4%
<b>Theoretical tax charge at French standard rate</b>	<b>-61.1</b>	<b>-70.3</b>
Impact of permanent differences	5.8	26.2
Differences in foreign tax rates	11.1	8.1
Movement on recognition of deferred tax assets	4.5	-9.6
Equity-based compensation	-2.4	-2.3
Change in deferred tax rates	-2.3	-0.6
Withholding taxes	-1.1	-1.9
CVAE net of tax	-2.4	-3.2
French Tax credit	2.4	1.8
Other	1.4	-2.0
<b>Group tax expense</b>	<b>-44.1</b>	<b>-53.7</b>
<b>Effective tax rate</b>	<b>24.9%</b>	<b>26.3%</b>

## Note 9 Deferred taxes

<i>(In € million)</i>	<b>12 months ended December 31, 2016</b>	<b>12 months ended December 31, 2016</b>
Deferred tax assets	52.4	45.3
Deferred tax liabilities	57.4	47.2
<b>Net deferred tax</b>	<b>-5.0</b>	<b>-1.9</b>

### BREAKDOWN OF DEFERRED TAX ASSETS AND LIABILITIES BY NATURE

<i>(In € million)</i>	Tax losses carry forward	Customer relationships	Fixed assets	Pensions	Other	Total
<b>As at December 31, 2015</b>	<b>11.7</b>	<b>-2.2</b>	<b>9.5</b>	<b>17.5</b>	<b>1.3</b>	<b>37.8</b>
Charge to profit or loss for the year	2.7	1.7	-5.5	1.6	-10.9	-10.4
Change of scope	3.2	-26.9	-36.5	9.6	19.7	-30.9
Charge to equity	-	-	-	5.2	-0.5	4.7
Reclassification	-	-	-1.7	-	1.7	0.0
Exchange differences	-	-0.2	-3.0	-0.1	0.3	-3.0
<b>As at December 31, 2016</b>	<b>17.6</b>	<b>-27.6</b>	<b>-37.2</b>	<b>33.8</b>	<b>11.6</b>	<b>-1.9</b>
Charge to profit or loss for the year	7.5	4.1	-9.5	0.4	5.3	7.8
Change of scope	-	-13.8	5.3	0.2	-	-8.3
Charge to equity	-	-	0.9	-2.4	0.1	-1.4
Reclassification	-0.2	3.9	-14.2	-0.2	10.5	-0.2
Exchange differences	-0.1	0.4	-0.2	-0.1	-1.0	-1.0
<b>As at December 31, 2017</b>	<b>24.8</b>	<b>-33.0</b>	<b>-54.9</b>	<b>31.7</b>	<b>26.5</b>	<b>-5.0</b>

### TAX LOSSES CARRY FORWARD SCHEDULE (BASIS)

<i>(In € million)</i>	12 months ended December 31, 2017			12 months ended December 31, 2016		
	Recognized	Unrecognized	Total	Recognized	Unrecognized	Total
2020	-	-	-	0.6	6.3	6.9
2021	3.0	6.6	9.6	-	-	-
Tax losses available for carry forward for 5 years and more	0.0	0.0	0.0	12.7	0.0	12.7
<b>Ordinary tax losses carry forward</b>	<b>3.0</b>	<b>6.6</b>	<b>9.6</b>	<b>13.3</b>	<b>6.3</b>	<b>19.5</b>
<b>Evergreen tax losses carry forward</b>	<b>84.8</b>	<b>3.0</b>	<b>87.7</b>	<b>48.8</b>	<b>21.1</b>	<b>69.9</b>
<b>Total tax losses carry forward</b>	<b>87.8</b>	<b>9.5</b>	<b>97.3</b>	<b>62.1</b>	<b>27.4</b>	<b>89.4</b>

Countries with the largest tax losses available for carry forward were France (€ 55.6 million), Spain (€ 18.9 million), Germany (€ 9.5 million), Poland (9.1 million) and Italy (€ 1.2 million).

### DEFERRED TAX ASSETS NOT RECOGNIZED BY THE GROUP

<i>(In € million)</i>	12 months ended December 31, 2017	12 months ended December 31, 2016
Tax losses carry forward	1.8	6.1
Temporary differences	20.0	17.8
<b>Total</b>	<b>21.8</b>	<b>23.9</b>

### Note 10 Non-controlling Interests

<i>(In € million)</i>	As at December 31, 2016	2017 Income	Capital Increase	Dividends	Other	As at December 31, 2017
Equens	160.9	27.9	-	-	-13.8	175.1
<b>Total</b>	<b>160.9</b>	<b>27.9</b>	<b>-</b>	<b>-</b>	<b>-13.8</b>	<b>175.1</b>

## Note 11 Earnings per Share

<i>(In € million and shares)</i>	<b>12 months ended December 31, 2017</b>	<b>12 months ended December 31, 2016</b>
<b>Net income - Attributable to owners of the parent [a]</b>	<b>105.5</b>	<b>144.2</b>
Impact of dilutive instruments	-	-
<b>Net income restated of dilutive instruments - Attributable to owners of the parent [b]</b>	<b>105.5</b>	<b>144.2</b>
Average number of shares outstanding [c]	132,557,598	132,102,935
Impact of dilutive instruments [d]	771,637	323,007
Diluted average number of shares [e]=[c]+[d]	133,329,234	132,425,942
<b>Earnings per share <i>(in €)</i> [a]/[c]</b>	<b>0.80</b>	<b>1.09</b>
Diluted earnings per share <i>(in €)</i> [b]/[e]	0.79	1.09

Basic and diluted earnings per share are reconciled in the table below. Potential dilutive instruments comprise stock options, which do not generate any restatement of net income used for the diluted EPS calculation. The average number of stock

options not exercised in December 2017 amounted to 2,270,174 shares. As of end of December 2017, potential dilutive instruments comprised stock subscription (equivalent to 771,637 options).

## Note 12 Goodwill

<i>(In € million)</i>	<b>As at December 31, 2016</b>	<b>Disposals Depreciations</b>	<b>Impact of business combination</b>	<b>Exchange rate fluctuations</b>	<b>As at December 31, 2017</b>
Gross value	767.0	-	175.6	-8.2	934.4
Impairment loss	-0.6	-	-	-	-0.6
<b>Carrying amount</b>	<b>766.4</b>	<b>-</b>	<b>175.6</b>	<b>-8.2</b>	<b>933.8</b>

<i>(In € million)</i>	<b>As at December 31, 2015</b>	<b>Disposals Depreciations</b>	<b>Impact of business combination</b>	<b>Exchange rate fluctuations</b>	<b>As at December 31, 2016</b>
Gross value	380.7	-	387.4	-1.1	767.0
Impairment loss	-0.6	-	-	-	-0.6
<b>Carrying amount</b>	<b>380.1</b>	<b>-</b>	<b>387.4</b>	<b>-1.1</b>	<b>766.4</b>

As of 31 December 2017, goodwill mainly corresponds to:

- € 243.3 million related to Banksys acquisition;
- € 437.6 million related to acquisitions of Equens/Paysquare and Cataps. The impact of business combination includes € 32.0 million related to Cataps acquisition;
- € 42.3 million related to the acquisition of First Data Baltics;
- € 33.4 million related to the acquisition of Digital River World Payments;
- € 45.5 million related to the acquisition of MRL Posnet.

Goodwill is allocated to Cash Generating Units (CGUs) which correspond to the three operating segments disclosed in Note 3 "Segment information by Global Business Lines".

<i>(In € million)</i>	<b>As at December 31, 2017</b>	<b>As at December 31, 2016</b>
Merchant Services	427.3	293.6
Financial Services	480.6	446.9
Mobility & e-Transactional Services	25.8	25.9
<b>Total</b>	<b>933.8</b>	<b>766.4</b>

The recoverable amount of a CGU is based on the following assumptions:

- terminal value is calculated after the three-year period, using an estimated perpetuity growth rate of 2.5%. This rate reflects specific perspectives of the payment sector, and;
- discount rates are applied by CGU based on the Group's weighted average cost of capital and adjusted to take into account specific tax rates. The Group considers that the weighted average cost of capital should be determined based on a historical equity risk premium of 6.53%, in order to reflect the long-term assumptions factored in the impairment tests.

The discount rate of 7.8% is used for all the CGUs (Merchant Services, Financial Services and Mobility & e-Transactional Services).

On the basis of impairment tests carried at year end, no loss of value has been identified as at December 31, 2017.

A varying plus or minus 50 basis points of the key parameters (operating margin, discount rates and perpetual growth rate) did not reveal the existence of any risk on the Group's CGUs.

## Note 13 Intangible assets

<i>(In € million)</i>	<b>Software &amp; Licenses</b>	<b>Customer Relationships/Patent</b>	<b>Other assets</b>	<b>Total</b>
<b>Gross value</b>				
<b>As at January 1, 2017</b>	<b>333.2</b>	<b>128.4</b>	<b>25.2</b>	<b>486.7</b>
Additions	11.4	-	0.1	11.5
R&D capitalized	46.6	-	-	46.6
Impact of business combination	-11.4	65.5	-	54.1
Disposals*	-1.1	-	-	-1.1
Exchange differences	-1.1	-1.1	-1.2	-3.4
Other	-0.1	-	-0.1	-0.1
<b>As at December 31, 2017</b>	<b>377.5</b>	<b>192.8</b>	<b>24.1</b>	<b>594.3</b>
<b>Accumulated depreciation</b>				
<b>As at January 1, 2017</b>	<b>-122.0</b>	<b>-31.5</b>	<b>-21.1</b>	<b>-174.6</b>
Depreciation charge for the year	-55.3	-14.2	-0.4	-69.9
Disposals/reversals (*)	1.1	-	-	1.1
Exchange differences	0.7	-	0.7	1.4
Other	0.3	-	-0.1	0.2
<b>As at December 31, 2017</b>	<b>-175.1</b>	<b>-45.7</b>	<b>-21.0</b>	<b>-241.7</b>
<b>Net value</b>				
<b>As at January 1, 2017</b>	<b>211.2</b>	<b>96.9</b>	<b>4.1</b>	<b>312.2</b>
<b>As at December 31, 2017</b>	<b>202.4</b>	<b>147.1</b>	<b>3.1</b>	<b>352.6</b>

\* Write-off of fully depreciated assets.



<i>(In € million)</i>	Software & Licenses	Customer Relationships/Patent	Other assets	Total
<b>Gross value</b>				
<b>As at January 1, 2016</b>	<b>209.8</b>	<b>31.2</b>	<b>27.2</b>	<b>268.2</b>
Additions	5.9	-	0.1	6.0
R&D capitalized	45.4	-	-	45.4
Impact of business combination	80.1	97.6	-	177.7
Disposals	-6.0	-	-	-6.0
Exchange differences	-2.0	-0.4	-2.1	-4.5
<b>As at December 31, 2016</b>	<b>333.2</b>	<b>128.4</b>	<b>25.2</b>	<b>486.7</b>
<b>Accumulated depreciation</b>				
<b>As at January 1, 2016</b>	<b>-96.3</b>	<b>-25.2</b>	<b>-23.0</b>	<b>-144.5</b>
Depreciation charge for the year	-32.2	-6.1	-	-38.3
Disposals/reversals	6.1	-	-	6.1
Exchange differences	0.6	-0.2	1.9	2.3
Impairment	-0.2	-	-	-0.2
<b>As at December 31, 2016</b>	<b>-122.0</b>	<b>-31.5</b>	<b>-21.1</b>	<b>-174.6</b>
<b>Net value</b>				
<b>As at January 1, 2016</b>	<b>113.5</b>	<b>6.0</b>	<b>4.2</b>	<b>123.7</b>
<b>As at December 31, 2016</b>	<b>211.2</b>	<b>96.9</b>	<b>4.1</b>	<b>312.2</b>

Development capitalized cost is related to the modernization of proprietary technological platforms for € 46.6 million. At December 31, 2017, the net book value of those capitalized cost amounted to 172.7 million of euros.

## Note 14 Tangible assets

<i>(In € million)</i>	Land and buildings	IT equipments	Other assets	Total
<b>Gross value</b>				
<b>As at January 1, 2017</b>	<b>62.6</b>	<b>225.9</b>	<b>29.1</b>	<b>317.6</b>
Additions	2.4	48.8	4.1	55.3
Impact of business combination	-0.4	15.0	1.6	16.2
Disposals	-1.5	-15.2	-0.2	-16.9
Exchange differences	-0.1	-3.1	-1.4	-4.7
Other	-2.2	-2.8	-1.9	-7.0
<b>As at December 31, 2017</b>	<b>60.8</b>	<b>268.5</b>	<b>31.2</b>	<b>360.5</b>
<b>Accumulated depreciation</b>				
<b>As at January 1, 2017</b>	<b>-38.2</b>	<b>-157.7</b>	<b>-17.9</b>	<b>-213.8</b>
Depreciation charge for the year	-4.9	-35.3	-1.8	-42.1
Disposals/Reversals	1.2	14.7	0.2	16.1
Exchange differences	0.1	1.8	0.7	2.6
Other	1.8	4.9	-0.6	6.1
<b>As at December 31, 2017</b>	<b>-40.3</b>	<b>-171.6</b>	<b>-19.4</b>	<b>-231.4</b>
<b>Net value</b>				
<b>As at January 1, 2017</b>	<b>24.4</b>	<b>68.2</b>	<b>11.2</b>	<b>103.8</b>
<b>As at December 31, 2017</b>	<b>20.5</b>	<b>96.9</b>	<b>11.8</b>	<b>129.2</b>



<i>(In € million)</i>	Land and buildings	IT equipments	Other assets	Total
<b>Gross value</b>				
<b>As at January 1, 2016</b>	<b>66.2</b>	<b>225.5</b>	<b>29.3</b>	<b>321.0</b>
Additions	1.4	25.9	4.6	31.9
Impact of business combination	4.7	31.1	0.0	35.8
Disposals	-9.7	-56.8	-2.0	-68.5
Exchange differences	-0.1	-1.9	-0.8	-2.9
Other	0.2	2.2	-2.1	0.2
<b>As at December 31, 2016</b>	<b>62.6</b>	<b>225.9</b>	<b>29.1</b>	<b>317.6</b>
<b>Accumulated depreciation</b>				
<b>As at January 1, 2016</b>	<b>-40.0</b>	<b>-196.8</b>	<b>-18.0</b>	<b>-254.8</b>
Depreciation charge for the year	-5.1	-20.2	-2.1	-27.4
Disposals/Reversals	6.6	58.3	1.8	66.7
Exchange differences	0.1	2.0	0.4	2.6
Other	0.1	-1.0	0.0	-0.9
<b>As at December 31, 2016</b>	<b>-38.2</b>	<b>-157.7</b>	<b>-17.9</b>	<b>-213.8</b>
<b>Net value</b>				
<b>As at January 1, 2016</b>	<b>26.2</b>	<b>28.7</b>	<b>11.3</b>	<b>66.2</b>
<b>As at December 31, 2016</b>	<b>24.4</b>	<b>68.2</b>	<b>11.2</b>	<b>103.8</b>

Tangible capital assets of the Worldline Group mainly include computer equipment used in the production centers, particularly in the processing datacenters, and Terminals rented to merchants. Land and buildings are mostly composed of technical infrastructures of datacenters.

## Note 15 Non current financial Assets

<i>(In € million)</i>	As at December 31, 2017	As at December 31, 2016
Pension prepayments <span style="float: right;">Note 21</span>	2.0	1.5
Fair value of non-consolidated investments net of impairment	21.3	17.5
Investments in associates	3.8	0.4
Other*	8.3	8.4
<b>Total</b>	<b>35.4</b>	<b>27.8</b>

\* "Other" include loans, deposits and guarantees.

The increase in investments in associates is due to the investment in InTouch. See Note 2 "Other significant event of the year."

## Note 16 Trade accounts and notes receivable

<i>(In € million)</i>	As at December 31, 2017	As at December 31, 2016
Gross value	321.2	299.6
Provision for doubtful debt	-5.7	-4.7
<b>Net asset value</b>	<b>315.6</b>	<b>294.9</b>
Prepayments	-15.0	-12.9
Deferred income and upfront payments received	-91.6	-92.7
<b>Net accounts receivable</b>	<b>209.0</b>	<b>189.3</b>
<b>Number of days sales outstanding (DSO)</b>	<b>39</b>	<b>40</b>

For balances outstanding for more than 60 days, the Group considers the need for depreciation on a case-by-case basis through a quarterly review of its balances.

**AGEING OF PAST DUE NET RECEIVABLES**

<i>(In € million)</i>	<b>As at December 31, 2017</b>	<b>As at December 31, 2016</b>
0-30 days overdues	16.5	23.9
30-60 days overdues	8.1	4.3
60-90 days overdues	3.0	1.2
Beyond 90 days overdues	13.0	3.1
<b>Total</b>	<b>40.6</b>	<b>32.5</b>

**Note 17 Intermediation activities**

<i>(In € million)</i>	<b>As at December 31, 2017</b>	<b>As at December 31, 2016*</b>
Receivables linked to intermediation activities	171.7	112.6
Funds related to intermediation activities	145.0	137.0
<b>Total assets linked to intermediation activities</b>	<b>316.6</b>	<b>249.6</b>
Payables linked to intermediation activities	316.6	249.6
<b>Total liabilities linked to intermediation activities</b>	<b>316.6</b>	<b>249.6</b>

\* 31 December 2016 adjusted to reflect change in presentation disclosed in Note "Accounting rules and policies"

**Note 18 Other current assets**

<i>(In € million)</i>	<b>As at December 31, 2017</b>	<b>As at December 31, 2016</b>
Inventories	19.7	17.7
State - VAT receivables	27.4	24.2
Prepaid expenses Note 24	60.9	60.1
Other receivables & current assets	26.5	24.8
Advance payment	1.9	2.1
<b>Total</b>	<b>136.3</b>	<b>129.0</b>

**Note 19 Cash and cash equivalents**

<i>(In € million)</i>	<b>As at December 31, 2017</b>	<b>As at December 31, 2016*</b>
Cash and cash equivalents	350.2	119.9
Current accounts with Atos entities - Assets	5.6	1.4
Short-term bank deposits	0.0	250.0
Money market funds	0.1	2.8
<b>Total cash and cash equivalents</b>	<b>355.8</b>	<b>374.0</b>
Overdrafts	-17.0	-14.5
Current accounts with Atos entities - Liabilities	-4.7	-2.5
<b>Total overdrafts and equivalents</b>	<b>-21.6</b>	<b>-17.0</b>
<b>Total net cash and cash equivalents</b>	<b>334.2</b>	<b>357.0</b>

\* 31 December 2016 adjusted to reflect change in presentation disclosed in Note "Accounting rules and policies"

## Note 20 Shareholder equity

In March, in June, in September and in December 2017, 551,967 new shares were created following the exercise of the stock-options plan from the September 2014 and September 2015 plans.

At the end of December 2017, the total of shares reached at 132,898,963 with a nominal value of € 0.68. Common stock was increased from € 89,995,957.28 to € 90,371,294.84.

## Note 21 Pensions and similar benefits

The total amount recognized in the Worldline balance sheet in respect of pension plans and associated benefits was € 114.0 million at December 31, 2017. It was € 130.1 million at December 31, 2016.

Worldline's obligations are located predominantly in Germany (35.0% of total obligations), the United Kingdom (24.0%), Belgium (20.0%) and France (16.0%).

### Characteristics of significant plans and associated risks

In **Germany**, the majority of obligations flow from a defined benefit pension plan which is closed to new entrants. The plan is subject to the German regulatory framework, which has no funding requirements, but does include compulsory insolvency insurance (PSV). The plan is partially funded via an insurance company. The investment strategy is set by the insurance company.

In the **United Kingdom**, these obligations are generated by legacy defined benefit plans, which have been closed to new entrants. The plans are subject to the UK regulatory framework where funding requirements are determined by an independent actuary based on a discount rate reflecting the plan's expected return on investments. The plans are governed by an independent Board of trustees with representatives of the employer and beneficiaries. Recovery periods are agreed between the plans' trustees and the sponsoring companies and may run up to 20 years if appropriate securities are provided by sponsors. Since the plan has just a few pensioners, the current asset allocation across United Kingdom plans is predominantly

return seeking, with 80.0% invested in return seeking instruments and the rest in government and non-government bonds, property and infrastructure.

In **Belgium**, the majority of obligations flow from a defined benefit pension plan which is closed to new entrants. The plan is subject to the Belgian regulatory framework where funding requirements are based on a 6.0% discount rate and prescribed mortality statistics. In case of underfunding, a deficit must be supplemented immediately. The plan is insured with a professional insurance company. The investment strategy is set by the insurance company.

Worldline's obligations are also generated, but to a lesser extent, by legal or collectively bargained end of service benefit plans and other long term benefits such as jubilee plans.

These plans do not expose Worldline to any specific risks that are unusual for these types of benefit plans. Typical risks include, increase in inflation, longevity and a decrease in discount rates and adverse investment returns.

Worldline recognized all actuarial gains and losses asset ceiling effects generated in the period in other comprehensive income.

### Events in 2017

In 2017, a change in the plan rules was introduced over the first semester for the Railways Pension Scheme in the UK to freeze the pensionable pay on an ongoing basis. As a result, pensionable benefits will no longer increase with salary evolutions. The corresponding reduction in the obligation was recorded in Profit and Loss.



**Amounts recognized in the financial statements**

The amounts recognized in the balance sheet as at December 31, 2017 rely on the following components, determined at each benefit plan's level:

<i>(In € million)</i>	<b>As at December 31, 2017</b>	<b>As at December 31, 2016</b>
<b>Amounts recognized in financial statements consist of :</b>		
Prepaid pension asset – post employment plans	2.0	1.5
Accrued liability – post employment plans	-112.4	-128.0
Accrued liability – other long term benefits	-3.5	-3.6
<b>Net amounts recognized – Total</b>	<b>-114.0</b>	<b>-130.1</b>
<b>Components of net periodic cost</b>		
Service cost (net of employees contributions)	9.1	7.6
Past service cost, Settlements	-11.4	-1.5
Actuarial (gain)/loss in other long term benefits	0.1	-0.5
<b>Operating expense</b>	<b>-2.2</b>	<b>5.6</b>
Interest cost	4.9	5.2
Interest income	-2.8	-3.2
<b>Financial expense</b>	<b>2.1</b>	<b>2.0</b>
<b>Net periodic pension cost – Total expense/(profit)</b>	<b>-0.1</b>	<b>7.6</b>
<i>Of which, net periodic pension cost – post employment plans</i>	-0.2	7.5
<i>Of which, net periodic pension cost – other long term benefits</i>	0.1	0.1
<b>Change in defined benefit obligation</b>		
Defined benefit obligation – post employment plans at January 1	262.9	184.8
Defined benefit obligation – other long term benefits at January 1	3.6	1.0
<b>Total Defined Benefit Obligation at January 1</b>	<b>266.5</b>	<b>185.8</b>
Exchange rate impact	-2.9	-10.5
Service cost (net of employees contributions)	8.9	7.6
Interest cost	4.9	5.2
Employees contributions	0.6	0.7
Past service cost, Settlements	-11.4	-1.5
Business combinations/(disposals)	-	52.5
Benefits paid	-5.6	-3.5
Actuarial (gain)/loss - change in financial assumptions	-1.0	22.9
Actuarial (gain)/loss - change in demographic assumptions	-3.4	6.6
Actuarial (gain)/loss - experience results	-1.0	0.7
Other movements	-0.2	-
<b>Defined benefit obligation at December 31</b>	<b>255.4</b>	<b>266.5</b>

The weighted average duration of the liability is 17.2 years.

<i>(In € million)</i>	<b>As at December 31, 2017</b>	<b>As at December 31, 2016</b>
<b>Change in plan assets</b>		
<b>Fair value of plan assets at January 1</b>	<b>136.4</b>	<b>111.0</b>
Exchange rate impact	-2.3	-8.7
Actual return on plan assets	8.4	11.8
Employer contributions	1.4	1.6
Employees contributions	0.6	0.7
Benefits paid by the fund	-3.0	-2.5
Business combinations/(disposals)	-	22.5
<b>Fair value of plan assets at December 31</b>	<b>141.5</b>	<b>136.4</b>
<b>Reconciliation of prepaid/(accrued) Benefit cost (all plans)</b>		
Funded status-post employment plans	-110.5	-126.5
Funded status-other long term benefit plans	-3.5	-3.6
<b>Prepaid/(accrued) pension cost</b>	<b>-114.0</b>	<b>-130.1</b>
<b>Reconciliation of net amount recognized (all plans)</b>		
<b>Net amount recognized at beginning of year</b>	<b>-130.1</b>	<b>-74.8</b>
Net periodic pension cost	0.1	-7.6
Benefits paid by by the employer	2.6	1.0
Employer contributions	1.4	1.6
Business combinations/(disposals)	-	-30.0
Amounts recognized in Other Comprehensive Income	11.4	-22.2
Exchange rate	0.6	1.9
<b>Net amount recognized at end of year</b>	<b>-114.0</b>	<b>-130.1</b>

The obligations in respect of benefit plans which are partially or totally funded through external funds (pension or insurance funds) were € 191.7 million at December 31, 2017 and € 207.5 million at December 31, 2016, representing almost 75% of Worldline total obligations.

### Actuarial assumptions

Worldline obligations are valued by independent actuaries, based on assumptions that are periodically updated. These assumptions are set out in the table below:

	United Kingdom		Eurozone	
	2017	2016	2017	2016
Discount rate as at December 31	2.70%	2.80%	1.50% ~ 1.95%	1.40% ~ 1.95%
Inflation assumption as at December 31	3.20%	3.25%	1.45%	1.45%

The inflation assumption is used for estimating the impact of indexation of pensions in payment or salary inflation based on the various rules of each plan.

Sensitivity of the defined benefit obligations of the significant plans to the discount rate and inflation rate assumptions is as follows:

	Discount rate +25bp	Inflation rate +25 bp
United Kingdom main pension plan	-4.9%	+2.8%
German main pension plan	-5.0%	-
Belgian main pension plan	-2.5%	-

These sensitivities are based on calculations made by independent actuaries and do not include cross effects of the various assumptions, they do however include effects that the inflation assumption would have on salary increase assumptions for the United Kingdom. The defined benefit obligations of the plans in Belgium and Germany are not sensitive to the inflation assumption.

**Plan assets**

Plan assets were invested as follows:

	December 31, 2017	December 31, 2016
Equity	36%	27%
Bonds	14%	25%
Other*	50%	48%

\* of which 49% of insurance contracts in 2017 (vs. 46% in 2016).

Of these assets the equity and bonds are valued at market value. Of the other assets a small proportion relates to illiquid investments where valuations are based on the information provided by the investment managers and the majority relates to insurance contracts.

**Summary net impacts on profit and loss and cash**

The net impact of defined benefits plans on Worldline financial statements can be summarized as follows:

**Profit and loss**

(In € million)	December 31, 2017			December 31, 2016		
	Post-employment	Other LT benefit	Total	Post-employment	Other LT benefit	Total
Operating margin	2.3	-0.1	2.2	-5.5	-0.1	-5.6
Financial result	-2.1	-	-2.1	-2.0	-	-2.0
<b>Total (expense)/profit</b>	<b>0.2</b>	<b>-0.1</b>	<b>0.1</b>	<b>-7.5</b>	<b>-0.1</b>	<b>-7.6</b>

**Cash impacts of pensions**

The cash impact of pensions in 2017 was mainly composed of cash contributions to pension or insurance funds for € 1.4 million, the remaining part of € 2.6 million being benefit payments directly made by the group to the beneficiaries.

Contributions in 2018 are expected to be of the same order of magnitude.

**Note 22 Provisions**

(In € million)	As at December 31, 2016	Charge	Release used	Release unused	Business combination	Other*	As at December 31, 2017	Current	Non-current
Project commitments	2.3	1.4	-0.5	-0.1	-	-0.1	3.0	1.5	1.5
Litigations and contingencies	24.5	1.5	-1.8	-0.7	1.0	-3.2	21.3	8.9	12.4
Reorganization	3.6	2.0	-3.2	-0.4	-	-0.1	1.9	1.6	0.3
Rationalization	0.1	-	-	-	-	-0.1	-	-	-
<b>Total provisions</b>	<b>30.4</b>	<b>4.9</b>	<b>-5.5</b>	<b>-1.2</b>	<b>1.0</b>	<b>-3.5</b>	<b>26.2</b>	<b>12.0</b>	<b>14.2</b>

\* Other movements mainly consist of currency translation adjustments.

<i>(In € million)</i>	As at December 31, 2015	Charge	Release used	Release unused	Business combination	Other*	As at December 31, 2016	Current	Non- current
Project commitments	4.6	0.7	-2.1	-0.6	-	-0.2	2.3	2.0	0.3
Litigations and contingencies	3.6	2.0	-0.6	-2.1	21.6	-0.1	24.5	17.5	7.1
Reorganization	1.6	1.9	-2.4	-0.3	2.8	-	3.6	2.8	0.7
Rationalization	0.4	-	-0.2	-	-	-	0.1	0.1	-
<b>Total provisions</b>	<b>10.2</b>	<b>4.6</b>	<b>-5.3</b>	<b>-3.1</b>	<b>24.4</b>	<b>-0.3</b>	<b>30.4</b>	<b>22.4</b>	<b>8.0</b>

\* Other movements mainly consist of currency translation adjustments.

The closing position of contingency provisions of € 21.3 million included a number of litigation issues, such as tax contingencies and social disputes, guarantees given on disposals and other disputes with clients and suppliers.

The legal department and the lawyers of the Group closely monitor these situations with a view to minimize the ultimate liability.

## Note 23 Borrowings

<i>(In € million)</i>	As at December 31, 2017			As at December 31, 2016		
	Current	Non current	Total	Current	Non Current	Total
Finance leases	0.2	1.4	1.6	0.1	2.0	2.1
Overdrafts	17.0	-	17.0	14.5	-	14.5
Current accounts with Atos entities	4.7	-	4.7	2.5	-	2.5
Other borrowings	21.7	1.7	23.4	6.9	0.2	7.1
<b>Total borrowings</b>	<b>43.6</b>	<b>3.1</b>	<b>46.7</b>	<b>24.1</b>	<b>2.2</b>	<b>26.3</b>

Current accounts with a short-term maturity - less than one month- have no remuneration.

Under "Other Borrowings", the Group has recognized a financial liability of € 6.7 million related to Cataps acquisition as at December 31, 2016 corresponding to the fair value of the put

option owned by Non-Controlling Interests on the outstanding of 20% shares exercisable at any time from the date of the transaction and a liability linked to the contingency consideration of MRL Posnet.

### BORROWINGS IN CURRENCIES

<i>(In € million)</i>	EUR	SGD	Other currencies	Total
<b>December 31, 2017</b>	<b>30.0</b>	<b>13.9</b>	<b>2.8</b>	<b>46.7</b>
December 31, 2016	26.0	-	0.3	26.3

### NON-CURRENT BORROWINGS MATURITY

<i>(In € million)</i>	2019	2020	2021	2022	>2022	Total
Finance leases	0.2	0.2	0.2	0.1	0.7	1.4
Other borrowings	0.7	0.9	-	-	-	1.7
<b>As at December 31, 2017 long-term debt</b>	<b>1.0</b>	<b>1.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.7</b>	<b>3.1</b>
<i>(In € million)</i>	2018	2019	2020	2021	>2021	Total
Finance leases	0.7	0.1	0.1	0.1	0.9	2.0
Other borrowings	-	0.1	-	-	-	0.1
<b>As at December 31, 2016 long-term debt</b>	<b>0.7</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.9</b>	<b>2.1</b>



## Financials

### Consolidated financial statements

The evaluation of financial liabilities has been conducted based on:

- Exchange rates prevailing as at December 31, 2017, and
- Interest rate presented hereafter.

The effective interest rates in 2017 were as follows:

<i>(In € million)</i>	Carrying value	Fair value	Effective interest rate
Finance leases	1.6	1.6	3.04%
Other borrowings	23.4	23.4	
<b>Total borrowings</b>	<b>25.0</b>	<b>25.0</b>	

### CHANGE IN NET CASH/(DEBT) OVER THE PERIOD

<i>(In € million)</i>	As at December 31, 2017	As at December 31, 2016*
<b>Opening net cash/(debt)</b>	<b>347.7</b>	<b>276.0</b>
New borrowings	-18.3	-0.8
Repayment of long and medium-term borrowings	2.6	0.6
Variance in net cash and cash equivalents	-16.8	76.1
New finance leases	-0.1	-0.2
Long and medium-term debt of companies acquired during the period	-0.7	-7.1
Impact of exchange rate fluctuations on net long and medium-term debt	-5.1	3.0
<b>Closing net cash/(debt)</b>	<b>309.1</b>	<b>347.7</b>

\* 31 December 2016 adjusted to reflect change in presentation disclosed in Note "Accounting rules and policies".

### NET CASH/(DEBT)

<i>(In € million)</i>	As at December 31, 2017	As at December 31, 2016*
Cash and cash equivalents	355.8	374.0
Borrowings	-3.1	-2.2
Current portion of borrowings	-43.6	-24.1
<b>Total</b>	<b>309.1</b>	<b>347.7</b>

\* 31 December 2016 adjusted to reflect change in presentation disclosed in Note "Accounting rules and policies".

### Note 24 Trade accounts and notes payable

<i>(In € million)</i>	As at December 31, 2017	As at December 31, 2016 (*)
Trade payables and notes payable	264.1	223.7
<b>Trade payables and notes payable</b>	<b>264.1</b>	<b>223.7</b>
Advance payments	-1.9	-2.1
Prepaid expenses	-60.9	-60.1
<b>Net accounts payable</b>	<b>201.3</b>	<b>161.5</b>
<b>Number of days payable outstanding (DPO)</b>	<b>78</b>	<b>70</b>

(\*) 31 December 2016 adjusted to reflect change in presentation disclosed in Note "Accounting rules and policies"

Trade accounts and notes payable are expected to be paid within one year.



## Note 25 Other current liabilities

<i>(In € million)</i>	<b>As at December 31, 2017</b>	<b>As at December 31, 2016</b>
Advances and down payments received on client orders	15.0	12.9
Employee-related liabilities	80.7	76.0
Social security and other employee welfare liabilities	45.3	35.3
VAT payable	46.7	39.2
Deferred income	84.1	81.8
Other operating liabilities	65.7	25.9
<b>Total</b>	<b>337.5</b>	<b>271.1</b>

Other current liabilities are expected to be settled within one year, except for deferred income that is released over the particular arrangement of the corresponding contract.

## Note 26 Off-balance sheet commitments

### CONTRACTUAL COMMITMENTS

The table below illustrates the minimum future payments for firm obligations and commitments over the coming years. Amounts indicated under the finance leases caption are recorded in the Group statement of financial position.

<i>(In € million)</i>	<b>Maturing</b>				<b>As at December 31, 2016</b>
	<b>As at December 31, 2017</b>	<b>Up to 1 year</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	
<b>Finance leases</b>	<b>1.6</b>	<b>0.2</b>	<b>1.4</b>	<b>-</b>	<b>2.1</b>
<b>Recorded on the balance sheet</b>	<b>1.6</b>	<b>0.2</b>	<b>1.4</b>	<b>-</b>	<b>2.1</b>
Operating leases: land, buildings, fittings	93.2	19.5	44.8	28.9	102.7
Operating leases: IT equipment	-	-	-	-	0.9
Operating leases: other fixed assets	9.3	4.0	5.2	-	9.9
Non-cancellable purchase obligations (> 5 years)	6.3	-	6.3	-	12.0
<b>Commitments</b>	<b>108.7</b>	<b>23.6</b>	<b>56.2</b>	<b>28.9</b>	<b>125.5</b>
<b>Total</b>	<b>110.3</b>	<b>23.8</b>	<b>57.6</b>	<b>28.9</b>	<b>127.6</b>

### COMMERCIAL COMMITMENTS

<i>(In € million)</i>	<b>As at December 31, 2017</b>	<b>As at December 31, 2016</b>
<b>Bank guarantees</b>	<b>27.2</b>	<b>32.6</b>
• Operational - Performance	15.3	17.9
• Operational - Bid	0.4	0.1
• Operational - Advance Payment	4.7	2.0
• Financial or Other	6.8	12.6
<b>Parental guarantees</b>	<b>43.2</b>	<b>30.3</b>
• Operational - Performance	43.2	30.3
<b>Pledges</b>	<b>0.2</b>	<b>1.4</b>
<b>Total</b>	<b>70.6</b>	<b>64.3</b>

For various large long term contracts, the Group provides parental guarantees to its clients. These guarantees amount to € 43.2 million as of December 31, 2017, compared to € 30.3 million at the end of December 2016.

## Note 27 Related parties

The related parties include:

- Worldline's parent company (Atos SE) and its subsidiaries which are not part of the Worldline's consolidation scope;
- The entities that are controlled or jointly controlled by the Group, the entities that are a post-employment defined benefit plan for the benefit of the employees of the Group or the entities that are controlled or jointly controlled by a member of the key management personnel of the Group; and
- The key management personnel of the Group, defined as persons who have the authority and responsibility for planning, directing and controlling the activity of the Group, namely members of the Board of Directors as well as the Chief Executive Officer.

Transactions between Worldline and its subsidiaries, which are related parties, have been eliminated in consolidation and are not disclosed in this note.

### Transactions between the related parties

The main transactions between the related entities are composed of:

- The re invoicing of the premises;
- The invoicing of delivery services such as personnel costs or use of delivery infrastructure;
- The invoicing of administrative services; and
- The interest expenses related to the financial items.

These transactions are entered into at market conditions.

The related party transactions are detailed as follows:

<i>(In € million)</i>	<b>12 months ended December 31, 2017</b>	<b>12 months ended December 31, 2016</b>
Revenue	43.9	47.7
Operating income / expenses	-108.4	-104.8
Other operating expenses	-4.2	-1.4
Net cost of financial debt	-0.9	-0.7

The receivables and liabilities included in the statement of financial position linked to the related parties are detailed as follows:

<i>(In € million)</i>	<b>12 months ended December 31, 2017</b>	<b>12 months ended December 31, 2016</b>
Trade accounts and notes receivables	13.2	12.1
Other current assets	15.6	22.7
Current accounts & cash agreement - Assets	5.6	1.4
Trade accounts and notes payables	59.6	47.0
Other current liabilities	2.9	2.2
Current accounts & cash agreement with Atos entities - Liabilities	4.8	2.5

The off balance sheet commitments regarding the related parties are detailed as follows:

<i>(In € million)</i>	<b>As at December 31, 2017</b>	<b>Maturing</b>			<b>As at December 31, 2016</b>
		<b>Up to 1 year</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	
Operating leases: land, buildings, fittings	23.5	5.5	15.5	2.5	29.4
Operating leases: IT equipment	0.1	-	-	-	0.1
Non-cancellable purchase obligations (> 5 years)	-	-	-	-	0.5
<b>Commitments</b>	<b>23.6</b>	<b>5.5</b>	<b>15.5</b>	<b>2.5</b>	<b>30.0</b>
<b>Total</b>	<b>23.6</b>	<b>5.5</b>	<b>15.5</b>	<b>2.5</b>	<b>30.0</b>

### Cost of Key management personnel of the Group

In 2017, the expenses related to key management personnel included:

- those related to the Worldline CEO in accordance with the agreement entered into with Atos in relation to his dedication and remuneration;
- the expenses related to the General Manager;
- the cost of the members of the Board (Director's fees expensed in 2017).

No cost was recorded in relation to the Chairman of the Board of Directors.

The distribution of the expense recorded in the consolidated financial statements for key management of the Group is as follows:

<i>(In € million)</i>	<b>12 months ended 31 December 2017</b>	<b>12 months ended 31 December 2016</b>
Short-term benefits	1.7	1.5
Employer contributions	0.5	0.5
Free share plans & stock options*	1.0	1.2
<b>Total</b>	<b>3.2</b>	<b>3.2</b>

\* Worldline stock options and free shares plans granted to key management personnel of Worldline as of September 03, 2014, September 01, 2015, July 26, 2016 and July 24, 2017.

Short-term benefits include salaries, bonuses and fringe benefits. On performance shares and stock options, the cost includes the IFRS 2 charge on the prorata temporis since the grant date.

Bonuses correspond to the total charge reflected in the income statement including the bonuses effectively paid during the year, the accruals related to current year and the release of accruals relating to previous year. No post-employment compensation has been paid to the key management personnel during the year.

## Note 28 Market risk

### Foreign exchange risk

Majority of the Group's revenues, expenses and obligations are denominated in euro. In 2017, 81.4% of the Group's revenues were generated in euro-zone countries whereas 18.6% were generated in non-euro zone countries, including 6.8% in pounds sterling.

Since the Group's financial statements are denominated in euros, its revenues are affected by the relative value of the euro versus the currency of the non-euro zone countries in which it generates revenues (currency translation exposure).

In terms of currency transaction exposure (i.e., a mismatch between the currencies in which revenues are generated and costs are incurred), the Group considers its exposure to be limited as its costs in the euro zone are generally incurred in euros and its revenues are generated in euros and in non-eurozone countries it generally makes its sales and incurs the majority of its operating expenses in the local currency.

The Group maintains a policy for managing its foreign exchange position if and to the extent it enters into commercial or financial transactions denominated in currencies that differ from the relevant local currencies. Pursuant to this policy, any material foreign exchange rate exposure must be hedged as soon as it occurs using various financial instruments, including, principally, forward contracts and foreign currency swaps. As of December 31, 2017, the Group did not have any material foreign exchange rate exposure and did not have any such hedging instruments in place.

### Interest rate risk

All of the Group's borrowings, the vast majority of which are with Atos group as lender, and deposits bear interest at floating interest rates mainly based on Euribor or EONIA plus or minus a margin. The Group considers that its exposure to interest rate fluctuations is not material considering it does not bear any net debt. Net cash (Borrowings net of cash and cash equivalents) of the Group as of December 31, 2017 was € 309.1 million.



#### Liquidity risk

Liquidity risk management involves maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

Worldline's policy is to cover fully its expected liquidity requirements by a long-term committed line of credit. Terms and conditions of the loans include maturity and covenants leaving sufficient flexibility for the Group to finance its operations and expected developments.

In this respect, on 26 June 2014, Worldline SA (as Borrower) signed a Revolving Credit Facility (RCF) with Atos SE (as Lender) for an amount € 300 million, in order to cover the Group's liquidity requirements, including temporary fluctuations in its working capital needs. The duration was renewed during 2015 until June 26<sup>th</sup>, 2019 and transferred to Bull International (subsidiary of the Atos group) on January 2, 2016. The RCF contains no financial covenants as Worldline has a net cash position.

#### Credit and/or Counterparty Risk

Credit and/or counterparty risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group believes that it has limited exposure to concentrations of credit risk due to its large and diverse customer base. The Group's greatest credit risk position is borne with respect to its financial institution customers.

The Group manages this credit risk by consistently selecting leading financial institutions as clients and by using several banking partners.

The Group is also exposed to some credit risk in connection with its Commercial Acquiring and cheques services businesses:

- *Commercial Acquiring.* For each transaction, the Group provides a performance guarantee to the merchant in respect the cardholder's payment. Therefore, the Group is exposed to a credit risk in the event of non-payment by the cardholder. Additionally, the Group offers a guarantee of "service rendered" to the cardholder. Accordingly, in the event a merchant goes bankrupt (or ceases to operate) before delivering the product or rendering the service purchased by a cardholder, the cardholder can require the Group to reimburse it for the amount of the transaction. This credit risk exposure is especially significant where services are purchased through e-Commerce well in advance of the time that they are actually rendered (e.g., ticket purchases through travel agencies). The Group monitors these risks by selecting financially sound clients, requesting guarantees (collateral build up, delegation of insurance, etc.) and checking daily transaction flows to avoid excessive exposure to these risks.
- *Cheque service.* Under its cheque service business, the Group pays its merchant clients indemnities for unpaid Cheques that have been approved by the Group based on a credit scoring system. To the extent that fees received from merchants for this service are less than the average levels of bad Cheques, the activity can become loss-making. The Group manages this risk by analysing bad debt levels for each type of merchant business and adjusts fees charged to merchants accordingly. Following the disposal of Cheque service, the risk does not longer exist at end of the year, see Note 1 "Main changes in the scope of consolidation."

**Note 29 Operating entities part of scope of consolidation as of December 31, 2017**

	% of Interest	Consolidation method	% of Control	Address
<b>France</b>				
Worldline SA	100	FC	100	80, quai Voltaire – 95870 Bezons
Mantis SAS	63.6	FC	100	55 rue de Rivoli – 75001 Paris
Worldline Participation 1	100	FC	100	80, quai Voltaire – 95870 Bezons
Santeos	100	FC	100	80, quai Voltaire – 95870 Bezons
Worldline Bourgogne	100	FC	100	80, quai Voltaire – 95870 Bezons
Similo SAS	100	FC	100	80, quai Voltaire – 95870 Bezons
<b>Germany</b>				
equensWorldline GmbH	63.6	FC	100	Hahnstraße 25 -60528 Frankfurt - Germany
Worldline Germany GmbH	100	FC	100	Hahnstraße 25 -60528 Frankfurt - Germany
DZ Service GmbH	63.6	FC	100	Dieselstrasse 1 -76227 Karlsruhe - Germany
BD-POS GmbH	100	FC	100	Hörselbergblick 1 -99820 Hörselberg-Hainich - Germany
<b>The Netherlands</b>				
Worldline BV	100	FC	100	Wolweverstraat 18 -2980 CD Ridderkerk - The Netherlands
equensWorldline SE	63.6	FC	100	Eendrachtlaan 315 -3526 LB Utrecht - The Netherlands
InterEGI BV	63.6	FC	100	Eendrachtlaan 315 -3526 LB Utrecht - The Netherlands
Paysquare SE	100	FC	100	Eendrachtlaan 315 -3526 LB Utrecht - The Netherlands
<b>Belgium</b>				
Worldline NV/SA	100	FC	100	Chaussée de Haecht 1442 - B-1130 Brussel - Belgium
Worldline PropCo SA	100	FC	100	Chaussée de Haecht 1442 - B-1130 Brussel - Belgium
<b>Other Europe - Middle East - Africa</b>				
<b>Austria</b>				
Worldline Austria GmbH	100	FC	100	Siemensstraße 92 -1210 Vienna - Austria
<b>Czech Republic</b>				
Cataps s.r.o.	100	FC	100	Lazarská 11/6 -120,000 Praha 2 - Czech Republic
<b>Luxembourg</b>				
Worldline Luxembourg SA	100	FC	100	2, rue Nicolas Bové – L1253 Luxembourg
<b>Estonia</b>				
Worldline Payment Estonia	100	FC	100	Lootsa str. 2a, Tallinn, Estonia
<b>Lietuva</b>				
UAB Worldline Lietuva	100	FC	100	Ukmerges str. 220, Vilnius, Lietuva
<b>Latvia</b>				
SIA Worldline Latvia	100	FC	100	Dzirnavu str. 37, Riga, Latvia
<b>Spain</b>				
Worldline Iberia SA	100	FC	100	Avda. Diagonal, 210-218 - Barcelona 08018 - Spain
<b>Sweden</b>				
Worldline Sweden AB (formerly DRWP Sweden)	100	FC	100	Textilgatan 31, 120 30 Stockholm, Sweden
<b>The United Kingdom</b>				
Worldline IT Services UK Limited	100	FC	100	4 Triton Square - Regent's Place - London, NW1 3HG- United Kingdom



	% of Interest	Consolidation method	% of Control	Address
<b>Asia Pacific</b>				
<b>China</b>				
Worldline (China) Co Ltd	100	FC	100	Building B, No.7, Zhonghuan South Road WangJing, Chaoyang District Beijing 100102 People Republic of China
<b>Hong Kong</b>				
Worldline International (Hong Kong) Co Limited	100	FC	100	8/F Octa Tower, 8 Lam Chak Street, Kowloon Bay, Kowloon, Hong Kong
<b>India</b>				
Worldline India Private Ltd	100	FC	100	Raiaskaran Tech park, 2 <sup>nd</sup> Floor of Tower I, Phase II, Sakinaka, MV Road, Andheri (East), Mumbai -400072 India
MRL Posnet Limited	100	FC	100	Sunny Side, Central Block , 8/17 shafee Mohammed Road – B Block CHENNAI 600034 – India
<b>Indonesia</b>				
PT Worldline International Indonesia	100	FC	100	Plaza Sentral -19 <sup>th</sup> Floor, Jl. Jend. Sudirman No.47 Jakarta 12930 Indonesia
<b>Malaysia</b>				
Worldline International (Malaysia) Sdn. Bhd	100	FC	100	Suite 19.02, Level 19 Centrepoint South Mid Valley CityLingkaran Syed Putra 59200 Kuala Lumpur Malaysia
<b>Singapore</b>				
Worldline IT and Payment Services (Singapore) Pte Ltd	100	FC	100	Blk 988 Toa Payoh North, #07-02/03, Singapore 319002
<b>Taiwan</b>				
Worldline (Taiwan)	100	FC	100	5F, No.100, Sec.3, Min Sheng E. Road - Taipei 105 -Taiwan - ROC
<b>Americas</b>				
<b>Argentina</b>				
Atos IT Solutions and Services SA	100	FC	100	Cnel. Manuel Arias 3751 - piso 18 - CABA Argentina
<b>Brazil</b>				
DRWP Servicos Ltd	100	FC	100	Av Das Nacoes Unidas 12551, 17 Andar - Brooklin Paulista – CEP:04578-000 SAO PAULO – BRAZIL
<b>Chili</b>				
Worldline Chile S.A	100	FC	100	Av. Andres Bello 2115, piso 7, Providencia7510094 – Santiago de Chile – Chile
<b>USA</b>				
MRL PAY Inc	100	FC	100	790, Turnpike Street – Suite 204 North and Over – MA – 01845. US
Worldline US, Inc (formely DRWP US)	100	FC	100	4851, Regent Blvd, Irving TX 75063, USA

## Note 30 Auditors' Fees

	Deloitte				Grant Thornton			
	Deloitte & Associés		Réseau		Grant Thornton		Réseau	
	Fees	%	Fees	%	Fees	%	Fees	%
<i>(In € Thousands) and %</i>								
<b>Audit and limited review of individual and consolidated financial statements</b>								
parent company	190.0	62%	-	-	200.0	90%	-	-
Subsidiaries	74.0	24%	749.0	75%	21.0	10%	182.0	100%
<b>Sub-total Audit</b>	<b>264.0</b>	<b>86%</b>	<b>749.0</b>	<b>75%</b>	<b>221.0</b>	<b>100%</b>	<b>182.0</b>	<b>100%</b>
<b>Non audit services</b>								
parent company	42.0	14%	218.0	22%	-	-	-	-
Subsidiaries	-	-	27.6	3%	-	-	-	-
<b>Sub-total Non Audit</b>	<b>42.0</b>	<b>14%</b>	<b>245.6</b>	<b>25%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total fees 2017</b>	<b>306.0</b>	<b>100%</b>	<b>994.6</b>	<b>100%</b>	<b>221.0</b>	<b>100%</b>	<b>182.0</b>	<b>100%</b>

In 2017, non audit services related to services provided at the Company's request and notably correspond to (i) certificates and reports issued as independent third party on the human resources, environmental and social information pursuant to

article of the French Commercial Code, (ii) due diligences, and (iii) tax services, authorized by local legislation, in some foreign subsidiaries.

	Deloitte				Grant Thornton			
	Deloitte & Associés		Réseau		Grant Thornton		Réseau	
	Fees	%	Fees	%	Fees	%	Fees	%
<i>(In € Thousands) and %</i>								
<b>Audit and limited review of individual and consolidated financial statements</b>								
parent company	330.0	80%	-	-	200.0	90%	-	-
Subsidiaries	11.0	3%	817.0	35%	21.0	10%	135.0	100%
<b>Sub-total Audit</b>	<b>341.0</b>	<b>83%</b>	<b>817.0</b>	<b>35%</b>	<b>221.0</b>	<b>100%</b>	<b>135.0</b>	<b>100%</b>
<b>Non audit services</b>								
parent company	71.0	17%	1,335.0	57%	-	-	-	-
Subsidiaries	-	-	171.0	7%	-	-	-	-
<b>Sub-total Non Audit</b>	<b>71.0</b>	<b>17%</b>	<b>1,506.0</b>	<b>65%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total fees 2016</b>	<b>412.0</b>	<b>100%</b>	<b>2,323.0</b>	<b>100%</b>	<b>221.0</b>	<b>100%</b>	<b>135.0</b>	<b>100%</b>

In 2016, non audit services related to services provided at the Company's request and notably correspond to (i) certificates and reports issued as independent third party on the human resources, environmental and social information pursuant to

article of the French Commercial Code, (ii) due diligences and audit and/or agreed upon procedures reports issued for the purpose of the transaction with Equens, and (iii) tax services, authorized by local legislation, in some foreign subsidiaries.

## Note 31 Subsequent events

There is no subsequent event post 2017 closing.



## E.5 Parent company financial statements

### E.5.1 Statutory auditors' report on the financial statements for the year ended December 31, 2017

*This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.*

*This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the annual general meeting of Worldline,

#### Opinion

In compliance with the engagement entrusted to us by your general meetings, we have audited the accompanying financial statements of Worldline for the year ended December 31, 2017.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

#### Basis for Opinion

##### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

#### Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (*code de déontologie*) for statutory auditors.

#### Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.



**Evaluation of Participations interests**

Note « Rules and accounting methods – Financial Assets » and Note 3 « Financial Fixed Assets »

**Key Audit Matters**

As of December 31, 2017, Participating interests are recorded on the balance sheet at a net book value of € 647.5 million, or 77% of total assets. Participating interests are initially booked at their acquisition cost.

An impairment loss is recognized when the acquisition cost exceeds the value-in-use. Value-in-use is determined based on the Company's part of interest in shareholding equities of the related entities as well as on estimated future profitability.

Estimated future profitability requires Management to use its judgement especially relating to cash flow forecasts.

We considered the valuation of participating interests as a key audit matter, given the weight of these assets in the balance sheet and the importance of Management's judgments in the determination of cash flow assumptions.

**Our audit approach**

We examined the procedures implemented by the Company to determine the value-in-use of the participating interests.

We performed the following procedures:

- For valuation based on historical value, we verified the consistency of the part of interest in the investment's shareholder equity as calculated by the Company with the financial statements of the related entities.
- For valuation based on forecasts:
  - obtain the cash flow forecasts of the related entities and assess their consistency with the business plans for each GBL (Global Business Line) approved by Management;;
  - verify the consistency of the assumptions used and confirm through interviews with Management and other procedures, future growth perspectives

**Revenue recognition and associated costs on long term contracts***Note « Rules and accounting methods – Revenue » and Note 13 « Revenue »***Key Audit Matters**

Regarding fixed-price contracts performed over the course of several years, particularly related to development projects and/or migration of platform with customers, revenues are recognized, in accordance with IAS 11 'Construction contracts' based on the costs incurred to date as a percentage of the total estimated costs to fulfil the contract.

For multi-element service contracts, which may be a combination of different services, revenue is recognized separately for each of the service when it is separately identifiable.

Total contract costs and expected remaining costs are subject to regular monitoring to determine whether the stage of completion and margin recognized should be revised. If these estimates indicate that the contract will be unprofitable, the entire estimated loss for the remainder of the contract is recorded immediately through a provision for estimated losses on completion.

We consider revenue recognition on long-term contracts and the associated costs as a key audit matter as estimated costs on these contracts are based on operational assumptions and their estimation has a direct impact on revenue and margin recognized in the consolidated financial statements

**Our audit approach**

We assessed the internal control environment relating to contract accounting. We tested the effectiveness of the key controls implemented by the financial controllers and the operational managers, in particular those relating to the costs incurred on contract and those relating to the costs to complete.

For a number of contracts that were selected based upon quantitative and qualitative criteria (contracts that experienced technical difficulties or low profitability), we performed the following procedures:

- For new contracts, we corroborated initial budget margin to the financial data within the signed contract and the associated cost estimation. When a contract included multiple elements, we corroborated the company's analysis and accounting treatment with the contractual provisions and our understanding of the services provided.
- For contracts in progress:
  - We reconciled the financial data (revenue, billing and work-in-progress) including in the workprogress spreadsheet that is updated monthly by the financial controller to the accounting records;
  - We corroborated the amount of costs incurred with the data from the timesheet application system;
  - We analyzed standard hourly rates' calculation methodology;
  - We performed interviews with financial controllers and / or operational managers to assess the estimated costs yet to be incurred and the percentage of completion on the contract, which is the basis on which revenue and margin is recognized, we have furthermore analyzed the appropriateness of these estimates by comparing the forecasted data with the actual performance of the contract and by reconciling, if necessary, to the information provided with the client since the contract was signed;
  - When necessary, we analyzed assumptions used by Management to determine the loss recognized on any unprofitable contracts and confirmed these assumptions with historical performance on the contract and the remaining technical milestones to be achieved.

## Verification of the Management Report and of the Other Documents Provided to Shareholders

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

## Information given in the management report and in the other documents provided to Shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to Shareholders with respect to the financial position and the financial statements.

### Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public purchase or exchange offer, provided pursuant to Article L. 225-37-5 of the French Commercial Code, we have verified their compliance with the source documents communicated to us. Based on our work, we have no observations to make on this information.

### Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights.

## Report on Other Legal and Regulatory Requirements

### Appointment of the Statutory Auditors

We were appointed as statutory auditors of Worldline by the annual general meeting held on June 30<sup>th</sup>, 1997 for Deloitte & Associés and April 30<sup>th</sup>, 2014 for Grant Thornton.

As at December 31, 2017, Deloitte & Associés and Grant Thornton were respectively in their 21<sup>st</sup> year and 4<sup>th</sup> year of total uninterrupted engagement, which represent the 4<sup>th</sup> year of engagement for both statutory auditors since the Company securities were admitted to trading on a regulated market.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

## Statutory Auditors' Responsibilities for the Audit of the Financial Statements

### Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As specified in Article L. 823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor

concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation

**Report to the Audit Committee**

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine, February 20, 2018

The Statutory Auditors

**French original signed by**

Deloitte & Associés

Grant Thornton

Jean-Pierre Agazzi

Virginie Paethorpe

## E.5.2 Statutory auditors' special report on regulated agreements and commitments with third parties - Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2017

*This is a free translation into English of the statutory auditors' special report on regulated agreements and commitments that is issued in the French language and is provided solely for the convenience of English speaking users. This report on regulated agreements should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements and commitments with third parties.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms, the conditions and the reasons for the Company's interest of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de Commerce*), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information provided for in Article R. 225-31 of the French Commercial Code in respect of the performance of the agreements and commitments, already authorized by the Shareholders' Meeting and having continuing effect during the year, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

### **Agreements and commitments submitted for approval to the Shareholders' Meeting**

#### **Agreements and commitments authorized during the year**

We hereby inform you that we have not been advised of any agreement or commitment authorized during the year to be submitted to the approval of the Shareholders' Meeting pursuant to article L. 225-38 of the French Commercial Code.

#### **Agreements and commitments already approved by the Shareholders' Meeting**

We hereby inform you that we have not been advised of any agreement or commitment previously approved by the Shareholders' Meeting which remained in force during the year.

Neuilly-sur-Seine, February 20, 2018

The Statutory Auditors

***French original signed by***

Deloitte & Associés

Grant Thornton

Jean-Pierre Agazzi

Virginie Paethorpe



## E.5.3 Worldline SA financial statements

### E.5.3.1 Balance sheet

#### ASSETS

<i>(In € thousand)</i>	Notes	December 31, 2017	December 31, 2016
Intangible fixed assets	Note 1	4,822	4,217
Tangible fixed assets	Note 2	32,716	32,491
Participating interests	Note 3	647,531	643,320
Other financial investments	Note 3	1,343	1,331
<b>Total fixed assets</b>		<b>686,411</b>	<b>681,359</b>
Inventory			
Advances paid on orders in progress		459	877
Trade accounts and notes receivable	Note 4	104,054	108,009
Other receivables	Note 5	20,648	20,170
Cash and securities	Note 6	9,396	252,594
<b>Total current assets</b>		<b>134,556</b>	<b>381,650</b>
Prepaid expenses	Note 7	23,666	26,751
<b>Total assets</b>		<b>844,634</b>	<b>1,089,761</b>

#### LIABILITIES AND SHAREHOLDERS' EQUITY

<i>(In € thousand)</i>	Notes	December 31, 2017	December 31, 2016
Common stock		90,371	89,996
Additional paid-in capital		259,217	248,698
Legal reserves		9,000	8,316
Other reserves and retained earnings		242,107	5,657
Net income for the period		-24,392	237,133
<b>Shareholders' equity</b>	<b>Note 8</b>	<b>576,303</b>	<b>589,801</b>
<b>Provisions for contingencies and losses</b>	<b>Note 9</b>	<b>16,309</b>	<b>14,362</b>
Borrowings	Note 10	67,854	325,371
Payments on account		2,136	713
Trade payables & associated accounts	Note 11	97,064	78,528
Tax and social security	Note 11	62,709	58,955
Debts on fixed assets and associated accounts	Note 11	740	935
Other liabilities	Note 11	8,193	8,681
<b>Total liabilities</b>		<b>238,696</b>	<b>473,183</b>
Deferred income	Note 12	13,326	12,415
<b>Total liabilities and shareholders' equity</b>		<b>844,634</b>	<b>1,089,761</b>

## E.5.3.2 Income statement

<i>(In € thousand)</i>	Notes	December 31, 2017	December 31, 2016
Sales of goods		17,172	13,323
Sales of services		329,560	421,456
<b>Revenue</b>	<b>Note 13</b>	<b>346,732</b>	<b>434,779</b>
Operating subsidies		0	483
Reversals of depreciations and provisions; transfers of costs		6,225	3,116
Other income		13,175	12,846
<b>Total operating income</b>		<b>366,133</b>	<b>451,223</b>
Cost of sales		-15,133	-10,563
Other purchases and external charges		-147,314	-169,588
Taxes (other than corporation tax)		-7,596	-10,188
Salaries and stipends		-114,595	-139,668
Social security costs		-49,602	-63,445
Depreciation amortisation and provisions		-13,383	-14,657
Other expenses		-35,798	-47,548
<b>Total operating expenses</b>		<b>-383,421</b>	<b>-455,657</b>
<b>Operating result</b>		<b>-17,288</b>	<b>-4,434</b>
Financial income		3,185	2,637
Financial expenses		-1,462	-1,876
<b>Net financial result</b>	<b>Note 14</b>	<b>1,723</b>	<b>761</b>
Non-recurring items income		2,816	268,433
Non-recurring items expenses		-10,997	-23,948
<b>Non-recurring items result</b>	<b>Note 15</b>	<b>-8,181</b>	<b>244,485</b>
Employee profit sharing		-2,793	-5,689
Corporate income tax	Note 16	2,147	2,010
<b>Net income for the period</b>		<b>-24,392</b>	<b>237,133</b>

## E.5.4 Notes to Worldline statutory financial statements

### E.5.4.1 Worldline Activity

Worldline continued its main activities through two Global Business Lines:

- Merchant Services (2017 revenue: € 73.4 million, 21.2% of total revenue). Worldline's Merchant Services Global Business Line offers merchants an extensive range of solutions and services, allowing them to accompany their customers across the entire sales cycle, while optimizing payment-related activities, whatever the sales channel used. This Global Business Line has three business divisions:

Online Services, private label card & loyalty programs and Terminals.

- Mobility & e-Transactional Services (2017 revenue: € 185.9 million, 53.6% of total revenue). Worldline's Mobility & e-Transactional Services Global Business Line goes beyond its traditional client base of merchants and banks and financial institutions to address the needs of private and public sector clients by proposing new digital solutions and business models that take advantage of the digitization of the physical world. This Global Business Line has three business divisions: eticketing, e-Government Collection and e-Consumer & Mobility.



2017 revenue amounts to € 346.7 million, decreasing by 20% compared with last year, with contrasted evolutions between the three Global Business Lines.

Revenue decreased by 20% due:

- To the sale of the Financial Services activities of the Company to Equensworldline SE on September 30, 2016
- On Mobility & e-Transactional Services by the termination of the automated traffic offence management contract with the french government (the radar contract) in June 2016 despite new revenue increase on recent awarded contracts in 2017 (si samu, bracelets électroniques)
- On Merchant Services impacted by the termination of miscellaneous contracts and high level of activities in 2016.

Worldline posted an operating result of €-17.3 million impacted by the termination of radar and a decrease in revenue directly impacting operating result.

The Company Worldline SA is the parent company of the Worldline Group and consequently establishes consolidated financial statements.

Worldline acts as the parent company for the Worldline Group and as such supports a significant share of the costs related to overhead, corporate and central functions. It also establishes financial flows with its subsidiaries to reflect the services rendered from the parent company to the companies of the Group.

#### E.5.4.2 Highlights

The Worldline Group has reached an agreement with the Atos Integration SAS in order to acquire DIAMIS. Diamis is specialized in inter-banking flow processing within the Euro zone allowing Worldline Group to reinforce its activity position in the field of Financial Services concerning products as well as client data base and knowhow.

This acquisition is structured through a transaction in numerous purchased by Atos Integration at 100% for a total amount of € 15.4 million.

The signing of this acquisition was on December 21, 2017.

#### E.5.4.3 Rules and accounting methods

In application with anc n° 2016-07, the financial statements of Worldline have been prepared in accordance with generally accepted accounting principles in france and with the provisions of the french general accounting plan (plan comptable général).

General conventions were applied, in the respect of:

- principle of prudence;
- principle of going concern;
- permanence of the accounting methods from one exercise to another;
- cut off principle.

As a principle, items are booked based on historical cost. The annual accounts are established and presented in thousands of euros.

#### Intangible assets

Intangible assets are booked at their acquisition cost and consist mainly of software, licenses, merger deficit and goodwill.

Software created for an internal use and development costs of application used for operational needs are recognized as an expense.

Software is amortized on a straight-line basis over their expected useful life, not exceeding 3 years.

If need be, a provision on goodwill can be booked based on the value in use.

#### Tangible assets

The tangible fixed assets are evaluated at their acquisition value excluding any financial expenses.

The depreciation calculation is based on a straight-line method over the useful life of the assets, as follows:

- Buildings 20 years ;
- Fixtures and fittings 5 to 20 years ;
- Computer hardware 3 to 5 years ;
- Vehicles 4 years ;
- Office furniture and equipment 5 to 10 years.

#### Financial assets

Financial assets consist of participating interests and other financial investments (security deposit, loans).

Financial assets are initially booked at their acquisition cost. An impairment loss is recognized when the acquisition cost exceeds the value-in-use.

The value-in-use takes in account net assets and earnings outlooks.

#### Trade accounts and notes receivable

Trade accounts and notes receivable are recorded at their nominal value. They are individually analyzed and, if necessary, are subject to an impairment loss.

In the balance sheet they are recorded under "trade accounts and notes receivables". When invoicing exceeds the revenue recognition, this excess is presented under "deferred income".

#### Securities

Securities are recorded at their acquisition cost. They are depreciated when the carrying amount is lower than the book value.

#### Provisions

Provisions are recognized when:



- Worldline has a present legal, regulatory, contractual or constructive obligation as a result of past events,
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and
- the amount has been reliably quantified.

### Pensions

Long-term staff benefits provisions are recognized in accordance with the ANC recommendation 2013-02.

Provision is accrued under the "corridor" method. Worldline only recognizes in its income statement, the cumulative actuarial gains and losses exceeding a normal fluctuation margin of 10% at year end. This amortization is made on the remaining working lives of the beneficiaries of each plan.

### Revenue

Services constitute the major part of the revenue of the Group.

Revenues arising from transactional activities, particularly in the area of payments are recognized over the period during which the treatment has been completed.

The proceeds from subscriptions are recognized on a straight line basis over the term of the contract.

Revenues for development projects and/or migration of platform with customers are recognized as and when the service is performed, based on the stage of completion when the outcome can be determined reliably. The percentage of completion is determined by comparing the cumulative costs incurred, on a given date, with the expected total costs of the contract. Benefits from these contracts are recorded in the balance sheet under "trade accounts and notes receivables" for the share of proceeds to be received and under "other current liabilities" for the portion of deferred revenue. When the outcome of a fixed price contract cannot be estimated reliably, revenue is recognized only to the extent of contract costs incurred probably recoverable.

Income relating to other services performed on behalf of clients is recognized at the completion of the service.

The Group may sign in some cases service contracts with multiple elements, which may include a combination of different services.

- Revenue is recognized separately for each of the elements when they are separately identifiable.
- A set of contracts is combined and treated as a single contract when the Group of contracts is negotiated as a single package, the contracts are so closely interrelated that they are, in fact, part of a single project with an overall margin and that the contracts are performed concurrently or following one another without interruption.

The Group performs regularly and in special circumstances, profitability studies on service contracts to determine whether the latest estimates of revenue, costs and percentage of completion need to be revised. If these estimates indicate that the contract will be unprofitable, a provision for loss is recorded immediately covering the loss in its entirety.

### Other operating income and expenses

"Other operating income and expenses" include exceptional items coming from ordinary activities and extraordinary items.

Exceptional items from ordinary activities are those whose achievement is not related to the current operation of the business either because they are unusual in amount or impact or because they rarely occur.

### Tax consolidation agreement

As per article 223-a of the French Fiscal Code, Worldline signed a group tax consolidation agreement with its french subsidiaries with effect as of January 1, 2015. Subsidiaries which are part of this tax consolidation are:

- Worldline participations 1
- Similo
- Santeos
- Worldline Bourgogne

Following Equens's operation, the subsidiaries Mantis and Arabor are not part of the tax consolidation anymore.

Worldline as parent company of the Group is designated as the only entity liable for the corporate tax of the Group tax consolidation.

The main features of the agreement are:

- the result of the consolidated companies is determined as if they had been taxed individually;
- tax savings related to the use of the tax losses of the tax consolidation members will be only temporary since the subsidiaries concerned will still be able to use them.

The agreement uses the same neutrality principles to the extent that each entity have to report in their accounts, during the integration period within the Group, a tax income or expense equal to what it would report if it was not integrated to the Group.

### Tax credit for competitiveness and employment (CICE)

The relative income to CICE is € 3.1 million for 2017. Cice is reported as a reduction in staff costs.

During 2017, this CICE was used to invest in different projects, to develop new features which reinforce offers to our customers.



### E.5.4.4 Identity of Worldline Holding company

Worldline is fully consolidated by Atos SE, its parent company.

### E.5.4.5 Notes to the financial statements

<b>Note 1</b>	Intangible fixed assets	248	<b>Note 11</b>	Trade accounts, notes payable and other liabilities	253
<b>Note 2</b>	Tangible fixed assets	249	<b>Note 12</b>	Deferred incomes	254
<b>Note 3</b>	Financial fixed assets	249	<b>Note 13</b>	Revenue	254
<b>Note 4</b>	Trade accounts and note receivable	250	<b>Note 14</b>	Financial result	255
<b>Note 5</b>	Other receivables	251	<b>Note 15</b>	Non recurring items	255
<b>Note 6</b>	Cash and securities	251	<b>Note 16</b>	Tax	256
<b>Note 7</b>	Prepaid expenses	251	<b>Note 17</b>	Off-balance sheet commitments	256
<b>Note 8</b>	Shareholders' equity	252	<b>Note 18</b>	Related parties	257
<b>Note 9</b>	Provisions	252	<b>Note 19</b>	Other information	257
<b>Note 10</b>	Financial borrowings	253	<b>Note 20</b>	Subsequent events	257

### Note 1 Intangible fixed assets

#### NET VALUE OF INTANGIBLE FIXED ASSETS

<i>(In € thousand)</i>	December 31, 2016	Increase	Decrease	December 31, 2017
Software	20,621	2,798		23,419
Concessions and similar rights	1,034			1,034
Goodwill	1,587			1,587
<b>Gross value of Intangible assets</b>	<b>23,242</b>	<b>2,798</b>	<b>0</b>	<b>26,040</b>
Software	-17,269	-2,193		-19,462
Concessions and similar rights	-1,034			-1,034
Goodwill	-722			-722
<b>Total of amortisation &amp; depreciation</b>	<b>-19,026</b>	<b>-2,193</b>	<b>0</b>	<b>-21,219</b>
Software	3,352	605	0	3,957
Concessions and similar rights	0	0	0	0
Goodwill	865	0	0	865
<b>Net value of intangible assets</b>	<b>4,216</b>	<b>605</b>	<b>0</b>	<b>4,821</b>

Goodwill was generated through the merger of Atos Worldline financial market in 2013 for a net book value of € 0.8 million.

## Note 2 Tangible fixed assets

### NET VALUE OF TANGIBLE FIXED ASSETS

<i>(In € thousand)</i>	December 31, 2016	Increase	Decrease	December 31, 2017
Land	869			869
Buildings	1,557	143		1,700
Fixtures and fittings	78,636	7,399	-585	85,451
Other tangible assets	51,890	1,682	-46	53,525
Tangible assets in progress	3,756		-211	3,545
<b>Gross value of tangible fixed assets</b>	<b>136,708</b>	<b>9,224</b>	<b>-842</b>	<b>145,090</b>
Land	-61	-3		-65
Buildings	-325	-128		-454
Fixtures and fittings	-66,495	-5,391	491	-71,395
Other tangible assets	-37,336	-3,172	46	-40,461
Tangible assets in progress	0			0
<b>Total of depreciation &amp; amortization</b>	<b>-104,218</b>	<b>-8,695</b>	<b>537</b>	<b>-112,375</b>
Land	808	-3	0	804
Buildings	1,232	15	0	1,246
Fixtures and fittings	12,141	2,008	-94	14,056
Other tangible assets	14,553	-1,490	0	13,064
Tangible assets in progress	3,756	0	-211	3,545
<b>Net value of tangible fixed assets</b>	<b>32,491</b>	<b>530</b>	<b>-305</b>	<b>32,715</b>

## Note 3 Financial fixed assets

### NET VALUE OF THE FINANCIAL FIXED ASSETS

<i>(In € thousand)</i>	December 31, 2016	Increase <sup>(1)</sup>	Decrease	December 31, 2017
Investments in associates	637,421	19,642	-807	656,256
Loans and accrued interests	51		-2	49
Deposits	16,280	23	-15,010	1,293
<b>Financial assets</b>	<b>653,752</b>	<b>19,665</b>	<b>-15,819</b>	<b>657,597</b>
Investments in associates	-9,101	376		-8,725
Loans and accrued interests	0			0
Deposits	0			0
<b>Total of depreciation &amp; amortization</b>	<b>-9,101</b>	<b>376</b>	<b>0</b>	<b>-8,725</b>
Investments in associates	628,320	20,018	-807	647,531
Loans and accrued interests	51	0	-2	49
Deposits	16,280	23	-15,010	1,293
<b>Net value of financial assets</b>	<b>644,651</b>	<b>20,041</b>	<b>-15,819</b>	<b>648,873</b>

(1) The increase in financial fixed assets mainly deals with € 15.4 million of DIAMIS and € 3.7 million of Intouch Dakar investment.

**MATURITY OF LOANS AND OTHER FINANCIAL FIXED ASSETS**

<i>(In € thousand)</i>	<b>Gross amount December 31, 2017</b>	<b>Up to 1 year</b>	<b>1 to 5 years</b>
Loans and accrued interests	49	49	
Deposits	1,293		1,294
<b>Total loans and other financial fixed assets</b>	<b>1,341</b>	<b>49</b>	<b>1,294</b>

**MAIN SUBSIDIARIES AND INVESTMENTS**

<i>(In € thousand)</i>	<b>Gross value at December 31, 2017</b>	<b>Net value at December 31, 2017</b>	<b>% interest</b>	<b>Net Income at December 31, 2017</b>	<b>Shareholders' equity</b>
<b>A – Subsidiaries (50% or more of common stock)</b>					
<b>France</b>					
Santeos	4,294	4,294	100%	943	2,620
Worldline Bourgogne	373	373	100%	488	537
Similo SAS	600	600	100%	419	501
Worldline participation 1 SA	2,426	-	100%	-4	18
Diamis <sup>1</sup>	15,367	15,367	100%	988	4,547
<b>Benelux</b>					
Worldline SA (Luxembourg)	33,900	33,900	100%	17,450	110,474
Worldline NV/SA	324,466	324,466	100%	10,654	531,638
Equens SE	254,086	254,086	23.14%	5,927	200,655
<b>Asia</b>					
Worldline (Taiwan)	900	900	100%	337	761
<b>B – Others (Less than 50%)</b>					
Buyster	6,299	(0)	25%	575	671
Atos Intégration	620	620	5%	7,625	-41,290
Atos IT Solutions and Services SA (Argentina)	9,211	9,211	24%	-953	1,563
In Touch	3,675	3,675	26.0%	-	-
Other participations	39	39			
<b>Total main investments</b>	<b>656,256</b>	<b>647,531</b>			

<sup>1</sup> See "E.5.4.2 highlight" for detail regarding fair value of investments in DIAMIS.

**Note 4 Trade accounts and note receivable**

<i>(In € thousand)</i>	<b>Gross amount at December 31, 2017</b>	<b>Depreciation</b>	<b>Net value December 31, 2017</b>	<b>Net value December 31, 2016</b>
Trade accounts and note receivable	57,632		57,632	74,972
Doubtful debtors	1,016	-885	131	130
Invoices to be issued	46,291		46,291	32,907
<b>Total trade accounts and note receivable</b>	<b>104,939</b>	<b>-885</b>	<b>104,054</b>	<b>108,009</b>

The maturity of trade accounts and note receivable is less than one year.

## Note 5 Other receivables

<i>(In € thousand)</i>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Debtor suppliers	1,296	1,395
Staff	108	125
Social-security receivables	48	49
Tax (Corporation tax, VAT, R&D tax credit, ...)	16,986	15,656
Group current accounts	2,065	2,945
Other	145	
<b>Total other receivable</b>	<b>20,648</b>	<b>20,170</b>

The maturity of other receivables is less than one year.

### ACCRUED INCOME

<i>(In € thousand)</i>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Trade accounts, notes receivable and other receivables	46,291	32,907
Other receivables	1,296	1,395
<b>Total accrued income</b>	<b>47,587</b>	<b>34,301</b>

## Note 6 Cash and securities

<i>(In € thousand)</i>	<b>Gross amount at December 31, 2017</b>	<b>Depreciation</b>	<b>Net value December 31, 2017</b>	<b>Net value December 31, 2016</b>
Securities	0	0	0	252,594
Cash at bank	9,396	0	9,396	0
<b>Total cash and securities</b>	<b>9,396</b>	<b>0</b>	<b>9,396</b>	<b>252,594</b>

At year end, Worldline owned no treasury shares in the frame of its liquidity contract signed with Rothschild Martin Maurel.

Securities correspond to short-term investments of available cash surpluses.

## Note 7 Prepaid expenses

<i>(In € thousand)</i>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Support fonctions services	6,911	14,662
Maintenance	1,304	959
Rentals	5,410	3,959
Insurance	2,100	1,989
Other external expenses	7,941	5,183
<b>Total Prepaid expenses</b>	<b>23,666</b>	<b>26,751</b>



## Note 8 Shareholders' equity

### COMMON STOCK

	December 31, 2017	December 31, 2016
Number of shares	132,898,963	132,346,996
Nominal value (in €)	0.68	0.68
Common stock (In € thousand)	90,371	89,996

In 2017, number of shares increased by 551,967 shares following the exercise of stock-options by employees of the Worldline Group.

### CHANGES IN SHAREHOLDERS' EQUITY

(In € thousand)	December 31, 2016	Dividends	Appropriation of result	Capital increase	Net Income 2017	December 31, 2017
Common stock	89,996			375		90,371
Additional paid-in capital	248,698			10,519		259,217
Legal reserve	8,316		683			8,999
Retained earnings	5,657		236,450			242,107
Net income for the period	237,133		-237,133		-24,392	-24,392
<b>Total of the shareholders' equity</b>	<b>589,800</b>	<b>0</b>	<b>0</b>	<b>10,894</b>	<b>-24,392</b>	<b>576,302</b>

## Note 9 Provisions

(In € thousand)	December 31, 2016	Charges	Release used	Release unused	Scope	December 31, 2017
Pensions	13,139	2,529	-314	0	0	15,355
Litigations and contingencies	854	438	-534	-51	0	706
Termination loss contracts	2	0	-2	0	0	0
Other provisions	366	33	-152	0	0	247
<b>Total provisions</b>	<b>14,362</b>	<b>3,000</b>	<b>-1,002</b>	<b>-51</b>	<b>0</b>	<b>16,308</b>
Of which						
• operating		2,616	-1,002	-51		
• financial		384				

### PENSIONS

Pension evolution over 2017 is presented below:

(In € thousand)

<b>Pensions at January 1, 2017</b>	<b>13,102</b>
Service cost	1,669
Interest costs	379
Contributions paid	-314
Scope	0
Amortization of actuarial gain and loss	479
Other	41
<b>Pensions at December 31, 2017</b>	<b>15,355</b>

Reconciliation between pension commitments and computed provision is presented below:

(In € thousand)

<b>Commitment at January 1, 2017</b>	<b>26,197</b>
Service cost	1,669
Interest costs	379
Contributions paid	-314
Actuarial gain and loss generated during the period	157
Scope impact	0
Other	-516
<b>Commitment at December 31, 2017</b>	<b>27,572</b>
Non recognized actuarial gain and loss	-12,217
<b>Pensions provision at December 31, 2017</b>	<b>15,355</b>

Evaluation is carried out on an individual basis and main parameters of the calculation are described below:

- discount rate: 1.5%;
- future reevaluation of wages: 1.6%;
- estimated turnover rate :
  - executives (ie cadres) : decreasing (from 7.80% at the age of 25 years old) according to the age and zero as from 56 years old.
  - non cadres (ie non-cadres): decreasing (from 5.46% at the age of 20 years old) according to the age and zero as from 56 years old.

## Note 10 Financial borrowings

### CLOSING NET DEBT

(In € thousand)	Up to 1 year	1 to 5 years	Gross value December 31, 2017	Gross value December 31, 2016
Bank overdraft	67,265		67,265	324,686
Other borrowings	417	172	589	686
Group current accounts				
<b>Total Borrowings</b>	<b>67,682</b>	<b>172</b>	<b>67,854</b>	<b>325,371</b>
Group current accounts	-2,863		-2,863	-991
Securities	0		0	252,594
Cash at bank	9,396		9,396	
<b>Closing net debt</b>	<b>-61,149</b>	<b>-172</b>	<b>-61,321</b>	<b>-73,768</b>

## Note 11 Trade accounts, notes payable and other liabilities

(In € thousand)	Gross amount December 31, 2017	Gross amount December 31, 2016
Accounts payable	97,064	78,528
Personnel	22,558	22,407
Social security and other employee welfare liabilities	24,814	21,630
VAT payable	15,337	14,918
Intercompany current account liabilities	4,927	3,936
Other liabilities	4,006	5,680
<b>Total payables</b>	<b>168,706</b>	<b>147,099</b>

Maturity of accounts payable is up to one year.

**ACCRUED LIABILITIES**

<i>(In € thousand)</i>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Invoices to be received	57,730	56,290
State and employee related liabilities	39,079	28,381
Other accrued liabilities	3,178	3,026
<b>Total accrued liabilities</b>	<b>99,987</b>	<b>87,697</b>

**Note 12 Deferred incomes**

At the end of 2017, deferred incomes reach € 13.3 million and mainly relates to timing difference on project revenue versus invoicing.

**Note 13 Revenue****REVENUE SPLIT**

<i>(In € thousand)</i>	<b>December 31, 2017</b>	<b>%</b>	<b>December 31, 2016</b>	
Merchant Services	73,387	21.2%	75,468	17.4%
Financial Processing & Software Licensing	0	0.0%	109,010	25.1%
Financial Services	185,948	53.6%	203,331	46.8%
Other revenue from group services	87,397	25.2%	46,970	10.8%
<b>Total revenue by Global Business Lines</b>	<b>346,732</b>	<b>100%</b>	<b>434,779</b>	<b>100%</b>
France	286,902	82.7%	373,087	85.8%
Foreign countries	59,830	17.3%	61,692	14.2%
<b>Total revenue by geographical area</b>	<b>346,732</b>	<b>100%</b>	<b>434,779</b>	<b>100%</b>

In 2017 Worldline revenue was € 346.7 million, or decreased by 20.3% compared to last year by global service line :

- Following its sale to equensWorldline on september 30, 2016, no more revenue is recognized for the Financial Services activity (previously Financial Processing and Software Licensing), which caused a strong decrease in revenue;

- Mobility & e-Transactional Services was impacted by the termination of the automated traffic offence management contract with the French government (the RADAR contract) in June 2016, despite revenue generated on newly awarded contracts in 2017 (SI SAMU, bracelets électroniques);
- Merchant Services was impacted by the end of miscellaneous contracts and high level of projects in 2016.



## Note 14 Financial result

<i>(In € thousand)</i>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Dividends received	1,643	1,206
Investment banking revenues	1,115	876
Other financial income	427	555
<b>Total of the financial income</b>	<b>3,185</b>	<b>2,637</b>
Intercompany loans interests		
Intercompany current accounts interests		
Provision for depreciation on investments in non consolidated companies		
Other financial provisions	-384	-514
Short term borrowing interests		
Foreign exchange losses	-75	-39
Other financial expenses	-1,003	-1,323
<b>Total of the financial expenses</b>	<b>-1,462</b>	<b>-1,876</b>
<b>Net financial result</b>	<b>1,723</b>	<b>761</b>

Dividends received in 2017 were paid by Worldline Bourgogne and Santeos, two french subsidiaries.

Other financial expenses include mainly non utilization fees related to the € 300 million revolving credit facility granted by Bull International SAS.

## Note 15 Non recurring items

<i>(In € thousand)</i>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Selling price from disposal of financial investments <sup>1</sup>	74	254,517
Reversal of provision for tangible assets		5,488
Reversal of provision for trade accounts receivable	439	413
Other income	2,376	8,015
<b>Total of non recurring income</b>	<b>2,815</b>	<b>268,433</b>
Net book value of financial investments sold <sup>2</sup>	-94	-6,651
Provisions for liabilities and charges	-121	-124
Other expenses	-10,782	-17,173
<b>Total of non recurring expenses</b>	<b>-10,996</b>	<b>-23,948</b>
<b>Non recurring items</b>	<b>-8,181</b>	<b>244,485</b>

<sup>1</sup> Impact of Equens carveout in 2016: FPL Equens shares received for M€+254.5.

<sup>2</sup> Impact of the contribution of the Mantis and Arabor entities to Equens in 2016 for € 6.7 million.

Other expenses for 2016 mainly include corporate costs (Equens SE acquisition and transformation plan Team) of € 10.7 million and the disposal of fixed assets related to the Radar project for € 4.7 million (disposal compensated by reversal of the corresponding provision). Other revenue mainly corresponds to the re-invoicing of the transformation plan Team, Equens SE acquisition costs and insurance premium subscribed for subsidiaries.

Other expenses for 2017 mainly include corporate costs (Equens SE acquisition, transformation plan Team re-invoicing and the ERP set up) of € 3.7 million. Other revenue mainly corresponds to the re-invoicing of these costs to the Group subsidiaries.

**Note 16 Tax****Tax consolidation agreement**

Worldline fiscal tax group presents indefinitely usable loss carry forward which reach €-55 million at year end.

**Decrease and increase of the future tax charge of Worldline taxed separately.**

At year end, decreases and increases of the future tax charge were broken down as follows:

<i>(In € thousand)</i>	<b>Basis Decrease</b>	<b>Basis Increase</b>
Temporary differences	16,934	-
<b>Total temporary differences</b>	<b>16,934</b>	<b>-</b>

No deferred tax assets or liabilities had been recognized.

**BREAKDOWN BETWEEN NET INCOME ON ORDINARY ACTIVITIES AND NON-RECURRING ITEMS**

<i>(In € thousand)</i>	<b>Before tax</b>	<b>Computed tax</b>	<b>Net amount</b>
Net income on ordinary activities	-15,565		-15,565
Non recurring items, tax credit and employee participation	-10,974	2,147	-8,827
<b>Total corporate tax</b>	<b>-26,539</b>	<b>2,147</b>	<b>-24,392</b>

During the year, Worldline received a tax credit for the research tax credit for € 2.3 million, the tax consolidation bonus of €-0.3 million and a withholding tax of € 0.5 million.

**Note 17 Off-balance sheet commitments****COMMITMENTS GIVEN**

<i>(In € thousand)</i>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Parantal guarantees	2,900	2,900
<b>Total commitments given</b>	<b>2,900</b>	<b>2,900</b>

**COMMITMENTS RECEIVED**

<i>(In € thousand)</i>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Bank guarantees	798	498
<b>Total commitments received</b>	<b>798</b>	<b>498</b>

## Note 18 Related parties

### INCOME STATEMENT

<i>(In € thousand)</i>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Financial expenses	-745	-747
Financial income	1,878	1,566
Other operating expenses	-4,083	-9,306
Other operating income	2,303	262,531
<b>Total</b>	<b>-647</b>	<b>254,044</b>

### ASSETS

<i>(In € thousand)</i>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Trade accounts and notes receivables	49,749	52,144
Group current accounts	2,065	2,945
Other current assets	852	540
<b>Total</b>	<b>52,666</b>	<b>55,629</b>

### LIABILITIES

<i>(In € thousand)</i>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Trade accounts and note payable	42,082	33,959
Group current accounts	4,927	3,936
Other current liabilities	251	
<b>Total</b>	<b>47,260</b>	<b>37,895</b>

During 2017 there was no transaction referring to the article r. 123-198 11 of "Code du commerce" with related parties. Transactions made by the Company with those related parties were performed under market conditions.

## Note 19 Other information

### AVERAGE WORKFORCE PER CATEGORY

	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Engineers and managerial staff	1,896	2,376
Employees, technicians and supervisory staff	387	365
<b>Total average workforce</b>	<b>2,283</b>	<b>2,741</b>

### Cost of key management personnel of the Group

In 2017, the expenses related to key management personnel include :

- those related to the CEO since its appointment and in accordance with the agreement entered into with atos in relation to the dedication; and
- dedication and remuneration of the Worldline CEO.

100% of the full year remuneration of Worldline's General Manager. No cost was recorded in relation to the Chairman of the Board of Directors. These expenses amounted to € 2.2 million.

Director fee expense for 2017 amounted to € 0.1 million.

## Note 20 Subsequent events

There are no subsequent events.



## E.6 Worldline SA five years financial summary (from Parent company financial statements)

Accounting year end	31 December 2017	31 December 2016	31 December 2015	31 December 2014	31 December 2013
Duration (in months)	12	12	12	12	12
<b>share capital at year end</b>					
Share capital	90,371,294.84	89,995,957.28	89,710,079.84	89,710,079.84	78,804,599.61
<b>Number of common shares outstanding</b>					
- ordinary	132,898,963.00	132,346,996.00	131,926,588.00	131,926,588.0	11,621,805.00
- preferred shares					
<b>Maximum number of future shares to be created :</b>					
- through conversion of convertible bonds					
- through exercise of equity warrants					
<b>operations and results of the current year</b>					
Operating revenue	346,732,218.28	434,778,843.00	460,935,677.12	461,939,034.56	472,568,964.10
Income before taxes, profit sharing, amortization and provisions	-13,296,606.95	249,316,554.70	14,120,685.48	40,689,643.13	35,056,415.73
Income taxes	2,147,387.36	2,010,426.95	3,268,301.65	-5,488,312.39	-3,673,774.10
Profit sharing	-2,793,095.65	-5,688,900.30	-5,645,502.58	-4,967,772.81	-4,836,261.59
Amortization and provisions	-10,449,665.85	-8,504,696.88	-14,364,944.20	-21,519,741.29	-15,871,636.57
Net income / (losses)	-24,391,981.09	237,133,384.47	-2,621,459.65	8,713,816.64	10,674,743.47
Distributed income					45,092,603.00
<b>earnings per share</b>					
but before amortization and provisions	-0.10	1.86	0.09	0.23	2.28
Net earning	-0.18	1.79	-0.02	0.07	0.92
Dividend per share					3.88
<b>employee data</b>					
Average number of employee during the year	2,283	2,741	3,013	3,001	3,049
Total payroll	114 595 338.95	139,668,169.06	148,434,264.07	140,721,615.24	144,745,354.95
Total benefits	49,601,786.47	63,445,419.20	66,255,079.11	64,014,913.04	66,330,968.41

## E.7 Non-IFRS financial measures

### E.7.1 OMDA

In addition to IFRS measures, the Group uses an additional performance measure, operating margin before depreciation and amortization (OMDA), which excludes from operating margin the impact of depreciation and certain other expenses detailed in the table below. The following table provides a reconciliation of OMDA to operating margin. OMDA is a non-IFRS measure and has no standard definition. As a result,

the definition used by the Group may not correspond to the definitions given to the same term by other companies. OMDA should not be used in lieu of IFRS measures.

The following table provides a reconciliation of OMDA to Operating Margin, on a consolidated basis.

<i>(in € million)</i>	<b>12 months ended December 31, 2017</b>	<b>12 months ended December 31, 2016</b>	<b>Variation</b>
<b>Operating margin</b>	<b>253.1</b>	<b>196.6</b>	<b>56.4</b>
+ Depreciation of fixed assets	90.5	54.6	35.9
+ Net book value of assets sold/written off	1,1	7.3	-6.2
+/- Net charge/(release) of pension provisions	(10.1)	3.0	(13.1)
+/- Net charge/(release) of provisions	0.8	(2.8)	3.6
<b>OMDA</b>	<b>335.4</b>	<b>258.7</b>	<b>76.6</b>

### E.7.2 Free Cash Flow

In addition to cash flow calculated in accordance with IFRS, the Group presents the non-IFRS indicators "Operating Cash Flow" and "Free Cash Flow". These indicators are calculated based on OMDA, which is calculated as described above.

The following table sets forth a reconciliation of OMDA to Cash Flow from Operation, and then from Cash Flow from Operation to Free Cash Flow, for the periods indicated.

<i>(in € million)</i>	<b>12 months ended December 31, 2017</b>	<b>12 months ended December 31, 2016</b>
<b>Operating Margin before Depreciation and Amortization (OMDA)</b>	<b>335.4</b>	<b>258.7</b>
Capital expenditures	-107.0	-85.3
Change in working capital requirement	33.8	33.4
<b>Cash from operation (CFO)</b>	<b>262.2</b>	<b>206.8</b>
Taxes paid	-44.1	-39.1
Net cost of financial debt paid	-1.1	-0.6
Reorganization in other operating income	-6.5	-5.2
Rationalization & associated costs in other operating income	-4.1	-4.1
Integration and acquisition costs	-20.1	-9.9
Net financial investments	-2.0	-1.3
Other changes <sup>(*)</sup>	-8.4	-10.1
<b>Free Cash Flow</b>	<b>176.0</b>	<b>136.5</b>

Note: Figures have been restated from change in Wordline's intermediation activities presentation (effect of € -3.9 million on 2016 Free Cash Flow), as detailed in "Basis of preparation of consolidated financial statements"

(\*) "Other changes" include other operating income with cash impact (excluding reorganization, rationalization and associated costs, integration costs and acquisition costs), dividends paid to non-controlling interests and other financial items with cash impact.



The following table sets forth a reconciliation of "Cash from operations" calculated on the basis set forth above to "Net cash flow from operating activities" on an IFRS basis.

<i>(in € million)</i>	<b>12 months ended December 31, 2017</b>	<b>12 months ended December 31, 2016</b>
<b>Cash from operations</b>	<b>262.2</b>	<b>206.8</b>
- Operating Investments	107	85.3
Income tax paid	-44.1	-39.1
Reorganization (from other operating income and expense)	-6.5	-5.2
Rationalization and associated costs (from other operating income and expense)	-4.1	-4.1
Integration and acquisition costs	-20.1	-9.9
Other operating income and expense	-3.5	-6.7
Other financial income and expense	-4.9	-3.6
<b>Net cash flow from operating activities</b>	<b>286.0</b>	<b>223.5</b>

Note : Figures have been restated from change in Wordline's intermediation activities presentation (effect of € -3.9 million on 2016 Free Cash Flow), as detailed in "Basis of preparation of consolidated financial statements"

### E.7.3 EBITDA

In addition to operating margin calculated in accordance with IFRS, the Group presents "EBITDA" calculated beginning with OMDA, which is calculated as described above. The Group uses

this indicator primarily for purposes of calculating the ratio of net debt to EBITDA.

The following table provides a reconciliation of OMDA to EBITDA for the periods indicated.

<i>(in € million)</i>	<b>12 months ended December 31, 2017</b>	<b>12 months ended December 31, 2016</b>
<b>Operating Margin Before Depreciation and Amortization (OMDA)</b>	<b>335.4</b>	<b>258.7</b>
Reorganization (from other operating income and expense)	-6.5	-5.2
Rationalization and associated costs (from other operating income and expense)	-4.1	-4.1
Integration and acquisition costs	-20.1	-9.9
Other operating income and expense	-3.5	-6.7
<b>EBITDA</b>	<b>301.2</b>	<b>232.8</b>

## E.8 Related Party Transactions

### E.8.1 Agreements entered into in connection with the reorganization transactions

#### E.8.1.1 Services Agreements

Atos SE, Atos International SAS, Atos International BV, Atos International Germany GmbH and Atos UK International IT Services Ltd (the "Atos Service Providers") provide certain services to the Atos group's operating entities, including the Company and its operating subsidiaries. These services are re-invoiced by Atos International SAS on behalf of all of the Atos Service Providers, on terms that depend on their revenue and headcount, on the basis of the costs allocated plus a margin, pursuant to the same terms used within the Atos group for all intragroup services of a similar nature.

It is reminded that, between July and December 2013, all the payment services and transactional activities of the Atos group have been separated from the rest of the activities of Atos and its subsidiaries. Such activities have been regrouped within Worldline and / or its subsidiaries to create Worldline Group (thereafter the "Reorganization Transactions"). At the time of such transactions, it was agreed that the Company and its subsidiaries would continue to receive the services provided by the Atos Service Providers pursuant to the same terms as previously. Accordingly, a services agreement (the "Group Services Agreement") and a specific group services agreement (the "Specific Services Agreement") with effective dates of July 1, 2013 and January 1, 2013, respectively, were entered into between Atos International SAS, acting on its own behalf and on behalf of the other Atos Service Providers, and the Company. The Company acts on its own behalf and on behalf of its operating subsidiaries, in accordance with the mirror agreements entered into between the Company and its subsidiaries (with respect to the Group Services Agreement and the Specific Services Agreement, the "Intra-Worldline Group Services Agreements" and the "Intra-Worldline Specific Services Agreements", respectively).

The Group Services Agreement principally covers operational services and support function services. The Specific Services Agreement principally covers specific services that may be provided, as the case may be, in connection with reorganization projects, including in connection with the implementation of the Reorganization Transactions, and includes terms relating to the re-invoicing of services provided by external service providers as well as to the equitable redistribution of the Worldline Group companies' costs.

In addition, services agreements (the "Local Services Agreements") were entered into directly between an Atos group entity outside the Worldline Group perimeter and a Worldline Group entity in most countries in which, prior to the implementation of the Reorganization Transactions, Worldline activities and Atos activities had been conducted by the same

entity, and in which the Reorganization Transactions had the effect of separating the historical Atos group business from the payment and transaction services activities being retained by or transferred to the local Worldline Group entity. These countries are Argentina, Austria, Spain, Hong Kong and the United Kingdom. The Local Services Agreements establish the terms pursuant to which the local Atos group subsidiaries provide the local Worldline Group subsidiaries with certain services that are necessary in order to conduct their activities following the implementation of the Reorganization Transactions.

#### E.8.1.1.1 Group Services Agreement

The operational services provided under the Group Services Agreement and the Intra-Worldline Group Services Agreements include the following: IT and telecommunications services, procurement services, global communication and talent management services, services relating to global sales strategy, services relating to global marketing strategy, and product, client and partnership development services.

Support function services provided under these agreements cover services relating to management, sales, mergers and acquisitions, as well as financial, legal, compliance, internal control, human resources and innovation services.

The terms pursuant to which these services are rendered and the means of invoicing them depend on the service being provided.

In 2017, the Company paid Atos International SAS a total of € 28.6 million in connection with the Group Services Agreements.

The Group Services Agreement and the Intra-Worldline Group Services Agreement were renewable automatically for successive 12-month terms. They may be terminated at any time by the Company, with respect to its local operational subsidiaries, and by Atos International SAS, with respect to the Company, by providing two months' prior notice.

The Group Services Agreement provides for automatic termination without prior notice (in the absence of an agreement to the contrary between the parties) in the event that Atos SE ceases to hold, directly or indirectly, more than 50% of the Company's share capital. Similarly, each of the Intra-Worldline Group Services Agreements provides for automatic termination without prior notice (in the absence of an agreement to the contrary between the parties) in the event that the Company ceases to hold, directly or indirectly, more than 50% of the relevant Worldline Group subsidiary.



### E.8.1.1.2 Specific Services Agreements

The services provided under the Specific Services Agreement and the Intra-Worldline Specific Services Agreements relate to the implementation of reorganization projects, including in connection with the Reorganization Transactions, and the terms for re-invoicing the services provided in that context by external providers.

In 2017, the Company paid Atos International SAS a total of € 2.1 million in connection with the Specific Services Agreements.

The Specific Services Agreement and the Intra-Worldline Specific Services Agreement were entered into for an initial term of twelve months as from January 1, 2013 and are renewable automatically for successive twelve-month terms. They may be terminated at any time by the Company, with respect to its local subsidiaries, and by Atos International SAS, with respect to the Company, by providing two months' prior notice. The Specific Services Agreement provides for automatic termination without prior notice (in the absence of an agreement to the contrary between the parties) in the event that Atos SE ceases to hold, directly or indirectly, more than 50% of the Company's share capital. Similarly, each of the Intra-Worldline Specific Services Agreements provides for automatic termination without prior notice (in the absence of an agreement to the contrary between the parties) in the event that the Company ceases to hold, directly or indirectly, more than 50% of the relevant Worldline subsidiary.

### E.8.1.1.3 Local Services Agreements

#### 1) Local Services Agreements between an Atos group entity outside the Worldline Group perimeter and a Worldline Group entity

The scope of the services provided under the Local Services Agreements is specified in the Support Function Services Agreements, the Operational Level Agreements and/or the Time and Material Services Agreements annexed to the Inter-company Services Agreements.

The services provided under the Support Function Services Agreements include, as applicable, the provision of financial, legal, management, sales, marketing, IT, telecommunications and/or human resources services, with the exception of the services provided by Atos International SAS under the Group Services Agreement.

The services provided under the Operational Level Agreements cover, as applicable, services relating to the Group's operational activities, including data centers, call centers, technical assistance and platform administration.

The Services provided under the Time and Materials Agreements include, in particular, technical, engineering, consulting and software development services. These services are provided on a one-off basis at the request of the local Worldline entity to the Atos service provider.

The services provided under the Support Function Services Agreements and Operational Level Agreements are invoiced monthly, with the fee reviewed at the beginning of each half-year period. Payment for the services provided under the Time and Materials Agreements is based on the time spent by the service provider's employees plus, where applicable, the cost of materials used to provide such services.

The Local Services Agreements were entered into for an indefinite term and may be terminated by either party by providing between six and eighteen months' notice, depending on the agreement.

#### 2) Local Services Agreements within Worldline Group entity

##### Local Services Agreements between Worldline and equensWorldline

Following the acquisition of Equens and the carve out of some Worldline businesses into equensWorldline group, the company entered into service agreements with equensWorldline essentially in France, Belgium and Germany but also in the Netherlands.

These agreements relate to global services and local services.

Global services are essentially Global Service Agreements (global support functions and corporate services) and Trade Mark fees that are invoiced to equensWorldline.

Local services as follow:

On the one hand, equensWorldline purchases local services which relate mainly to delivery and production services (hosting, infrastructure services and resources support) but also support functions services (Finance, Human resources, Legal, Communication and Marketing, Purchasing, etc...). equensWorldline purchases also pass through services like terminals or telecom services that are resold to equensWorldline external clients. On the other side, equensWorldline renders services to the Company, notably in Acquiring processing activities essentially in Belgium, Germany and in the Netherlands.

As initially planned and contractualized between the Company and equensWorldline, services are priced at arm's length and according to Atos group transfer pricing rules. Prices are revised annually at budget period. The services are invoiced and paid on a monthly basis.



### **Tax consolidation agreements**

Since the listing of the Company's shares on Euronext Paris, a consolidated tax group is in place in France between the Company and its French subsidiaries in which it holds at least 95% of the share capital, as from January 1, 2015. Upon creation of this group, the Company entered into tax consolidation agreements with each of the member companies of its consolidated tax group to govern the subsidiaries' contribution to the Group's taxes, for which the Company is the sole taxpayer in its capacity as the new parent company.

## **E.8.1.2 Cooperation and License Agreements**

### **E.8.1.2.1 Specific Agreements**

Specific agreements have been put in place in certain geographic regions, such as Hong Kong, where the Company's local subsidiary shares premises, services, equipment or software with the local Atos SE subsidiary. Certain resources (such as applications software) and equipment (such as central servers) owned by the local Atos SE subsidiary are used by the local subsidiary of the Worldline Group. These agreements relate, in particular, to cooperation agreements with respect to the processing of personal data. These agreements (Data Processing Agreements) are entered into between certain local subsidiaries of the Company and certain Atos SE subsidiaries located in the same jurisdiction. For example, the Company's local subsidiary in Hong Kong entered into such a cooperation

agreement with the local Atos SE subsidiary in Hong Kong. The agreement sets forth the rights and obligations of the parties with respect to the protection of data (including personal data) resulting from access to or exchange or processing of the other party's data in connection with their existing collaboration with one another for purposes of performing client agreements and conducting their internal business relations.

### **E.8.1.2.2 Biometrics Technology Licensing Agreements**

Atos IT Solutions and Services GmbH ("Atos ISS Austria"), an Austrian subsidiary of Atos SE (outside the Worldline Group perimeter) and Worldline Austria GmbH ("Worldline Austria"), a Group entity, entered into a technology licensing agreement effective retroactively as of July 1, 2013 for a term of five years, renewable automatically for one-year periods unless terminated by either party by providing three months' notice prior to the expiration of the relevant period. Pursuant to this agreement, the parties (i) mutually authorize each other to freely use and improve shared technology composed of source code, algorithms, libraries, methodologies, and software interfaces relating to biometrics; and (ii) grant reciprocal, non-exclusive licenses to each other and each party's respective subsidiaries to any improvement made to the shared technology in all territories of the geographic area that Atos includes in its Central and Eastern Europe Business Unit. Similarly, Atos ISS Austria granted a non-exclusive license to Worldline Austria to use all of Atos ISS Austria's biometrics patents.

## **E.8.2 Other related party transactions**

### **E.8.2.1 Assistance agreements with the Atos Group**

In France, Belgium and Germany, where the Group had entities dedicated exclusively to Worldline activities prior to the Reorganization Transactions, the Group and the Atos group have entered into local assistance agreements, in particular with respect to shared premises, equipment and services.

In the Asia-Pacific region, the Atos SE subsidiary in Singapore and the local subsidiaries of the Company located in China, Hong Kong, Malaysia, Singapore and Taiwan are parties to a services agreement (the "Regional Services Agreement"). The services provided under the Regional Services Agreement include financial, legal, marketing, communications and IT services. The services provided under the Regional Services Agreement are invoiced monthly on the basis of the costs borne

directly or indirectly by the Atos SE subsidiary in Singapore in order to provide these services, plus a margin. The Regional Services Agreement was entered into for a term of twelve months and is automatically renewable for successive twelve-month periods. It may be terminated at any time by the Atos SE subsidiary in Singapore, by providing two months' prior notice.

Same applies for the Company's subsidiaries in Argentina, Spain and UK, which also benefit from the assistance of the Atos SE subsidiary in those respective countries.

Besides, the costs related to Atos SE performance shares granted to employees of Worldline Group are recharged, on normal market terms, by Atos SE to the relevant entities of the Worldline Group.



### **E.8.2.2 Financial Agreements with the Atos Group**

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The Group entities entered into agreements with Atos SE and its subsidiaries in connection with certain Worldline Group financing aspects, in particular cash management and certain loans. Existing borrowings between the Group and the Atos group were repaid upon the listing of the Company's shares on Euronext Paris.

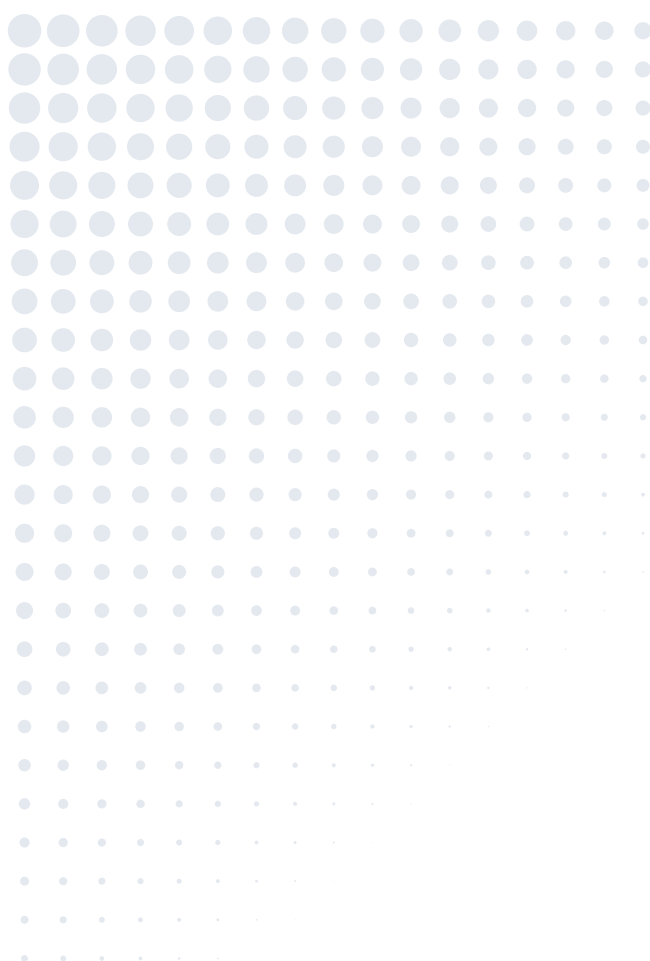
The Atos group has extended loans to Group entities that correspond to proceeds from the sale of trade receivables under the Atos group's securitization program. These loans were reimbursed before the listing of the Company's shares on Euronext Paris and the Group no longer participates in the Atos group's securitization program.

Since the listing of the Company's shares on Euronext Paris, the Group is no longer party to the Atos group's cash pooling arrangements. Following this listing, the Group put in place at the Company level a notional multicurrency cash pooling arrangement covering most Group entities. The Group will nevertheless have the possibility of placing short-term deposits with the Atos group at market conditions.

Since the listing of the Company's shares on Euronext Paris, the Group benefits from a € 300 million revolving credit facility granted by Bull International, an Atos group subsidiary, in order to cover the Group's liquidity requirements, including temporary fluctuations in its working capital needs.

# F

## Risk Factors [GRI 102-15] and [GRI 102-11]



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## Risk Factors [GRI 102-15] and [GRI 102-11]

Risks related to the Group's business and industry [GRI 102-10]

The Group operates in a constantly changing environment and is exposed to risks that, if materialized, may have a material adverse effect on its business, financial condition, including operating results and cash flows, reputation or prospects. The Group can relate on a continuous process of identification and analysis of risks in order to identify those likely to affect the achievement of its objectives. The Group proceeds to the review of the main risks that may have an impact on its business, financial position or results, which are described below.

Investors should carefully consider all of the information set forth in this Registration Document, including the risk factors set forth in this chapter. Such risks are, as of the date of this Registration Document, the risks that the Group believes, were they to occur, could have a material adverse effect on its business, results of operations, financial condition and prospects. Investors should note that there may be other risks that have not yet been identified as of the date of this Registration Document, or whose occurrence as of the date hereof is not considered likely to have a material adverse effect on the Group's business, results of operations, reputation, financial condition and prospects.

Risk assessment and management is an integral part of the Group's operational and strategic management. Risks are assessed and monitored through business lines and functions. Internal Audit, Risk Management, Compliance, Legal, Insurance, Security and Finance departments can be cited as Functions playing a key role in identifying and controlling the main risks, among other.

Risk assessment and management is based on a multi-level organization, which is detailed below. Risks are also appraised through the Internal Control initiatives and Internal Audit assignments (see Section F.7 Internal Control of this Registration Document). In addition to integrated process of risk management, dedicated activities are also deployed for transversal internal risk management (see Section F.5 Risk management activities of this Registration Document).

## F.1 Risks related to the Group's business and industry [GRI 102-10]

**If the Group fails to keep pace with changes in its industry or fails to continue to provide attractive and innovative services, the use of the Group's services could decline, reducing its revenue.**

The global payment and digital services industry in which the Group competes is subject to rapid and significant technological change, new product and service introductions, evolving industry standards, changing customer needs and preferences and the entrance of non-traditional competitors. In order to remain competitive, the Group must anticipate and respond to these changes, which requires significant investment in, and time spent on, research and development. The Group is also optimizing its technological infrastructure, including its payment processing and other IT platforms to best position it to profit from market growth and new services. If the Group fails to keep pace with these changes or fails to continue to develop and introduce attractive and innovative services, the use of its services could decline. Any delay in offering new services, failure to differentiate the Group's services or to accurately predict and address market demand could render the Group's services less desirable to its clients or even obsolete, which, in turn, could have a material adverse effect on the Group's business, financial condition and results of operations. Moreover, the projects that the Group undertakes to enhance its technological infrastructure in response to evolving market trends require significant investment, and no assurance can be given that the trends, products or services such enhancements are designed to address will develop as expected or whether such efforts will be successful. If the Group invests significantly in research and development efforts targeting new services and solutions for which a market does not develop as anticipated or at all, it could have difficulty recovering the costs it has incurred in developing

these new services and solutions and, to the extent that such investments have been capitalized, incur significant write-offs.

Moreover, a number of the services the Group expects to be a source of future growth are new and address markets that are not yet fully developed. No assurance can be given that these markets will develop as expected, that the Group's new products or services will secure wide client or consumer acceptance or be consistent with developing industry-wide standards, that the Group will succeed in gaining significant market share in these new markets, or that the Group will fully recover the investments it has made to develop such products and services. For example, although mobile commerce applications are an important element of the Group's strategy, no assurance can be given that making purchases using mobile phones and other mobile devices will develop as quickly or as successfully as research and consulting firms expect. Similarly, many of the markets for Connected Living products such as connected vehicles are still in their early stages, and these markets may not develop as quickly or to as great an extent as expected, due, in particular, to the fact that the business models that the Group's clients have developed to market such connected solutions to their own customers are in their early stages. Additionally, while the Group expects innovative solutions developed to address the ongoing digital transformation of retailers and other businesses to comprise an important and increasing component of the Group's services portfolio going forward, the Group cannot be certain that businesses will continue to pursue their "digital reinvention" or adopt new technologies as swiftly or in the same manner as they have in recent years or that the Group will be able to launch new and successful products to address their needs in a timely manner.

**Security breaches could disrupt the Group's business and damage its reputation.**

As part of its business, the Group electronically receives, processes, stores and transmits sensitive business information of its clients. In addition, depending on the services offered, the Group collects and processes a significant amount of sensitive personal consumer data, including names and addresses, cardholder data, payment history records, personal medical data and tax information, among other consumer data. The confidentiality and integrity of the client and consumer information that resides on the Group's servers and other information systems is critical to the successful operation of its business. Accordingly, the Group has security, backup and recovery systems in place. The costs of systems and procedures associated with such protective measures could increase and therefore reduce the Group's profitability. Notwithstanding these safeguards, unauthorized access to the Group's computer systems or databases could result in the theft or publication of confidential information, the deletion or modification of records or could otherwise cause interruptions in the Group's operations. These risks are increased when the Group transmits information over the Internet. The Group's visibility, or the visibility of the brands for which it processes data, in the global payment and digital services industry may attract hackers to conduct attacks on its systems that could compromise the security of its data or could cause interruptions in the operations of its businesses and subject the Group to increased costs, litigation and other liabilities. Any such litigation could be protracted and result in the payment of damages and costly upgrades to the Group's safeguards. There is also a possibility of mishandling or misuse, for example, if such information were erroneously provided to parties who are not permitted to have the information, either by fault of the Group's systems, employees or subcontractors acting contrary to the Group's policies, or where such information is intercepted or otherwise improperly obtained by third parties. An information breach in the system and loss of confidential information such as credit card numbers and related information could have a longer and more significant impact on the Group's business operations than a hardware failure and could result in claims against the Group for misuse of personal information, such as identity theft. The loss of confidential information could result in the payment of damages and reputational harm and therefore have a material adverse effect on the Group's business, results of operations and financial condition. Additionally, the introduction of, or changes to, existing "cyber" security rules and regulations may impose new or stricter security standards that

require changes that would be costly for the Group to implement. The Group's financial exposure from the items referenced above may either not be insured against or not fully covered through any insurance maintained by the Group.

**Data privacy concerns or failure to comply with privacy regulations and industry security requirements relating to personal consumer data could have a material adverse effect on the Group's business and reputation.**

The Group's systems collect, process and store vast quantities of personal consumer data. Many of the value added services the Group offers its clients are designed to analyze some of that data to allow merchants, financial institutions and other clients to deliver targeted advertising and better understand consumer needs and behavior in order to develop more effective products and services that address their preferences. User and regulatory attitudes towards privacy are evolving, and future regulatory or user concerns about the extent to which personal information is shared with advertisers or others could adversely affect the feasibility or marketability of such value added services.

Moreover, as a global provider of services to financial institutions, card processing services and other digital and e-Transactional services, the Group is subject directly (or indirectly through its clients) to laws, regulations, industry standards and limitations applicable to the collection, storage, processing and transfer of personal data in various jurisdictions in which the Group operates, and in particular to the European Regulation GDPR (*General Data Protection Regulation*). The Group's failure to keep apprised of and comply with privacy, data use and security laws, standards and regulations could result in the suspension or revocation of licenses or registrations, the limitation, suspension or termination of services and the imposition of administrative, civil or criminal penalties including fines, or may cause existing or potential customers to be reluctant to do business with the Group, damage to the Group's global reputation and its brand, any of which could have an adverse effect on the Group's business, results of operations and financial condition. In addition, to the extent more restrictive laws, rules or industry security requirements relating to personal data are adopted in the future in the various jurisdictions in which the Group operates or by specific industry bodies, such changes could have an adverse impact on the Group by increasing its costs or imposing restrictions on its business processes. The Group may be required to expend significant capital and other resources to comply with mandatory privacy and security standards required by international standards and law and industry standards, or to adapt its contracts accordingly. The Group's financial exposure from any actual or alleged breach of such regulations or standards may either not be insured against or not fully covered through any insurance maintained by the Group.



## Risk Factors [GRI 102-15] and [GRI 102-11]

### Risks related to the Group's business and industry [GRI 102-10]

#### **Breakdowns of the Group's processing systems or software defects could damage customer relations and subject it to liability.**

The Group depends heavily on the efficient and uninterrupted operation of numerous systems, including its computer systems, software, servers and data centers. The services the Group delivers are designed to securely and reliably process very complex transactions—very often in real-time—and provide reports and other information on those transactions, all at very high volumes and processing speeds. Any failure to deliver an effective and secure service or performance issues that result in significant processing or reporting errors or service outages could have a material adverse effect on a potentially large number of users, the Group's business, and, ultimately, its reputation. The Group operates various services that involve the collection, accounting and management of cash inflows and outflows for different parties operating across the payment services chain. A technical defect, errors in the application or interpretation of contractual rules within systems, or even undetected fraud, could result in cash flow accounting errors which could adversely affect the Group's financial condition, given the Group's role as systems operator, should the Group be unable to take corrective measures to redistribute such cash flows. To successfully operate its business, the Group must therefore be able to protect its systems from interruption, including from events that may be beyond its control. Events that could cause system interruptions include, but are not limited to, fire, natural disasters, telecommunications failure, computer viruses, unauthorized entry, terrorist acts and war.

Additionally, the Group's employees, on whom it is also dependent, could cause significant operational breakdowns or failures, either as a result of human error or as a result of deliberate sabotage or fraudulent manipulation of its operations or systems. Third parties with whom the Group does business could also be sources of operational risk to it, including as a result of breakdowns or failures of such parties' own systems, products or employees. Similarly, software and software updates may contain undetected errors that degrade their performance. The Group's property and business interruption insurance may not be adequate to compensate it for all losses or failures that may occur. Breakdowns in the Group's systems or those of third parties, defects in our systems, errors or delays in the processing of payment transactions or other difficulties could result in:

- Loss of revenue;
- Loss of clients and/or contracts;

- Loss of sensitive merchant, consumer and other data;
- Fines imposed by payment network associations;
- Contractual penalties or trade concessions;
- Damage to the hardware or software of our clients;
- Harm to the Group's business or reputation resulting from negative publicity;
- Exposure to fraud losses or other liabilities;
- Additional operating and development costs (notably in connection with the imposition of additional security measures and remediation efforts);
- Legal proceedings being brought against the Group; and/or
- Diversion of technical and other resources.

Any one or more of the foregoing could have an adverse effect on the Group's business, financial condition and results of operations. Although the Group attempts to limit its potential liability through controls, including system redundancies, security controls, application development and testing controls, etc., it cannot be certain that these measures will always be successful in preventing disruption or limiting the Group's liability. Similarly, service outages could prevent the Group's merchant clients from being able to process card payments for the duration of the outage. Any of these developments could materially and adversely affect the Group's reputation for reliability or its reputation generally, and hence its business, results of operations and financial condition.

#### **The Group is subject to economic and political risk, business cycles and credit risk of its clients and the risk of an overall decline of consumer, business and government spending and is dependent on the success of its clients, which could negatively impact the Group's business, financial condition and results of operations.**

The Merchant Services, electronic payments, payment processing, and digital services industries are influenced by the overall level of individual consumer, business, and government spending, and, with a significant retail and government client base, the Group's business is particularly dependent on these factors. The Group is exposed to general economic conditions that affect consumer confidence, consumer and government spending, consumer discretionary income or changes in consumer purchasing habits. A renewed deterioration in macro-economic conditions in key countries where the Group operates, particularly in Europe, may adversely affect the Group's financial performance by reducing the number or average size of transactions made using card and electronic payments. A reduction in the amount of consumer spending could result in a decrease in the Group's revenue and profits. If cardholders of the Group's financial institution clients make fewer transactions with their cards, the Group's merchants make fewer sales of their products and services using electronic payments, consumers using Online Banking e-Payment (OBEP), new payment services based on SEPA Credit Transfer (especially coupled to real time settlement service) and other non-card payment methods make fewer payments or people spend less money per transaction, the Group will have fewer transactions to process and smaller average payment sizes, resulting in a potentially significant decrease in revenue. Additionally, the Group's clients and their customers, with less disposable income, might be less likely to opt for the Group's digital services offerings and other value-added solutions, which comprise an increasingly significant portion the Group's services offerings and component of its growth strategy. Moreover, during economic downturns, our existing and prospective

clients may be more reluctant to renew their IT hardware and software, which may adversely impact sales of the Group's product and services upgrades. Furthermore, where the Group provides, and/or develops jointly with, its clients, such as car manufacturers, services and platforms that are then on-sold by its clients to consumers, the Group is dependent on the ability of its clients to effectively market and sell these products to their customers, the success of which the Group cannot control.

Furthermore, a renewed economic downturn and the possible imposition of governmental austerity measures or changes in government policies could prompt decreases in government spending, which, given that a significant portion of the Group's revenue is derived from government clients (in France and the United Kingdom, in particular), could have a material adverse effect on the Group's business, results of operations and financial condition.

More generally, a weakening of the economies in the geographic areas in which the Group operates could increase the Group's sensitivity to price pressure vis-à-vis its competitors and to potential credit losses, including as a result of default of major financial institutions. Additionally, credit card issuers might reduce credit limits and be more selective with regard to whom they issue credit cards to, resulting in fewer and smaller transactions and therefore lower revenue and earnings for the Group. In the event of a closure of a merchant due to adverse economic conditions, the Group is unlikely to receive its fees for any transactions processed by that merchant in its final months of operation, which would negatively impact the Group's business, financial condition and results of operations. The Group's merchant clients and the other participants in the electronic payment system, including payment service providers, are liable for any fines or penalties that may be assessed by the card payment networks. Card payment network standards could require the Group to compensate consumers for services and products purchased but not provided following a merchant's bankruptcy. In the event that the Group is not able to collect such amounts from payment service providers and other agents, due to fraud, breach of contract, insolvency, bankruptcy or any other reason, the Group may find itself liable for any such charges.

**Risks related to the management of projects to develop new solutions.**

The Group enters into fixed-fee contracts in relation to the development of new systems. This business entails the risk that development costs and expenses may prove to be much higher than initially anticipated, whether as a result of incorrect initial estimates, the emergence of new and unexpected challenges during the course of the project, or errors in the operational management of the project. In such cases, the Group may not be able to secure an upward revision to the fixed fee, either at all or sufficient to compensate for the increased cost. In such cases, the Group would record a provision, which could have a material adverse effect on its business, financial condition and results of operation.

**If the Group is unable to effectively respond to competition, demand for its services may be adversely affected and decrease significantly.**

The Group is exposed to significant competition in the various markets in which it operates. Given the diversity of the Group's product and services portfolio, the Group's primary competitors vary depending on business line and product or service type, and range from payment processing providers and acquiring banks, to e-Commerce software providers, payment terminal suppliers, telecommunications and information technology companies and start-ups. Some of the Group's competitors may have greater ability than the Group does to devote financial and operational resources to the development and marketing of new technologies and services, may offer a wider range of services than the Group offers, may use more effective advertising and marketing strategies to achieve broader brand recognition or merchant acceptance than the Group has or may develop better security solutions or more competitive pricing arrangements. Moreover, competitors may also introduce more innovative programs and services than the Group's. With respect to its innovative digital and *e-Consumer & Mobility* services offered through its *Mobility & e-Transactional Services* global business line, the Group competes with a particularly broad spectrum of strong market participants that extends beyond its typical payment industry competitors, ranging from traditional information technology companies to specialist players and innovative startups. The Group also faces particularly intense competition in its Merchant Terminals business from Ingenico and Verifone, in particular, who maintain a dominant position within the merchant Terminals market. The Group also faces heightened competition in its online and mobile payments businesses, as a wide range of payment platforms offered by an increasing range of players, including banks and telecommunication companies, co-exist in the various markets in which the Group operates. If the Group is unable to effectively respond to competition, demand for its services may materially decrease, which could have an adverse effect on its business, financial condition, results of operations or prospects. Moreover, given the level of competition the Group contends with across the markets in which it operates, the Group faces significant price pressure on its products and services, which could also materially and adversely affect its business, financial condition, results of operations and prospects. In particular, the Group faces potentially increased competition in Belgium due to the opening of the Bancontact payment scheme to other commercial acquirers. Additionally, to the extent that the Group's competitors or new industry players more effectively capitalize on potential consolidation trends within the currently fragmented payment services industry, particularly in Europe, the competitive landscape, including the nature and scale of the Group's competitors, may change significantly, possibly reducing certain competitive advantages





## Risk Factors [GRI 102-15] and [GRI 102-11]

### Risks related to the Group's business and industry [GRI 102-10]

from which it currently benefits. Furthermore, with respect to the businesses in which it currently operates without the need for a financial institution license, the Group may find itself at a disadvantage *vis-à-vis* its competitors that are fully licensed financial institutions and able to offer clients additional services, such as financing, that the Group is unable to offer.

The electronic payment industry is facing new competition emerging from non-traditional competitors, such as PayPal, Samsung, and Google, which offer alternative peer-to-peer and "closed loop" payment methods that generally bypass the traditional interchange-based payment processing systems on which much of the industry's current business model is largely based. Moreover, these non-traditional competitors have considerable financial resources and robust networks, are highly regarded by consumers and, as new entrants to the payments services industry, are not yet subject to the same level of legal or regulatory scrutiny in terms of pricing and business practices as are the industry's more traditional players such as the Group. Although many of the Group's services are designed to accommodate these new payment methods, the Group's role in processing these payments is less extensive and may be less profitable than its role in traditional card processing. If these non-traditional competitors gain a greater share of the electronic payment market, and the Group's services are not used to process the related transactions or cannot be offered at rates comparable to those in the Group's traditional card processing business, it could also have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

#### **The Group may encounter difficulties expanding its existing services to new markets.**

One of the core elements of the Group's strategy is to expand the geographic footprint for its services including by expanding services that have experienced success in one or more of the Group's markets to other markets served by the Group. This strategy involves a number of significant risks including the risk that the regulatory frameworks or consumer preferences in the new markets entered may make the Group's products less attractive. There can be no assurances that the Group's efforts to expand its services into new markets will be successful, particularly in light of the competition it faces from incumbent providers of such services in these new countries. If the Group is not able to successfully expand its existing service to new markets, the Group's growth strategy may not be successful, which, in turn could have a material adverse effect on its business, financial condition, results of operation and prospects.

#### **Consolidation in the banking and Financial Services industry could adversely affect the Group's revenue by reducing the number of its existing or potential clients and making it more dependent on a more limited number of clients.**

In recent years, there have been a number of mergers and consolidations in the banking and Financial Services industry. Mergers and consolidations of financial institutions reduce the number of the Group's clients and potential clients, which could adversely affect its revenue or lead to the non-renewal of existing contracts. Namely, the Group faces the risk that its clients may merge with entities that are not the Group's clients, the Group's clients may sell business operations to entities that are not the Group's clients or the Group's financial institution clients may otherwise cease to exist or migrate to other platforms operated by the Group's competitors or managed internally, thereby adversely impacting the Group's existing agreements and projected revenue with these clients. Revenue of the Financial Services (previously "Financial Processing & Software Licensing") global business line, whose customer base comprises principally banks and other financial institutions, could be particularly affected. Further, if the Group's clients fail or merge with or are acquired by other entities that are not the Group's clients, or that use fewer of the Group's services, they may discontinue or reduce their use of the Group's services. It is also possible that the larger banks or financial institutions resulting from mergers or consolidations would have greater leverage in negotiating terms with the Group or could decide to perform in-house some or all of the services which the Group currently provides or could provide. Any of these developments could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

#### **The Group incurs liability when its merchant clients in its Commercial Acquiring business refuse or cannot reimburse chargebacks resolved in favor of their customers, and when the Group's merchant clients or others engage in fraudulent activities.**

In the event that a dispute between a cardholder and a merchant is not resolved in favor of the merchant, the transaction is normally "charged back" to the merchant and the purchase price is credited or otherwise refunded to the cardholder. In the context of the Group's Commercial Acquiring business, if the Group is unable to collect such amounts from the merchant's account or reserve account (if applicable), or if the merchant refuses or is unable, due to closure, bankruptcy or any other reason, to reimburse the Group for a chargeback, the Group bears the loss for the amount of the refund paid to the cardholder. The Group may experience significant losses from chargebacks in the future. Any increase in chargebacks not paid by the Group's merchants could have a material adverse effect on the Group's business, financial condition and results of operations, particularly with respect to its e-Commerce services.

Additionally, the Group has potential liability for fraudulent electronic payment transactions or credits initiated by merchants or others. Examples of merchant fraud include when a merchant or other party knowingly uses a stolen or counterfeit credit or debit card, card number, or other credentials to record a false sales or credit transaction, uses an invalid card, or intentionally fails to deliver the merchandise or services sold. Criminals are using increasingly sophisticated methods to engage in illegal activities such as counterfeiting and fraud. Failure to effectively manage risk and prevent fraud could increase the Group's chargeback liability, damage the Group's reputation and jeopardize its relationships with its bank clients and card management organizations, or cause the Group



to incur other liabilities. Moreover, it is possible that incidents of fraud could increase in the future.

Although the Group has put in place policies to manage merchant-related credit risk by establishing reserve accounts, requesting collateral and setting caps for monthly processing, it may experience significant losses from chargebacks in the future. Any increase in chargebacks not paid by the Group's merchants could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Defaults by the Group's merchants on their reimbursement obligations could have a material adverse effect on the Group's business, results of operations and financial condition. No assurances can be given that insurance coverage to protect against certain such losses will be effective and adequate.

**A decline in the use of credit or debit cards as a payment mechanism for consumers or adverse developments with respect to the payment processing industry in general could have a materially adverse effect on the Group's business, financial condition and results of operations.**

If consumers do not continue to use credit or debit as a payment mechanism for their transactions or if there is a change in the mix of payments between cash, credit and debit cards and other payment forms which is adverse to the Group, it could have a material adverse effect on the Group's business, financial condition and results of operations. A substantial part of the Group's business is linked to credit and debit card payments. A smaller, but growing, portion of the Group's business is linked to cashless payments by means other than cards using other digital and data processing areas. To the extent that the overall card-based payment market decreases and such decrease outstrips or occurs faster than the increase in the market for payments effected through digital and data processing services, the Group's revenue could be significantly affected. Also, if margins are lower in these new areas, then the Group's profitability could decrease, at least temporarily until they reach higher maturity levels and the initial development expenses are absorbed. Moreover, if there is an adverse development in the payments industry in general, such as new legislation or regulation that makes it more difficult for the Group's clients to do business, the Group's business, financial condition, results of operations and prospects may be adversely affected.

**Failure to renew agreements with customers on acceptable terms could harm the Group's business, particularly in segments of its business where customer concentration is high.**

Failure to renew client contracts could negatively impact the Group's business. The Group's client contracts typically vary in length from three to five years, while certain of its contracts with public sector clients in Latin America have terms of up to 10 years. At the end of a contract's term, the Group's clients have a choice to either renegotiate their contract with the Group, increase or decrease its scope, seek out the Group's competitors to provide the same or similar services or cease outsourcing the relevant activity. Customers may seek price reductions from the Group when seeking to renew or extend contracts, or when the clients' business experiences significant volume changes. Further, certain clients may seek to lower prices previously agreed with the Group due to pricing competition or other economic needs or pressures being experienced by the customer. If the Group is unsuccessful in retaining high renewal rates and contract terms that are favorable to it, the Group's business, results of operations and financial condition may be adversely affected.

Although the Group's overall revenue is spread among a relatively large number of customers and no single customer represented more than 5% of the Group's total revenue in 2017, within certain of the Group's global business lines, business divisions and key geographic areas in which the Group operates, a significant percentage of revenue is nevertheless attributable to a limited number of customers. For example, in Financial Services (formerly "Financial Processing & Software Licensing"), the Group's five largest customers, accounted for 38% of total revenue for that global business line in 2017, while in Mobility & e-Transactional Services, the Group's five largest customers accounted for 25% of total revenue for that global business line in 2017. In France, the five largest customers accounted for 32% of total revenue in 2017. Given these concentrations, the loss of a customer could have a significant impact on the Group's business, particularly if the Group loses key customers for its smaller or newer business lines. If the Group loses key customers in its newer business lines, it could have a material adverse effect on the Group's ability to successfully develop these new businesses.

Revenue with the Group's parent company Atos and its customers amounted to less than 3% of its total revenue in 2017. If the Group's sales to Atos and its customers were to decline, this could have an impact on the revenue growth of the company.

If the Group loses any of its large customers within its global business lines and divisions or key geographic regions, if any of them significantly reduces or delays purchases from the Group, if the Group is required to sell products to them at reduced prices or if contracts are renegotiated on terms that are less favorable to it, the Group's revenue, profitability, cash flows and net income on both a global business line/division and Group level could be materially and adversely affected, and the Group's ability to consolidate and expand its market position, sell its services (including cross-offerings) and implement its global strategy could be hindered.





## Risk Factors [GRI 102-15] and [GRI 102-11]

### Risks related to the Group's business and industry [GRI 102-10]

#### **The Group's intellectual property may be challenged or infringed and the Group may be subject to infringement claims.**

The Group relies on a combination of contractual rights and copyright, trademark, patent and trade secret laws to establish and protect the Group's proprietary technology. Third parties may challenge, invalidate, circumvent, infringe or misappropriate the Group's intellectual property. While the Group strives to ensure that its intellectual property is sufficient to permit it to conduct its business independently, others, including the Group's competitors, may develop similar technology, duplicate the Group's services or design around the Group's intellectual property. In such cases the Group could not assert its intellectual property rights against such parties or the Group may have to obtain licenses from these third parties (including in the context of cross license agreements, pursuant to which the Group would also grant a license under its intellectual property). Policing unauthorized use of the Group's proprietary rights is difficult. The Group cannot make any assurances that the steps it has taken will prevent misappropriation of technology or that the agreements entered into for this purpose will be performed by the co-contracting parties. The Group may have to litigate to enforce or determine the scope and enforceability of its intellectual property rights, trade secrets and know-how, which is expensive, could cause a diversion of resources and may not prove successful. The loss of intellectual property protection or the inability to obtain third party intellectual property could harm the Group's business and ability to operate freely.

The Group may also be subject to costly litigation in the event that operating third parties claim that the Group's services and technology infringe upon or otherwise violate their intellectual property, such as patents or copyrights. Any such claim may result in a limitation on the Group's ability to freely use the intellectual property subject to these claims. Additionally, in recent years, non-operating companies have been purchasing and stacking intellectual property assets for the sole purpose of monetizing by making claims of infringement and attempting to extract settlements from companies like the Group. Even if the Group believes that most such intellectual property related claims are without merit, defending against such claims may be time consuming and expensive. If they were successfully upheld, claims of intellectual property infringement also might require the Group to redesign affected services, enter into costly settlement or license agreements, pay damage awards, or face a temporary or permanent injunction prohibiting the Group from providing or selling certain of its products or services.

Finally, the Group uses open source software in connection with some of its technology and services, including its terminal products and payment platforms. While the Group constantly strives to select and combine open source code subject to licensing terms that are compatible with the Group's strategic business objectives, closely monitor the use of open source software in the Group's technology and services and make considerable efforts to ensure that none is used in a manner that would conflict with applicable licensing terms, such use could inadvertently occur, and any consequence of non-compliance with licensing terms, including any duty to disclose the Group's proprietary source code, could be harmful to its business.

#### **In an industry such as that of the Group, the ability to attract, recruit, retain and develop qualified personnel is critical to its success and growth.**

All of the Group's businesses functions are at the intersection of rapidly changing technological, social, economic and regulatory developments that requires a wide-ranging set of expertise and intellectual capital. For the Group to successfully compete and grow, it must retain, recruit and develop the necessary personnel who can provide the needed expertise across the entire spectrum of the Group's intellectual capital needs. While a number of the Group's key personnel have substantial experience with the Group's operations, the Group must develop its personnel to provide succession plans capable of maintaining continuity in the midst of the inevitable unpredictability of human capital. However, the market for qualified personnel, particularly in the area of information and payment technology, is competitive and the Group may not succeed in recruiting additional personnel or may fail to effectively replace current personnel who depart with qualified or effective successors. The Group's effort to retain and develop personnel may also result in significant additional expenses, which could adversely affect the Group's profitability. As part of its acquisition strategy, the Group's ability to retain employees and key competences in the acquired companies is essential. Failure to retain or attract key personnel could have a material adverse effect on the Group's business, financial condition and results of operations.

#### **If the Group fails to address the challenges and risks associated with international operations, including those arising as a result of expansion and acquisitions, the Group may incur higher costs or other financial consequences and encounter difficulties implementing its strategy, which could impede its growth or harm its operating results.**

While the Group currently generates close to half of its revenue from operations in France and the Belgium region, the Group also has operations throughout Europe and in Latin America and Asia. The Group is therefore subject to risks and costs associated with having widespread international operations. Furthermore, the Group currently operates in a number of emerging markets, including in Latin America and India, and intends to continue to expand both within these markets and into additional emerging and developing markets where such risks are typically amplified.

The Group's international operations expose it to a number of risks, including:

- Multiple, changing, and often inconsistent enforcement of laws and regulations;

**Risk Factors [GRI 102-15] and [GRI 102-11]**  
**Risks related to the Group's business and industry [GRI 102-10]**

- Local regulatory or industry imposed requirements, including security or other compliance requirements;
- Competition from existing market participants, including strong global or local competitors that may have a longer history in and greater familiarity with the international markets in which the Group operates;
- Tariffs and trade barriers;
- Higher costs and complexities of compliance, and risk of non-compliance, with international and US laws and regulations such as import and trade regulations and embargoes, trade sanctions, anti-money laundering and anti-corruption regulations, export requirements and local tax laws;
- Laws and business practices that may favor local competitors;
- Restrictions on the repatriation of funds, including remittance of dividends by foreign subsidiaries, foreign currency exchange restrictions, and currency exchange rate fluctuations;
- Less favorable payment terms and increased difficulty in collecting accounts receivable and developing payment histories that support collectability of accounts receivable and revenue recognition;
- Obstacles to its use of, and access to, property and data centers important for its operations, especially in emerging countries;
- Different and/or more stringent labor laws and practices, such as the mandatory use of workers' councils and labor unions, or laws that provide for broader definitions of employer/employee relationships;
- Different and/or more stringent data protection, privacy and other laws;
- Changes or instability in a specific country's or region's political or economic conditions;
- Greater difficulty in safeguarding intellectual property in areas such as China, India and Latin America; and
- Currency exchange rate exposure, to the extent that a portion of the Group's revenue is generated in currencies other than the euro (the currency in which its financial statements are denominated).

Failure to effectively manage any of the above risks, including through the development, maintenance and implementation of an effective system of internal controls, could have a material adverse effect on the Group's business, reputation, results of operation and financial condition. These risks and costs are heightened to the extent the Group pursues international expansion in emerging or developing markets. The Group is currently facing an instance of such risk, namely the investigation led by the Public Prosecutor in relation to the transport of funds by a former sub-contractor of the Group in connection with the smartcard public transportation fare collection scheme that Worldline's Argentinian subsidiary ("Worldline Argentina") operates in the city of Cordoba,

Argentina. See Section F.6 "Legal Proceedings" for a detailed discussion of this matter.

**Acquisitions subject the Group to risks, including increased debt, assumption of unforeseen liabilities and difficulties in integrating operations.**

As part of its growth strategy, the Group expects to actively explore acquisition opportunities and alliance relationships with other businesses that will allow the Group to increase its market penetration, technological capabilities, product offerings and distribution capabilities. The Group's strategy of expanding through acquisitions exposes it to a number of risks associated with valuation and undisclosed liabilities (negotiating a fair price for the business based on inherently limited diligence) and integration of businesses (managing the complex process of integrating the acquired company's workforce, products, technology and other assets so as to realize the projected value of the acquired company and the synergies projected to be realized in connection with the acquisition), including the following:

- The Group may not be able to find suitable businesses to acquire at affordable valuations or on other acceptable terms;
- The Group may face competition for acquisitions from other potential acquirers;
- The Group may need to borrow money or sell equity or debt securities to the public to finance future acquisitions and may not be able to do so on acceptable terms or without increased risk to the Group's business;
- The Group may incur substantial costs in relation to acquisitions that would weigh on its income and cash flow;
- The Group may encounter changes in accounting, tax, securities or other regulations that could increase the difficulty or cost for the Group to complete acquisitions;
- The Group may face difficulties or additional costs complying with foreign regulatory requirements;
- The Group may encounter difficulties in enforcing intellectual property rights in some foreign countries;
- The Group may have difficulty integrating acquired businesses, notably personnel with diverse business backgrounds and organizational cultures;
- The Group may incur unforeseen obligations or liabilities in connection with acquisitions;
- The Group may inaccurately assess disclosed liabilities in connection with acquisitions;
- The Group may choose joint venture partners with whom it has difficulties forging a constructive and long-term relationship;
- The Group may need to devote unanticipated financial and management resources to an acquired business;
- The Group may not realize expected operating efficiencies or product integration benefits from an acquisition;



## Risk Factors [GRI 102-15] and [GRI 102-11]

### Risks related to the Group's business and industry [GRI 102-10]

- The Group could enter markets where it has minimal prior experience;
- The Group may encounter difficulties entering new markets due to, among other things, customer acceptance and business knowledge of these new markets;
- The Group may have difficulty managing geographically separated organizations, cultures, systems and facilities;
- The Group may encounter challenging general economic and political conditions; and
- The Group may experience decreases in earnings as a result of non-cash impairment charges relating to the goodwill recorded upon acquisitions.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of one or more of the Group's consolidated businesses and the possible loss of key personnel. The diversion of the management's attention and any delays with the delivery of the Group's services or difficulties encountered in connection with acquisitions and the integration of the two companies' operations could have an adverse effect on the Group's business, results of operations, financial condition or prospects.

#### **The Group depends upon a limited number of suppliers for certain components of its products and on the performance of certain key services by third parties.**

The Group utilizes a limited number of third party suppliers and service providers to supply certain of the IT hardware, software and other components, including chips, used in the development and operation of the Group's services and products. For example, the Group relies on a single supplier for an important component used in all current models of its merchant Terminals range. The Group relies upon these suppliers to produce and deliver products on a timely basis and at an acceptable cost or to otherwise meet the Group's product demands. Additionally, the Group depends upon various financial institutions for clearing services in connection with its Commercial Acquiring business (namely, the transmission and processing of authorization requests and processing of clearing and settlement instructions). Disruptions to the business, financial stability or operations, including due to strikes, labor disputes or other disruptions to the workforce, of these suppliers and service providers, or to their ability to produce the products and provide the services the Group requires in accordance with the Group's and its customers' requirements, could significantly affect the Group's ability to fulfill customer demand on a timely basis which could materially harm its net revenue and results of operations. If these suppliers and service providers were unable to continue providing their services, the Group could encounter difficulty finding alternative suppliers. Even if the Group were able to secure alternative suppliers in a timely manner, the Group's costs could increase significantly. Any of these events could adversely affect the Group's results of operations.

#### **The Group operates in multiple tax jurisdictions and is subject to uncertainty relating to the cross-border application of tax rules.**

As an international group doing business in many countries, the Group is subject to multiple tax laws and must, accordingly, ensure that its global operations at once comply with the various regulatory requirements while all the while achieving their commercial, financial and tax objectives.

Because tax laws and regulations in effect in the various countries where the Group does business do not always provide clear or definitive guidelines, the Group's structure (including the Reorganization Transactions - as this term is defined in Section E.8.1.1), the conduct of its business and the relevant tax regime are based on the Group's interpretation of applicable tax laws and regulations. More generally, any violation of tax laws and regulations in the countries where the Group or its subsidiaries are located or do business could lead to tax assessments or the payment of late fees, interest, fines and penalties. This could have a negative impact on the Group's effective tax rate, cash flow and results of operations.

Furthermore, the Group records deferred tax assets on its balance sheet to account for future tax savings resulting from differences between the tax values and accounting values of its assets and liabilities or tax loss carry forwards of its entities. The effective use of these assets in future years depends on tax laws and regulations, the outcome of current or future audits and litigation and the expected future results of operations of the entities in question.

#### **Changes in assumptions underlying carrying values could result in impairment of the Group's goodwill.**

As of December 31, 2017, € 933.8 million of goodwill was recorded on the Group's balance sheet. Goodwill represents the excess of the amounts the Group paid to acquire subsidiaries and other businesses over the fair value of their net assets at the date of acquisition. Goodwill has been allocated at the level of the Group operating segments set forth in the Appendices to the consolidated financial statements. Goodwill is tested for impairment at least annually, or more frequently when changes in the circumstances indicate that the carrying amount may not be recoverable.

The recoverable amounts of the Cash Generating Units are determined on the basis of value in use calculations, which depend on certain key assumptions, including assumptions regarding growth rates, discount rates, and weighted average costs of capital during the period. If management's estimates change, the estimate of the recoverable amount of goodwill could fall significantly and result in impairment. While impairment does not affect reported cash flows, the decrease of the estimated recoverable amount and the related non-cash charge in the income statement could have a material adverse effect on the Group's results of operations. Although no goodwill impairments were recorded in 2016 or 2017, no assurance can be given as to the absence of significant impairment charges in the future (see Note 12 to the consolidated financial statements).

**Company's exposure to the United-Kingdom and to the Brexit situation.**

For the year 2017, the Company has 6.8% of its sales in the United-Kingdom, mostly from recurring contracts. The business in the UK is composed primarily of local delivery around a core of local solutions. The Group's exposure to GBP fluctuation is

limited, as revenue in GBP have corresponding costs in GBP and Indian Rupee. Last, in the UK, the Group does not rely on any UK or EU regulatory approvals.

## F.2 Risks related to organizational structure and the Group's operation as an independent entity

**The Group's principal shareholder will be able to exercise significant influence over the Group's operations and strategy.**

Atos SE is the Group's majority shareholder and retains control of Worldline. It may itself control decisions submitted for the approval of shareholders at Combined Annual General Meetings and, in particular, if quorum requirements are not met at Extraordinary Shareholders' Meetings. Atos SE will be able to control decisions that are important for the Group, such as those concerning the nomination of Directors, the approval of annual financial statements, the distribution of dividends and changes to the Company's capital and bylaws. Atos SE will, therefore, be able to exercise significant influence over the Group's operations and nomination of members of management as well as the Group's dividend policy.

**The Group maintains many relationships with and is dependent to a certain extent on its principal shareholder, Atos SE. The Group may encounter difficulties adapting to its status as an independent entity.**

Atos Group whose Atos SE is the Group's principal shareholder, currently provides services to the Group pursuant to services agreements entered into between the Group and the Atos group at market conditions. These include (i) operational services such as internal information services, subcontracting services in connection with projects, global communication and telecommunication services, sales and global marketing strategy services, and purchasing services, and (ii) support functions such as management, mergers and acquisitions, finance, legal and compliance, internal audit, accounting, human resources, insurance and innovation. Therefore, to the extent that these functions remain with the Atos group, the Group is dependent on the Atos group for the provision of these services. The services agreements between the Group and the Atos group pursuant to which such services are provided, which are automatically renewable for successive 12-month periods, contain change of control clauses under which they terminate automatically if Atos SE ceases to hold, directly or indirectly, more than 50% of the share capital of the Company. If the Atos group were to stop providing such services and the Group were unable to replace these services, including through recruiting the necessary workforce or entering into appropriate third party

agreements on terms and conditions, including cost, comparable to those with the Atos group, it could have a material adverse effect on the Group's business, financial condition and results of operations. The Group also benefits from its relationship with and support from the Atos group through cooperation with regard to sales and marketing, which, in particular, permits the Group to take advantage of cross-selling opportunities offered by Atos' large portfolio of clients. Any interruption of such cooperation could have a material adverse effect on the Group's business, financial condition and results of operations.

**The Group may not be able to rely fully on the Atos group to fund its future financing requirements, and financing from other sources may not be available on favorable terms.**

In the past, the Group's financing needs have been satisfied by the Atos group and, since the Company's shares have been listed on Euronext Paris, the Group benefits from a revolving credit facility initially granted by the Atos group and transferred to Bull International, subsidiary of the Atos group, on January 2, 2016. The maturity of the revolving credit facility is in June 2019 and it may be terminated by the Group at any time without charge or penalty (subject to an indemnity for breakage costs, if any, in the event of prepayment). Bull International has the right to terminate the revolving credit facility if the Atos group ceases to hold at least 25% of the share capital of the Company. The Group's future capital requirements will depend on many factors, including its rate of revenue growth, the timing and extent of product development expenditure, the expansion of sales and marketing activities, the timing of introductions of new products and enhancements to existing products, the market acceptance of its products and the extent of M&A activity. The Group may need to raise additional funds through public or private equity or debt financing. The Group may not be able to obtain financing with interest rates as favorable as those that the Atos group could provide. If the Group cannot raise funds on favorable terms, if and when needed, it may not be able to further develop its business or invest in new products and services, take advantage of future opportunities, or respond to competitive pressures or unanticipated requirements, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.





## F.3 Regulatory and legal risks

**Changes in the laws, regulations, policies or other industry standards affecting the Group's business could impose costly compliance burdens and have a material adverse effect on the Group's business.**

There may be changes in the laws, regulations or other industry standards that affect the Group's operating environment in substantial and, at times, unpredictable ways in different countries the Group is operating in, at the European level or internationally. Changes to laws, regulations or industry standards, or in their interpretation and implementation, could have a material adverse effect on the Group's operating costs or its competitive position. Regulation of the payments industry has increased significantly in recent years and continues to increase. Failure to comply with laws, rules and regulations or standards to which the Group is subject in different countries it is operating in, Europe and internationally, in particular the regulations applicable to payment institutions and systemic processors, which are considered critical to the local economy, may result, among other things, in the suspension or revocation of a license or registration, forced replacement of existing management, the limitation, suspension or termination of service, and the imposition of fines, sanctions or other penalties, any of which could have a material adverse effect on the Group's business, financial condition and results of operations, as well as damage the Group's reputation. The effects of such a change on the Group's financial institution clients could result in material, indirect effects on the way the Group operates or the costs to operate the Group's business and impair demand for the Group's services among its financial institution clients. In particular, the Group may need to adapt its systems to comply with new regulation requirements such as the unbundling of tariffs, which would also provide enhanced transparency to the Group's clients on the pricing components of its services.

The regulatory environment applicable to the Group is constantly changing. The Payment Services Directive n°2 (the "PSD2") enters into force January 13, 2018. The PSD2 enlarges the scope of the existing regulation and it may adversely affect the Group's business or operations, directly or indirectly (if, for example, the Group's clients' businesses and operations are adversely affected). Extra regulatory requirements are applicable such as additional regulatory filing as to ensure keeping the payment institution licenses, the obligation to register agents with supervisory authorities and to establish local contact points towards regulators in countries where licenses are passported via group companies or via agents, additional reporting (e.g. fraud, incidents, etc.), just to name some.

Certain changes to industry standards, such as SEPA instant credit transfer in Europe (Single Euro Payments Area - a single area for payments in euros) will significantly impact the Group's operations and financial position. The SEPA instant credit transfer will induce the building of a new eco-system.

Growing enthusiasm for Internet, mobile and IP-based communication networks has led to new laws and regulations regarding confidentiality, data protection, pricing, content and quality of products and services. Growing concern about these issues included in new laws and regulations could conceivably slow down growth in these areas, possibly reducing demand for the Group's products and therefore adversely affecting its business, results of operations and financial condition.

The European Regulation 2016/679 of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "General Data Protection Regulation" or "GDPR") and the upcoming European Regulation on the protection of personal data in electronic communications (e-Privacy) enter into force May 25, 2018. GDPR and e-Privacy enlarge the scope of existing regulations by attributing additional rights to data subjects and imposing stringent compliance requirements. In particular, the Group may need to adapt its systems, procedures and databases to comply with new regulatory and compliance requirements. Compliance with GDPR and e-Privacy may have material adverse effects both direct and indirect on the way the Group operates or the costs to operate the Group's business. Failure to comply with the aforementioned regulations may lead to the imposition of fines or a ban on the processing of personal data which could have a material adverse effect on the Group's business, financial condition and results of operations, as well as damage the Group's reputation.

In addition, the Group is subject to tax laws in each jurisdiction where it does business. Changes in tax laws or their interpretation could decrease the value of tax losses and tax credits carry forwards recorded on the Group's balance sheet, cash flows and income and therefore have a material adverse effect on the Group's financial position and results of operations. Furthermore, changes in accounting policies can significantly affect how the Group calculates expenses and earnings.

**Compliance with legal and regulatory rules applicable to the Group's business could impose significant additional costs and have a material adverse effect on the Group's business.**

In order to comply with regulations applicable to its business, and in particular to the activities of payment institutions and subcontractors of credit institutions, the Group is required to adhere to a broad number of requirements in the countries in which it operates, especially as pertains to its IT infrastructure, internal controls and reporting rules.

Compliance with these evolving standards, and the corresponding costs could have a material adverse effect on the Group's financial condition and results of operations. In particular, the Group could be subject audits by the Belgian regulatory authority, the Banque Nationale de Belgique or the Dutch regulatory authority (the DNB - De Nederlandse Bank) in respect of the effectiveness of its internal controls and audit systems and risk management. In the event that such audit reveals that the Group is not in compliance with the relevant regulatory requirements, the Group's efforts to remedy such instances of non-compliance could have a material adverse effect on the Group's financial condition and results of operations.

**Changes to PCI standards could require significant costs to ensure compliance, which could have an adverse effect on the Group's business.**

The security standards established by the PCI-SSC (*Payment Card Industry - Security Standard Council*) are designed to enhance Card payment data security by promoting the broadest possible dissemination and implementation of specific standards relating to the various components of card payment transactions. The main standard is the PCI-PTS standard on PIN entry (*Payment Card Industry - PIN Transaction Security*). The aim is to guarantee that the cardholder's PIN is always processed in a fully secure fashion by the PIN entry device and ensure the highest level of payment transaction security. Other PCI-SSC standards include the PCI-DSS (designed to enhance payment account data security) and the PCI-UPT (relating to security requirements for unattended payment Terminals). Such standards, which can be adopted by various payment schemes, entail specific technical requirements and a certification process.

Updates to these standards involving changes to existing requirements are managed by the founding members of the PCI-SSC - Visa, MasterCard, JCB, American Express and Discover - in relation with stakeholders from across the electronic payment industry (e.g. hardware industry stakeholders (including the Group), regulators, merchants, banking associations, banks, transaction processors). This separate organization offers manufacturers the opportunity to take part in shaping the standards and the rules for applying them.

Changes to these standards entail changes to the Group's hardware or products or embedded software. This could therefore entail substantial capital expenditure. The Group takes all the necessary financial and engineering steps to bring its new payment Terminals into compliance with the applicable PCI standard, which imposed stiffer requirements. 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 the certification, such a challenge could force the Group to offer different certified Terminals to its customers. This situation may induce customers to switch to another solution, which would result in decreased revenue and financial loss.

As a provider of payment solutions, particularly centralized payment solutions deployed in large-scale retail, the Group must also comply with the PCI-SSC standard entitled "PCI-DSS (*Payment Card Industry - Data Security Standard*)". The aim of the PCI-DSS is to ensure that stored cardholder data and sensitive transaction data are always processed in a fully secure manner by systems and data bases. The new standard is compulsory for all systems that handle, store or route such data, whether the payment is made by chip card or not. Like PCI-PTS, maintaining compliance with this standard could require the Group to make changes in the architecture of data processing systems, networks and servers entailing substantial investment. The Group maintains an on-going relationship with the PCI-SSC to ensure that the Group can address all aspects of current and forthcoming standards under the best possible conditions, including being able to anticipate trends and prepare for future investments and remedial expenditures. Despite this close relationship, the Group might not be able to avoid fraud or tampering with its certified payment Terminals and solutions. Such occurrences could damage the Group's reputation and results of operations.

**Changes in credit card association or other network rules or standards could adversely affect the Group's business.**

A significant source of the Group's revenue comes from processing transactions through payment schemes, including, in particular, Visa, MasterCard, Bancontact (in Belgium), Girocard (in Germany) and Groupement des Cartes Bancaires CB (in France). In order to provide its transaction processing services, the Group must be registered with, or certified by, such card schemes as members or service providers for member institutions. As such, the Group and many of its customers are subject to card association and network rules that could subject them to a variety of fines or penalties that may be levied by the card associations or networks for certain acts or omissions by the Group, acquirer customers, processing customers and merchants. Payment schemes such as Visa, MasterCard, Bancontact, Girocard and Groupement des Cartes Bancaires CB, some of which are the Group's competitors, set the compliance standards and periodically update and modify them. Changes in the standards may increase the Group's operating costs that it may not be able to pass on to its clients or other scheme participants. Additionally, changes to payment scheme rules could have a material adverse effect on the Group's cash flows and liquidity if the payment schemes impose delays in their processing of payments that are longer than the amount of time the Group takes to process payments on behalf its merchant clients. On occasion, the Group has received notices of non-compliance and fines, which have typically related to excessive chargebacks by a merchant or data security failures on the part of a merchant. If the Group is unable to recover fines from or pass through costs to its merchants or other associated participants, the Group's results of operations and financial condition could be materially adversely affected. The termination of the Group's registration, or any changes in the payment schemes rules that would impair the Group's registration, could require the Group to stop providing payment schemes services to the Visa, MasterCard or other payment schemes, which would have a material adverse effect on the Group's business, financial condition and results of operations.



## Risk Factors [GRI 102-15] and [GRI 102-11]

### Financial market risks

#### **The Group's revenue from the sale of services to merchants that accept Visa and MasterCard cards are dependent upon the Group's continued registration with Visa and MasterCard.**

In order to provide its Visa, MasterCard and other payment schemes transaction processing services, the Group must be a member (commercial acquirer), and be registered as a processor, of Visa, MasterCard and other payment schemes in the territories where the Group provides such services. If the Group is unable to maintain its membership as a commercial acquirer or registration as processor of such payment schemes, which may be due to non-compliance with the payment schemes' rules or guidelines (including major security or fraud incidents) resulting in the suspension or cancellation of the Group's registration, the Group may no longer be able to provide acquiring or processing services to the affected customers, which would have a material adverse effect on the Group's business, financial condition and results of operations.

#### **Changes in the regulation of interchange fees could have a material adverse effect on the Group's revenue.**

The European Regulation No. 2015/735 of April 29, 2015 on interchange fees (the "Regulation") for card-based payment transactions came into effect on December 9, 2015 and the majority of provisions relating to business rules on June 9, 2016. As a general rule, the regulation set a cap on interchange fees at 0.2% of the transaction value for consumer debit cards and at

0.3% for consumer credit cards. As well as capping interchange fees, the IFR also aims to improve transparency and competition in the card market by removing barriers to entry IFR could have a significant impact on the structure of card payments market in Europe, including card acceptance, cross-border acquiring, domestic versus international card schemes and issuing business models concerning profitability, increased competition and the ability to launch new products.

The adopted Regulation will have material adverse effect on the amount of fees collected by card issuers and payment schemes operators. Accordingly, such issuers or operators might seek to pass on these fee decreases through corresponding increases in scheme membership costs, which could have a material adverse effect on the Group's business, financial condition and results of operations.

As 4-party-schemes Visa Europe and MasterCard will fall within the scope of the Regulation and need to adapt their business models, fee models and offer portfolios within the given timelines accordingly. Consequently, the Group would be obliged to align with the International Card Schemes' requirements in particular for Commercial Acquiring, *i.e.* adapt its merchant service charges to the levels of its competitors (leading to a reduced or negative margin) and re-position itself as a pan-European acquirer, which could have a material adverse effect on the Group's business, financial condition, and results of operations.

## F.4 Financial market risks

### F.4.1 Exchange Rate Risk

The bulk of the Group's revenue, expenses and obligations are denominated in euro. In 2017, 81.3% of the Group's revenue was generated in euro-zone countries whereas 18.7% was generated in non-euro zone countries, including 6.8% in pounds sterling. Since the Group's financial statements are denominated in euros, its revenue are affected by the relative value of the euro versus the currency of the non-euro zone countries in which it generates revenue (currency translation exposure). In terms of currency transaction exposure (*i.e.*, a mismatch between the currencies in which revenue is generated and costs are incurred), the Group considers its exposure to be limited as its costs in the euro zone are generally incurred in euros and its revenue is generated in euros and in non-eurozone countries it generally makes its sales and incurs the majority of its operating expenses in the local currency.

The intercompany re-invoicing of Central costs are labelled in Euros. The variation of the balances linked to exchange rate fluctuations are booked in financial statements of each subsidiary and may impact positively or negatively the financial result of the Group.

The Group maintains a policy for managing its foreign exchange position if and to the extent it enters into commercial or financial transactions denominated in currencies that differ from the relevant local currencies. Pursuant to this policy, any material foreign exchange rate exposure must be hedged as soon as it occurs using various financial instruments, including, principally, forward contracts and foreign currency swaps. As of December 31, 2017, the Group did not have any material foreign exchange rate exposure and did not have any such hedging instruments in place.



## F.4.2 Interest Rate Risk

All of the Group's borrowings, the vast majority of which are with Atos as lender, and deposits bear interest at floating interest rates mainly based on Euribor or EONIA plus or minus a margin. The Group considers that its exposure to interest rate

fluctuations is not material in light of its relatively low level of indebtedness (€ 46.7 million) and of its net cash position of € 309.1 million as of December 31, 2017.

## F.4.3 Liquidity Risk

Nearly all of the Group's borrowings and cash consist of financing and cash deposits with maturities of less than two years provided by Atos through intercompany loans, current accounts and other financial instruments. As such, the Group currently benefits from the financial support of Atos for its liquidity requirements. For more information about the Group's

financial liabilities, see Note 23 of the consolidated financial statements.

The Group benefit from a € 300 million revolving credit facility granted by Bull International, maturing on June 26, 2019, in order to cover the Group's liquidity requirements, including temporary fluctuations in its working capital needs.

## F.4.4 Credit and/or Counterparty Risk

Credit and/or counterparty risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group believes that it has limited exposure to concentrations of credit risk due to its large and diverse customer base. The Group's greatest credit risk position is borne with respect to its financial institution customers. The Group manages this credit risk by consistently selecting leading financial institutions as clients and by using several banking partners.

The Group is also exposed to some credit risk in connection with its Commercial Acquiring. For each transaction, the Group provides a performance guarantee to the merchant in respect the cardholder's payment. Therefore, the Group is exposed to a credit risk in the event of non-payment by the cardholder.

Additionally, the Group offers a guarantee of "service rendered" to the cardholder. Accordingly, in the event a merchant goes bankrupt (or ceases to operate) before delivering the product or rendering the service purchased by a cardholder, the cardholder can require the Group to reimburse it for the amount of the transaction. This credit risk exposure is especially significant where services are purchased through e-Commerce well in advance of the time that they are actually rendered (e.g., ticket purchases through travel agencies). The Group monitors these risks by selecting financially sound clients, requesting guarantees (collateral build up, delegation of insurance, etc.) and checking daily transaction flows to avoid excessive exposure to these risks.

## F.4.5 Risk on shares

The risk on shares is limited to treasury shares.



## F.5 Risk management activities

In addition to managing the risk embedded in each process, dedicated activities are also deployed for a transversal management of risks.

### F.5.1 Enterprise risk management (ERM)

A risk mapping is revised each year under the sponsorship of general management. The selected methodology involves the managers of the Group TOP 200 through workshops and questionnaires, to collect their perception of the main risks, their relative importance (inherent risk) and mitigation effectiveness (residual risk).

This assessment covers potential risks related to:

- External (stakeholders, natural disasters, country crisis, cyber attacks, market environment);
- The organization & business development (ability to innovate, organization alignment, market positioning);
- Services and Product delivery ( people, System performance, Delivery); and

- The information used for decision making (financial and operational).

This recurring process, allows identifying evolutions from one year to another. Improvement plans for the main residual risks are designed at local and Group level, with assigned owners and milestones/timelines for follow-up and completion.

Results are shared with general management and Group Executive Committee, to ensure that appropriate measures are deployed to manage the main risks, and presented to the Audit Committee of the Board of Directors.

In parallel, other dedicated Risk Mappings are performed within departments such as in Legal and Compliance, Security, Corporate Social Responsibility.

### F.5.2 Business risk assessment and management

Regarding business risk assessment and management, the Group has deployed the approach developed by Atos, based on the following specific processes.

#### F.5.2.1 Business risk management system

Atos Rainbow™ is a set of procedures and tools developed by Atos and implemented by the Group that provides a formal and standard approach to bid execution and contract monitoring.

The Group operates a risk management system that facilitates the analysis (by identification and assessment) and treatment (by control and financing) of business risks throughout the life cycle of a project. This process is integrated with the control and approval process when entering into new contracts. The objective is to ensure that the Group only bids for projects that can be delivered effectively and to provide an early warning system for any project that encounters problems or diverges from its original targets. Specifically, the risk management process:

- Identifies potential exposures, including technical, legal and financial risks that could have an impact during the life cycle of the project;

- Evaluates, both qualitatively and quantitatively, the significance and materiality of any such exposures;
- Ensures that appropriate and cost-effective risk control or risk mitigation measures are initiated to reduce the likelihood and impact of negative outcomes on the project; and
- Manages residual exposure through a combination of external risk transfer instruments and internal contingency reserves in order to optimize the use of exposed capital.

All operational projects are monitored on a monthly basis at different levels (from country to Group level) according to their size and risk exposure, using the Rainbow Delivery Dashboard, providing status on financial, delivery and technology, customer, legal, human resources and supplier KPI's.

Bids are also monitored on a constant basis at different level (from country, Divisions, to Group level) according to their size, using review forms specific to bid phases (Pursuit, Strategy, solution, offer, contract..) to balance sales and risks while ensuring the re-use of experience/best practices and the adherence to Atos standards.

### F.5.2.2 Bid Control and business risk management organization

The control and approval process governing the bidding and contracting activities report to the Group Senior Vice-President for Bid Control and business risk management, ensuring the capturing and ongoing tracking of risks identified at the bidding stage throughout the delivery cycle.

Bid Control and business risk management report directly to the Group Chief Financial Officer, with the risk managers in the GBUs and the Global Divisions reporting directly to the Group Senior Vice-President for Bid Control and business risk management, shortening the lines of command.

### F.5.2.3 Group Risk Management Committee

A Group Risk Management Committee convenes on a monthly basis to review the most significant contracts and the sensitive ones. The Committee is chaired by the Group CFO and led by the Senior Vice-President for Bid Control and business risk management. Permanent members of the Committee include the Senior Executive Vice-President Operations, Executive Vice-Presidents in charge of the Global Divisions and several other representatives from the Global Functions, including Finance, and Legal. On a quarterly basis, the Audit Committee conducts a thorough review of all the major contracts considered to be high risk. The Global Divisions and the Risk Managers perform the continuous monitoring of contracts in deviation of their initial business case.

### F.5.2.4 Specific risk management activities

#### Fraud risk management

The Group as an issuer processor has, to its knowledge, taken all required actions (e.g. PCI certification) to minimize the risk of data breaches. In its role as commercial acquirer, the Group must ensure compliance with payment security rules established by the organizations that issue PCI certifications and address money laundering risks. The Group's Fraud risk management department has implemented various policies and procedures to address these risks.

The Group has developed a Fraud Detection & Reaction (FD&R) application that allows the detection of fraud in near-real-time based on a data analysis application.

The Group's risk mitigation process has been enhanced with additional features to further address the residual risks, such as geo-blocking, real-time blocking, fall back de-activation and back-up systems.

#### Anti-Money Laundering Policy

Worldline SA/NV has had an anti-money laundering (AML) policy in place since 2011. This policy applies also to the companies acquired by the Group in 2016, Paysquare and KB SmartPay. It sets out the general principles of AML, the 'Know Your Customer' (KYC) principle and the allocation of responsibility between the Sales and Marketing and the Customer Services Divisions.

#### The Group's security risk management

The Group has put in place within its Internal Control department a specific function to manage security risk.

This function includes security awareness, access and security management (review of access to production systems, data and functions, access to cardholder data by the banks and cryptographic key management) and security architecture and policies.

Security risk management measures relate in particular to the following:

- *Physical measures:* facility entry controls to limit and monitor physical access, video cameras and access control mechanisms, media back-up storage in secured locations, control over the internal or external distribution of any kind of media and storage and accessibility of media;
- *Network:* firewall and router configuration standards and procedures are designed and deployed for protection against unauthorized access from untrusted networks;
- *System security:* strict application of regularly reviewed and clearly described hardening rules to avoid exploitation of default passwords and system settings;
- *Protection of cardholder data:* storage kept to a minimum with data retention and disposal policies, strong cryptography and security protocols, anti-virus software deployed and regularly updated on all systems;
- *Secured systems and applications:* latest vendor-supplied security patches installed; identification and assessment of security vulnerabilities; secure coding guidelines in order to prevent vulnerabilities to be introduced in the software development processes. In addition, a review of source code prior to release to production or customers is performed in order to identify any potential coding vulnerability;
- *Logical access:* to ensure that critical data can only be accessed by authorized personnel, systems and processes are in place to limit access based on access requirements and according to job responsibilities;

# F

## Risk Factors [GRI 102-15] and [GRI 102-11]

### Risk management activities

- *Logging and monitoring:* logging mechanisms and the ability to track user activities are critical in preventing, detecting, or minimizing the impact of a data compromise. Therefore, the presence of logs in all environments allows for thorough tracking, alerting, and analysis when something does go wrong;
- *Security systems and processes testing:* regular security tests are performed, including the detection of unauthorized wireless access points, internal and external network vulnerability scans, intrusion-detection systems and file-integrity monitoring tools.

The annual performance of the Group's operational risk management process, supervised by the Operational Control division, analyzes security-related threats and vulnerabilities in order to avoid an unwanted increase in risk exposure.

A formal security awareness program is maintained to ensure that all personnel are aware of the importance of cardholder data security. On a yearly base, all employees of the Group have to attend this program and to acknowledge that they have read and understood the security policy and procedures of the Group.

Incident response plans are developed and deployed in order to be prepared to respond immediately in the event of a system breach.

### F.5.3 Insurance

The Atos group's management coordinates the Group's policy with respect to insurance and is tasked with identifying the principal insurable risks and quantifying their potential consequences.

The Group is insured under a series of policies maintained by the Atos group with internationally recognized insurance and reinsurance companies, covering its liabilities at levels that the Group believes are appropriate. In 2017, the total cost of its global insurance programs represented approximately 0.2% of the Group's revenue (based on the price of coverage).

The Group's entities are covered by the insurance policies maintained by the Atos group, under which they are insured parties. These policies include general professional liability (*responsabilité civile professionnelle*) and operational and business interruption liabilities (*dommages/pertes d'exploitation*). After the listing of the Company's shares on Euronext Paris, the Group continues to be covered under these insurance policies (in particular the policies maintained through the reinsurance company wholly owned by the Atos group).

The largest Atos group insurance policies under which the Group is covered are centrally negotiated by the Atos group. The general professional liability policy is renewed on January 1<sup>st</sup> and the operational and business interruption liability policy is renewed on July 1<sup>st</sup>. In 2018, these two policies were renewed

with coverage limits of € 200 million and € 150 million, respectively. The Group is insured under certain other policies covering other insurable risks for an amount adequate for the risks incurred, taking into account the size of, and risks incurred by, the Group. Deductibles are set at a level intended to encourage good risk management and to control premium costs.

The Group also maintains policies required for regulatory reasons or to cover existing commercial premises, such as its credit risk policy, where the Group's various entities incur specific risks.

The Atos group formed a dedicated reinsurance company, which it wholly owns. This reinsurance company covers the Group's entities in respect of certain portions of the general professional liability and operational and business liability policies.

The insured risks are also monitored by the subscription committee of the reinsurance company owned by the Atos group, which ensures that capital and technical reserves are sufficient for the risks incurred and seeks a satisfactory level of diversity in reinsurers. The Committee also performs studies and analyses on a regular basis to verify the adequacy of the Group's insurance coverage.

## F.6 Legal Proceedings

The Group is involved in legal, administrative and regulatory proceedings in the ordinary course of business. The Group records a provision in cases that it considers likely to result in financial loss to the Company or one of its subsidiaries, where the amount of such loss can reasonably be estimated.

The low level of claims and litigation is attributable in part to self-insurance incentives and the vigorous promotion of the quality of the services performed by the Group and the intervention of a fully dedicated risk management department,

which effectively monitors contract management from offering through delivery and provides early warnings on potential issues. All potential and active significant claims and disputes are carefully monitored, reported and managed in an appropriate manner and are subject to legal reviews by the Group Legal department.

Group management considers that sufficient provisions have been made.

### F.6.1 Labor claims

There are approximately 9,400 employees in the Group and relatively few labor claims. In almost every jurisdiction there are no or very few claims. Latin America is the only area where there is a significant number of claims but such claims are often of low value and typical for companies operating in this region.

The Group is a respondent in a few labor claims (mainly in France, Spain and Germany), but in the Group's opinion most of these claims have little or no merit and are provisioned appropriately.

The labor claims have been provisioned for an overall amount of € 0,5 million as inscribed in the consolidated financial statements as at December 31, 2017.

### F.6.2 Commercial claims

There are a small number of commercial claims across the Group. Litigations are handled by the Group Legal department.

The Group is also facing a small number of IP or unfair practice cases which are, in the Group's opinion, of a speculative nature in which the claims are inflated and not founded.

The total amount of the provisions for commercial litigation risks in the consolidated accounts closed as of December 31, 2017, to cover for the identified commercial claims and litigations, added up to € 0.8 million.

#### TrustSeed Litigation

An action for patent infringement was brought before the regional court of Paris by TrustSeed ("TrustSeed") against Banque Palatine and the Company, as well as three of the Company's clients: La Caisse d'Épargne et de Prévoyance d'Île de France, the Economic Interest Group IT-CE, and Natixis Paiements. TrustSeed claims that it holds a patent relating to a procedure for authenticating a bankcard user who makes an online payment by sending a code by text message. It claims

that this patent was infringed by the five defendant companies and asks that they be ordered jointly and severally to pay damages in the amount of € 425 million. Pursuant to an agreement between the Company and the other defendants, any damages will be paid exclusively by the Company. On March 7, 2014, the court dismissed TrustSeed's action for failure to state a claim, finding that TrustSeed had not shown that it had the patent rights that it claimed to have. On September 23, 2014, TrustSeed decided to file its appeal submissions asking the Court of Appeal to consider its claim admissible in order to have the case tried on the merits by the first instance judge. On October 27, 2015, the Paris Court of Appeal confirmed the Paris court's judgement of March 7, 2014 and thus rejected TrustSeed's claims. TrustSeed filed a final appeal (*pourvoi en cassation*) with the French civil Supreme Court (*Cour de cassation*). On June 14, 2017, the French Supreme Court dismissed TrustSeed's final appeal. This legal proceeding is now closed. This legal proceeding did not and does not have an impact on the Group's consolidated financial statements and no provision nor liability have been recorded in connection therewith in the Group's consolidated financial statements.



### F.6.3 Tax claims

The Group is involved in a number of routine tax claims, audits and litigations. Such claims are usually solved through administrative non-contentious proceedings. These claims have no material effect on the financial condition or results the Company or the Group and are provisioned appropriately.

No provisions have been accounted for tax litigation as on December 31, 2017.

### F.6.4 Other legal proceedings

#### Argentina Investigations

The Group offers contactless “smart card” fare collection schemes for multi-modal transit platforms that, among other things, allow passengers to use travel cards, payment cards and mobile wallets to “touch in” and “touch out” at the start and finish of their journeys and automatically calculate and process fare prices. The Group currently operates several contactless smartcard schemes for municipal transportation networks in Argentina through its subsidiary Atos IT Solutions and Services SA (“Worldline Argentina”), including for the cities of Cordoba, Mendoza, Salta, Tucuman and La Rioja, as well as for the SUBE system in Buenos Aires. This business was originally started and conducted by Siemens and was included in the businesses acquired by Atos in mid-2011.

In respect of some of the fare collection schemes that Worldline Argentina operates, customers purchase or recharge cards with cash, which is then collected from the various points of sale and deposited in accounts of the municipalities with which Worldline Argentina has contracted to operate the schemes. Worldline Argentina outsources the cash collection and transportation function to subcontractors. Between mid-2011 and September 2012, Worldline Argentina subcontracted such services with respect to its fare collection scheme in Cordoba (the “Red Bus” scheme) to a local association of companies, UTE Ribelux Cordubensis, which included CBI Cordubensis SA (“CBI”). In September 2012, Worldline Argentina replaced CBI with another subcontractor, Logistica y Distribucion Cuyo Card SA (“LyD”), due to dissatisfaction with CBI’s service and in particular the inclusion in the funds flow of third party cheques in lieu of cash collected.

In late 2013, the Group’s management became aware of potential irregularities in connection with the Red Bus scheme upon receipt of anonymous e-mails, apparently from an internal source, which contained allegations about suspicious and possibly illicit behavior on the part of LyD. The Group promptly commenced an internal investigation into the allegations. In early 2014, the Group’s internal investigation was expanded following the emergence of reports in the Argentine press relaying further allegations of irregularities and possible illegal activities, including money laundering and corruption, in the functioning of the Red Bus scheme.

On March 28, 2014, Worldline Argentina received a request from the Office of the Prosecutor for Economic Crime and Money Laundering (PROCELAC) of the Argentine National Public Prosecutor’s Office to provide specified information and documentation relating to the Red Bus scheme. Worldline Argentina promptly provided the information requested. PROCELAC has since then opened a case file to investigate further the possible involvement of various parties in acts of “criminal association” (*asociación ilícita*) and tax evasion.

The Group’s internal investigation into this matter, which has been conducted through its Internal Audit and Finance departments assisted by external advisors, has not found any proof that Worldline Argentina or any of its employees violated Argentine anti-corruption laws.

On June 30, 2017 the Chief Executive Officer and the Director of operations of Worldline Argentina were formally accused by the judge of the Tribunal of Cordoba of money laundering. On July 5, 2017, they filed an appeal against this decision and asked the Appeal Court of Cordoba to dismiss the charges. Should the Appeal Court not dismiss the charges as requested, the criminal proceeding will continue. There’s no risk of involvement for the Company given the current stage of the case.

### F.6.5 Miscellaneous

As of the date of this Registration Document, other than the matters described above, the Group is not aware of any governmental, legal, judicial or arbitration proceedings likely to have, or which has had over the past 12 months, a material effect on the financial condition or results of operations of the Company or the Group.

## F.7 Internal Control [GRI 102-16][GRI 102-17] [GRI 102-25][GRI 102-33][GRI 102-34] [GRI 103-3 Socioeconomic compliance]

The internal control system whose definition is stated in Section F.7.1 below relies on the internal control reference framework prescribed by the AMF (*Autorité des Marchés Financiers*).

The “general principles” section of the AMF framework has been used to describe in a structured manner the components of the internal control system – Section F.7.3 Components of the

internal control system. Specific attention has been given to the internal control system relating to accounting and financial information, in compliance with the application guide of the AMF - see section F.7.4 Systems related to accounting and financial information.

Internal control players are described in Section F.7.2 Internal control system players.

### F.7.1 Internal control definition and objectives

Internal control system put in place by the Company aims to ensure:

- Compliance with applicable laws and regulations;
- Application of instructions and directional guidelines settled by general management;
- Correct functioning of Company's internal processes in order to establish the operational effectiveness efficiency, the safeguarding of its assets and the reliability of financial information;
- Reliability of financial information.

One of the objectives of internal control procedures is to prevent and control risks of error and fraud. As for any internal control system, this mechanism can only provide reasonable assurance and not an absolute guarantee against these risks.

### F.7.2 Internal control system players

The main bodies involved in the implementation of internal control procedures at Worldline are as follows:

#### Board of Directors supported by Audit Committee

The Board of Directors prepares governance rules detailing the Board's role supported by its Committees. Those Committees enlighten the Board as to the quality of the internal control system. The Audit Committee, in particular, is informed of the content and the implementation of internal control procedures used to ensure the reliability and accuracy of financial information and operations and stays informed about the proper implementation of the Internal Control System.

#### General management, Executive Committee and Management Committees

General management is responsible for the management of the Group's business and focuses [on strategic aspects to develop the Group as well as the operational management]. As part of its role, general management defines the framework of the internal control system.

The Executive Committee is set up to lead the operational performance of the Group. Management Committees, at different levels, are responsible for implementing and monitoring the internal control system within their respective areas of responsibility.

#### Audit, Risk and Compliance (ARC) Committee

The Audit Risks and Compliance Committee has been setup under the supervision of Group Internal Audit, in order to strengthen the local supervision of Internal Control topics. Its purpose is to share the main audit conclusions with local management, and to review action plans related to identified weaknesses or potential risks.

#### Operational Control

The role of Operational Control is to guide overall security, quality, compliance and operational governance in order to create and maintain strong relationships of trust with the Group's clients.



## Risk Factors [GRI 102-15] and [GRI 102-11]

Internal Control [GRI 102-16] [GRI 102-17] [GRI 102-25] [GRI 102-33] [GRI 102-34] [GRI 103] Socioeconomic compliance

### Internal Audit

Internal Audit is outsourced to the Atos group in order to function globally in accordance with consistent methodology. The Audit Committee receives regular reports on the execution of the audit plan, the mission objectives and the results and recommendations resulting therefrom. Internal Audit remains in contact with the statutory auditors to ensure effective coordination between internal and external audit.

In 2017, the Internal Audit department of the Atos group obtained the renewal of the French Institute for Internal Audit's IFACI certification. This accreditation attests to the quality of the Internal Audit (IA) function, the level of compliance with international standards and IA's degree of control over key challenges.

## F.7.3 Components of the internal control system

### A - Organization/control environment

The organization, competencies, internal policies (methods, procedures and practices) and systems represent the ground layer of the internal control system and the fundamental principles of the Group. The main components are presented hereafter.

**Matrix organization:** The Company runs a matrix organization structure that combines operational management (Regional Business Units (Geographies)/Global Business Lines) and functional management (Sales & Markets and Support Functions). This matrix structure allows a dual view on all operations and therefore enhances the control environment.

**Responsibilities and powers:** The following initiatives aim to frame the assignment of responsibilities:

- **Delegation of Authority:** In order to ensure efficient and effective management control from the country level to general management level, a formal policy sets out the authorization of officers of subsidiaries to incur legal commitments on behalf of the Group with clients, suppliers and other third parties. The delegation of authority policy approved by the Board of Directors and is being rolled-out under the supervision of the Group Legal & Compliance department;
- **Segregation of Duties:** the policy for segregation of duties (SOD) defines accountability for implementing and monitoring organizational and technical measures proportionate to the risks of errors or fraud. Tooling has been used to perform automatic assessments of those rules in the main systems.

**Policies and procedures:** The policies and procedures contribute to an appropriate control environment. They are reassembled in the Book of Internal Policies and stored in a common standard. They include, among other, policies and procedures regarding the Code of Ethics, the Protection of Personal Data, Payments and Treasury, Security Rules, the Investment Committee and the Security Policy. The Group also implements whistleblowing policies as part of the practices put in place by the Atos group.

The Group participates in the Atos "Business process and rollout management" department, which focuses on creating an Business Process Center of Excellence (BPCOE) in coordination with business process owners and the functions related to Internal Control, Quality, security etc. The BPCOE community, supported by process analysts, is responsible for documenting

existing and targeted business processes, including the supporting organization, KPIs, and internally and externally mandated compliance parameters.

**Atos Rainbow™:** Rainbow is a set of procedures and tools set by Atos group that provides a formal and standard approach to bid management, balancing sales opportunities and risk management for all types of opportunities. Rainbow is the means by which Worldline's management is involved in controlling and guiding the acquisition of the Group's contracts. Above specific thresholds Rainbow reviews are performed at general management level;

**Human Resource management:** The Group Human Resource management policy relies on the *Global Capability Model* (GCM), which is a standard for categorizing jobs by experience and expertise across the Group. A Group Policy on bonus scheme completes this system by setting incentives.

**Information Systems:** Group Business Process and Internal IT department is in place at Group level to provide common internal IT infrastructures and applications for Atos staff worldwide. It supports functions like Finance (accounting and reporting applications), Human Resources (resourcing tool, global directory), Communication (Group website and intranet) or Project Managers (capacity planning and project management).

Security and access to these infrastructures and applications as well as their reliability and performance are managed by this department and benefit from the core expertise and resources from the Group.

### B - Communication of relevant and reliable information

Several processes are in place to ensure that relevant and reliable information is provided within the Group.

Monthly reviews of operational performance by Global Business Line and Regional Business Units are organized under the responsibility of the Group Chief Financial Officer and in the presence of the relevant members of the Executive Committee.

A shared ERP system is deployed across the countries where the Group operates, except for entities recently acquired, enabling easier exchange of operational information. It allows cross border reporting and analysis (cross border project analysis, customer profitability, etc.) as well as business reports through different analytical axes (business line, geographical and market axis).



Formal information reporting lines have been defined, following the operational and the functional structures. This formal link, based on standard formats, concerns both financial and non-financial information. The Group participates to the various committees set by the Atos group, such as for operational risks (through Risk Management Committees), treasury (with Payments and Treasury Security Committee), or financial restructuring (Equity Committee).

This information escalation is accompanied by top-down instructions, issued regularly, and especially for budgeting and financial reporting sessions.

**C - System for risk management**

Risk management refers to means deployed in Worldline to identify, analyze and manage risks. Although risk management is part of a manager’s day to day decision making process, specific formal initiatives have been undertaken concerning risk management, as described in Section F.5, “Risk management activities” of this document.

Risk management activities include a yearly Enterprise risk management assessment, identifying the key challenges that may impact the Company. The ERM methodology is also used to perform the Legal and Compliance Risk Mapping.

Operational risks on projects are managed by the risk management function (including a Group Risk Management Committee who meets monthly to review the most significant and challenging contracts). Similarly, the same process has been reproduced for R&D projects with a dedicated organization.

Risks related to logical or physical security are managed by the Security Function and coordinated at Group level.

All risk management activities include an assessment of the key risks, and a regular follow up of mitigation actions.

Control activities have also been implemented (through the Book of Internal Control), on the basis of main risks identified, as described in section F.5 “Risk management activities”.

**D - Control activities**

Worldline key control activities are aligned with the Atos Book of Internal Control (BIC). This document, sent out to all entities complements the different procedures by addressing the key control objectives of each process to achieve a convenient level of internal control.

It covers not only the financial processes, but also the various operational processes as contract management (Opportunity to Order, Order to Cash, Product lifecycle, HR management) and Risk & Compliance activities (Security, Legal, Sustainability).

An updated version of the Book of Internal Control has been released and distributed throughout the Group in January 2016, in order to take into account additional controls and some improvements in various processes. This framework will continue to evolve, according to growing maturity of processes and emerging risks.

An IT control framework (part of the BIC) has been defined, detailing control activities related to client service. This framework has been used to issue “ISAE 3402” reports <sup>1</sup> for several of Worldline’s clients.

**E - Monitoring**

Monitoring of the internal control system is the responsibility of the different levels of management, and is also supported by Internal Audit missions.

Control self-assessments are performed by the main Functions through questionnaires completed by Regional Business Units, and reviewed at Group level. Action plans are initiated when deviations are reported.

Internal Audit is ensuring, through its reviews, that the internal control procedures are properly applied and supports the development of internal control procedures. Internal Audit also defined, in partnership with Group and local management, action plans for continuously improving internal control processes.

In 2017, Internal Audit carried out a total of 31 audit assignments (including investigations at the request of general management) assessing the functioning of internal control system: 9 in the domain of support functions (Finance, Human Resources, Purchasing, Sales) and 22 related to Operations/core business. All assignments have been finalized by the issuance of an audit report including action plans to be implemented by the related division or country.

Furthermore, twice a year, a full review of open recommendations is performed by Internal Audit with concerned owners, and reported up to the Group Executive Committee and to the Audit Committee. In 2017, 90% of audit recommendations have been implemented in due time.

Internal audit also actively contributes to help the business meeting the compliance requirements to maintain the “payments institution” status for Worldline concerned entities. An annual assessment of the Group’s control environment has therefore been included in the audit plan.

Audits on Service Organization Controls (SOC) have been performed by independent auditors for the main service providers who run processes on behalf of Worldline, notably in the areas of payroll processing, purchases or general ledger accounting processing.

<sup>1</sup> ISAE 3402 (International Standards for Assurance Engagements (ISAE) No. 3402). A global assurance standard for reporting on controls at a service organization used for auditor’s report on internal control of a service to a third party. Activities of the Group typically have an impact on the control environment of its clients (through information systems), which may require the issuance of “ISAE 3402 reports” for the controls ensured by the Group.





## **F.7.4 Systems related to accounting and financial information**

The financial governance of the Group relies on a set of global financial processes, that are part of the Internal Control system of the Group and for which a specific attention is paid due to their sensitivity:

- Finance processes: general accounting, budgeting and forecasting, consolidation and reporting, treasury management, credit risk management..;
- "Expert" functions processes: taxes, insurance, pensions and the like, real estate transactions, most of them being outsourced to Atos;
- Operational processes: bidding, contract execution, financial business model.

### **A - Local and Group financial organization**

The management of the Finance function is performed through two main committees that meet on a bi-weekly basis and are chaired by the Group CFO:

- The Group Finance Committee (FICO) gathers the managers of the main functions within the Finance organization and the Finance Controllers of the Global Business Lines. This committee deals with transversal topics critical for the Group;
- The Extended Group Finance Committee (Extended FICO) gathers in addition CFOs from the Regional Business Units ("RBU"). It deals with operational topics and RBU specific issues.

This organization is cascaded down at country level.

Direct reporting to Group Function, as for the other support functions, reinforces the integration of the financial function and contributes to the full alignment of key processes and provides an appropriate support to operational entities of the Group.

Group Finance department is in charge of piloting the financial processes, especially through the financial consolidation, the monitoring of financial compliance matters, the supply of expertise and the control of the reported financial information. It reviews accounting options, significant accounting items, as well as potential internal control weaknesses and initiates required corrective actions when needed.

### **B - Group finance policies & procedures**

Group Finance has drawn up a number of Group policies and procedures to control how financial information is recorded and processed in the subsidiaries. These policies and procedures were discussed with the statutory auditors before issuance and included the following main elements:

- Financial accounting policies cover Group reporting and accounting principles, guidelines on how financial information must be prepared, with common presentation and valuation standards. They also specify the accounting principles to be followed by Atos entities in order to prepare

budgets, forecasts and submit actual financial reporting required for Group consolidation purposes. Group Reporting Definitions (GRDs), internal guidelines for IFRS and accounting rules applicable in the Operations, are regularly updated;

- Training and information sessions are organized regularly in order to circulate these policies and procedures within the Group. A dedicated intranet site is accessible to all accounting staff, which facilitates the sharing of knowledge and issues raised by members of the Worldline financial community;
- Instructions and timetable: Financial reporting including budget of the entities, revised budget and annual and half-yearly financial statements by subsidiary is carried out in a standard format and within a timetable defined by specific instructions and procedures. Group Finance liaised with statutory auditors to coordinate the annual and half-year closing processes.

### **C - Information systems**

Information systems play a key role in the establishment and maintenance of the internal control system related to the accounting and financial information, enabling automated preventive controls, but also monitoring and analysis capabilities.

An integrated ERP system supports the production of accounting and financial information in almost all the subsidiaries within the Group except for those recently acquired.

A unified reporting and consolidation tool is used for financial information (operational reporting and statutory figures). Each subsidiary reports its financial statements on a standalone basis in order to be consolidated at Group level. There is no intermediary consolidation level and all accounting entries linked to the consolidation remain under the direct control of Group Finance. Off balance sheet commitments are reported as part of the mainstream financial information and are reviewed by Group Finance.

### **D - Monitoring and control**

In addition to the financial processes defined, monitoring and control processes aims to ensure that accounting and financial information complies with all the defined policies, rules and instructions.

The Closing File (which is closely linked with the Book of Internal Control) is updated periodically has been deployed at local level. It requires the main subsidiaries to complete a standard electronic closing file on a quarterly basis in order to formalize key internal controls performed over financial cycles and provide appropriate back up to support closing positions. Templates created by Group Finance illustrate the expected level of control for the main items.

Functional reviews are performed by Group Central Finance and Controlling on significant matters relating to financial reporting, such as tax issues, pensions, litigations, off balance sheet items or operational performance.

Operational and financial reviews: Group Central Finance and Controlling supports operations and general management in the decision making process through monthly reviews and by establishing a strong link with country management in terms of financial analysis & monitoring, enhancing control & predictability of operations and improving the accuracy & reliability of information reported to the Group;

Representation letters: During the annual and half-year accounts preparation, the management and head of finance of each subsidiary are required to certify in writing:

- They have complied with the Group's accounting rules and policies;
- They are not aware of any cases of proven or potential fraud that may have an impact on the financial statements;
- The estimated amounts resulting from the assumptions made by management enable the Company to execute the corresponding actions; and
- That, to the best of their knowledge, there have been no major dysfunctions in the control systems in place within their respective subsidiaries.

Internal Audit department: The review of the internal control procedures linked to the processing of financial information is a component of the reviews conducted by the Atos Internal Audit department. The Atos Internal Audit department works together with Group Finance to identify the main risks and to focus its audit plan accordingly.

## **F.7.5 Outlook and related new procedures to be implemented**

In 2018, financial, commercial and social performance improvement programs, as well as other transformation initiatives, will continue their effects to improve and streamline processes, with resulting benefits for the Internal Control System. In particular, entities recently acquired will be fully integrated within the Internal Control System.

Initiatives identified through the updated risk mapping will be controlled and monitored to ensure that proper attention is given to those topics.

The Internal Audit department will pursue the internal review program updated following the risk assessment performed in 2017, and monitor the implementation of its recommendations.



**Risk Factors [GRI 102-15] and [GRI 102-11]**

# G

## Corporate governance and capital



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## G.1 Legal Information

### G.1.1 Corporate form [GRI102-5]

Worldline was initially formed as a limited liability company (*société à responsabilité limitée*) in 1990. It was converted into a limited liability corporation (*société anonyme*) in 1992, into a simplified stock company (*société par actions simplifiée*) on September 29, 2000, and then again into a limited liability

corporation on April 30, 2014. Today Worldline is a limited liability corporation with a Board of Directors, governed by French law, including, in particular, Book II of the French Commercial Code.

### G.1.2 Corporate purpose and other information [GRI102-5]

- **Corporate purpose:** pursuant to Article 2 of its Bylaws, the Company's purpose, in France and in any other country, is to:
  - conduct research, study, development and production in regard to all materials, software, systems or devices that use new techniques or new information technology (as well as the provision of related services), namely in the payment services sector, transactional services, digital services and telecommunications ;
  - perform customer service functions for telecommunications operators and service providers, in particular by creating and managing telephone call centers ;
  - manage telecommunications network and services subscription agreements, including providing information to subscribers and processing their claims, as well as related service offers ;
  - provide services to businesses, including marketing studies, direct marketing, data processing and training, as well as the provision of services and solutions to financial establishments ;
  - provide advice, assistance and operational support by any means, with respect to all banking and financial documentation, especially the processing, entering, postmarking, encoding, micro-filming, archiving and any existing or future type of handling of cheques or other banking or financial instruments ;
  - develop software for its own needs or third-party needs ;
  - use and market licenses, patents, trade secrets, formulas and any other similar intellectual property rights ;
  - provide technical support and maintenance for all devices and installations completed or marketed under the Company's purpose ;
  - represent any company, French or foreign, whose services, materials, software, systems or devices are directly or indirectly related to the purposes defined above ;
  - acquire interests and shareholdings in any French or foreign company with a similar purpose as that of the company, or in order to develop its own business ;
- do everything, directly or indirectly on its own account or for the account of third parties, either on its own or with third parties, or through the creation of new companies, contributions to limited partnerships, mergers, alliances, joint ventures or taking of ownership rights through leasing or lease management of any property or rights, or otherwise,
- and, generally, undertake all financial, commercial and industrial transactions on real or other property relating directly or indirectly to the above purposes or any similar or related purposes likely to further the Company's development or expansion.
- **Corporate name:** the corporate name of the Company is "Worldline".
- **Nationality:** French.
- **Registered Office:** Worldline's registered office is located at 80 quai Voltaire, Immeuble River Ouest, 95870 Bezons, France (Tel.: +33 (0)1 73 26 00 00).
- **Branches :**
  - Atos Worldline SA/NV, Worldline NV/SA Branch in Czech Republic - Doudlebská 1699/5, Nusle - 140 00 Praha 4 ;
  - Atos Worldline, Worldline NV/SA Branch in Slovakia - Karadžicova 8/A - 821 08 Bratislava ;
  - equensWorldline Belgium, equensWorldline S.E. Branch in Belgium - Chaussée de Haecht 1442 - 1130 Brussels ;
  - equensWorldline Finland, equensWorldline S.E. Branch in Finland - Hiomotie 19 - 00380 Helsinki ;
  - equensWorldline France, equensWorldline S.E. Branch in France - 80, quai Voltaire - 95870 Bezons ;
  - equensWorldline Germany, equensWorldline S.E. Branch in Germany - Hahnstraße 25 - 60528 Frankfurt am Main ;
  - equensWorldline Italy, equensWorldline S.E. Branch in Italy - Via Enrico Cialdini 16 - 20161 Milan ;
  - equensWorldline Luxembourg, equensWorldline S.E. Branch in Luxembourg - 20 rue des Peupliers - 2328 Luxembourg-Hamm ;

- equensWorldline UK, equensWorldline S.E. Branch in the United Kingdom - 37th floor - 1 Canada Square - Canary Wharf - London E14 5AA ;
- PaySquare Germany, PaysQuare S.E. Branch in Germany - Hahnstraße 25 - 60528 Frankfurt am Main ;
- PaySquare Poland, PaySquare S.E. Branch in Poland - ul. Puławska 182 - 02-670 Warszawa.
- **Place of registration, registration number and share trading information:** the Company is registered with the Pontoise Trade and Companies Register under number 378 901 946.
- Worldline SA shares are traded on the Euronext Paris market under ISIN code FRO011981968. The shares are not listed on any other stock exchange.
- **Business identification Code (APE code):** 6311Z.
- **Date of incorporation and duration:** The Company was incorporated on July 31, 1990, for a period of 99 years from the date of its registration with the trade and companies register, except in the event of early dissolution or extension.

## G.1.3 Provisions of the Bylaws

The Company's Bylaws were prepared in accordance with the laws and regulations applicable to French limited liability corporations (*sociétés anonymes*) with a Board of Directors. The principal provisions described below have been taken from the Company's Bylaws.

### G.1.3.1 Governance, related party agreements

#### **Fiscal year (Article 36 of the Bylaws)** [GRI 102:50] [GRI 102:52]

The Company has a fiscal year of twelve months, beginning on January 1, and ending on December 31 of each year.

#### **Members of the Board of Directors (Articles 13, 14 and 15 of the Bylaws)**

The Company is governed by a Board of Directors composed of at least three members and at most twelve members elected by the Ordinary Shareholders' Meeting. The Board of Directors is renewed each year on a rolling basis, such that one-third of the members are renewed each year. Directors are appointed for a three-year term. A maximum of one-third of the members of the Board of Directors may be more than 70 years old.

#### **Chairman (Articles 19 and 21 of the Bylaws)**

The Board of Directors elects a Chairman from among the members who are natural persons. He organizes and manages its work, and reports on such work to the General Shareholders' Meeting. He oversees the proper functioning of the Company's governing bodies and ensures, in particular, that the Directors are able to carry out their duties.

#### **Chief Executive Officer (Article 23 of the Bylaws)**

At the option of the Board of Directors, the Company may be managed either by the Chairman or by a person appointed by the Board of Directors and given the title of Chief Executive Officer (CEO). The CEO is granted the broadest powers to act in all circumstances in the Company's name. He exercises these

powers within the limits of the Company's purpose and subject to the powers that the law and the Bylaws grant expressly to the Shareholders' Meeting or the Board of Directors. The CEO represents the Company in its relations with third parties.

#### **Convening and Holding of Board of Directors' Meetings (Article 18 of the Bylaws)**

The Board of Directors meets as often as necessary in the Company's interest, but at least every three months. The Chairman convenes these meetings. If the Board of Directors has not met in more than two months, at least one-third of its members may request that the Chairman convene it to discuss a particular agenda. The CEO may also request that the Chairman convene the Board of Directors to discuss a particular agenda. Decisions are taken by a majority of members present or represented. In the event of a tie, the vote of the meeting's Chairman prevails.

#### **Powers of the Board of Directors (Article 17 of the Bylaws)**

The Board of Directors determines the direction of the Company's business and ensures its implementation. Subject to the powers expressly granted to the Shareholders' Meeting, and within the limits of the Company's purpose, the Board of Directors decides any question concerning the proper functioning of the Company and, through its decisions, settles matters concerning it.

The Board of Directors determines the limits to the CEO's authority, as the case may be, pursuant to its rules of procedure, by establishing the transactions for which Board authorization is required.

#### **Related-Party Agreements (Article 25 of the Bylaws)**

Any agreement entered into either directly or through an intermediary party by the Company and its CEO, any Deputy Managing Director, any Director, any shareholder holding more than 10% of the Company's voting rights or, in the case of shares held by a company, its controlling Company within the meaning of Article L. 233-3 of the French Commercial Code is subject to the procedure provided for in Articles L. 225-38 to L. 225-43 of the French Commercial Code.



### **Compensation of Directors (Article 20 of the Bylaws)**

Members of the Board of Directors may receive Directors' fees, the aggregate amount of which is set by the Shareholders' Meeting and allocated freely by the Board of Directors among its members. The Board of Directors may grant a larger portion to those Directors serving on Committees.

### **G.1.3.2 Rights, Privileges and Restrictions Attached to Shares**

.....

#### **Voting rights (Articles 11 and 33 of the Bylaws)**

Each share gives the right to one vote. The Company's Bylaws confer double voting rights on fully paid-up registered shares held by the same person for at least two years. The amount of time that such shares have been held prior to the listing of the Company's shares on Euronext Paris shall not be taken into account for the purpose of calculating such two-year period.

#### **Limitation on voting rights**

The Bylaws do not contain any provisions restricting the voting rights attached to the shares.

#### **Preferential subscription rights**

The Company's shares have a preferential right to subscribe for capital increases in accordance with the French Commercial Code.

#### **Participation in General Shareholders' Meetings (Article 28 of the Bylaws)**

Every shareholder has the right to attend General Shareholders' Meetings and to participate in its votes, either personally or by proxy. Every shareholder may be represented by his spouse, by another shareholder, or by his partner under a civil solidarity pact. Moreover, a shareholder may be represented by any other natural person or legal entity of his choice. The representative must show proof of his appointment.

Each shareholder's right to participate in General Shareholders' Meetings is subject to his shares being registered in his name or in the name of the intermediary registered on his behalf in the conditions set forth by law. An owner of bearer shares may participate in the General Shareholders' Meeting only if the approved intermediary holding his account provides a certificate of ownership (*attestation de participation*).

Upon decision of the Company's Board of Directors, shareholders may participate in General Meetings by videoconference or other means of telecommunication, including the Internet, in particular through an electronic voting form available on the Company's website.

### **Identifiable Bearer Shares (Article 9 of the Bylaws)**

The Company may at any time verify the identity of the holders of bearer shares in accordance with applicable laws and regulations.

If a person who has been asked for information fails to provide such information within the time period required by applicable laws and regulations, or provides incomplete or inaccurate information either as to his capacity or as to the owners of the shares or the number of shares held by each of them, the shares or other securities giving immediate or future access to the share capital and for which such person is registered shall be stripped of their voting rights for any Shareholders' Meeting occurring before the information is corrected, and payment of the corresponding dividend shall be delayed until such date.

#### **Modifications of the rights of shareholders**

The rights of shareholders may be modified in accordance with applicable laws and regulations. The Bylaws do not contain any particular provisions with respect to modification of the rights of shareholders that are more stringent than the law.

#### **Convening and Holding of Ordinary Shareholders' Meetings and Extraordinary Shareholders' Meetings (Articles 34 and 35 of the Bylaws)**

Shareholders' Meetings are called "Extraordinary" when their purpose is to modify the Company's Bylaws or nationality, or when the law so provides. All other Shareholders' Meetings are "Ordinary". Decisions at Extraordinary Shareholders' Meetings are made by a two-thirds vote of the shares present or represented, and decisions at Ordinary Shareholders' Meetings are made by a simple majority of shares present or represented.

Shareholders' Meetings are convened and held in accordance with the rules and conditions provided for under French law.

#### **Crossing of Bylaws Thresholds (Article 10 of the Bylaws)**

In addition to the thresholds provided for by applicable laws and regulations, any natural person or legal entity who comes to hold, acting alone or in concert, directly or indirectly, a number of shares representing at least 2% of the share capital or voting rights, or any multiple of 1% thereafter, including beyond the reporting thresholds provided for by laws and regulations, must inform the Company of the total number of shares, voting rights, or securities giving access to the share capital or voting rights of the Company that such person holds, as well as of any securities giving access to the share capital or to voting rights potentially attached thereto, by registered letter with return receipt requested sent to the Company's registered office within four trading days after crossing such threshold(s).



In the event of a failure to comply with the above provisions, the legal penalties for breach of the obligation to report crossing a legal threshold shall apply to thresholds provided for in the Bylaws only upon the request, recorded in the minutes of the Shareholders' Meeting, of one or more shareholders holding at least 2% of the Company's share capital or voting rights.

Subject to the above provisions, this obligation under the Bylaws is governed by the same provisions as those governing the legal obligation, including with respect to shares deemed to be held.

The Company reserves the right to report the information provided or a breach of the above obligation by the person in question to the public and to the Company's shareholders in accordance with applicable laws and regulations.

The same reporting obligation, with the same deadline and terms, applies each time the proportion of the share capital or voting rights held by a shareholder decreases to below any of the thresholds referred to above.

**Control of the issuer**

There are no provisions either in the Company's Bylaws or in any internal charter or rules of procedure that could have the effect of delaying, postponing or preventing a change of control of the Company.

**G.1.3.3 Financial Statements (Articles 37, 38 and 39 of the Bylaws)**

**Legal Reserve**

Five percent of each fiscal year's profit, after deduction of losses carried forward from previous years, if any, is allocated to a legal reserve fund whenever the amount in such fund is less than 10% of the share capital.

**Approval of dividends**

The General Shareholders' Meeting votes on the payment of dividends in accordance with Articles L. 232-12 to L. 232-18 of the French Commercial Code. The General Shareholders' Meeting may give shareholders the option to receive payment in cash or in new shares of the Company, pursuant to legal conditions.

The General Shareholders' Meeting may also decide, upon the proposal of the Board of Directors, to distribute any profit or reserves in kind in the form of assets or securities. In the event of the distribution of securities that are not listed on a regulated market or traded on an organized multilateral trading facility, or whose admission to such a market or trading facility will not occur in connection with such distribution, the shareholders have the right to choose between payment in cash and the delivery of such securities.

**G.2 Corporate Governance [GRI 102-10][GRI 102-18][GRI 102-22][GRI 102-24][GRI 102-26]**

In accordance with the French law known as the "Sapin II Law", Order No. 2017-1162 of July 12, 2017, introducing various measures to simplify and clarify companies' reporting obligations, amended Article L. 225-37 of the French Commercial Code, replacing the report of the Chairman of the Board of Directors on corporate governance and internal control with the corporate governance report, issued by the Board of Directors. This report is attached to the management report and contains, in particular, information relating to the compensation of company officers, various aspects of the practices of the Company's administrative and management bodies and factors likely to have an impact in the event of a public offering.

Information on internal control and risk management procedures is included in the management report which now contains information about the financial risks associated with climate change and presents the measures being taken by the Company to reduce said risks by implementing a low-carbon strategy in all aspects of its business activity (Art. L. 225-100-1 of the French Commercial Code) (see section F.7 Internal Control).

These new provisions are applicable to reports appertaining to fiscal years beginning on or after January 1, 2017.





## G.2.1 Compliance with the AFEP-MEDEF Code - Frame of reference on corporate governance

French legislation and rules published by the financial market regulatory authorities apply to the Company's corporate governance.

Since the listing of the Company's shares on Euronext Paris, Worldline complies with the recommendations of the AFEP-MEDEF Corporate Governance Code for Listed Companies (the "AFEP-MEDEF Code"), in particular in connection with the preparation of the Board of Directors' report on corporate governance required by Article L.225-37 of the French Commercial Code.

As at the date of publication of this Registration Document, and in accordance with the rule "Comply or Explain" set forth under Article L.225-37-4 of the French Commercial Code and Article 27.1 of the AFEP-MEDEF Code, the following recommendation is not applied for the reasons hereafter indicated:

### AFEP-MEDEF Code recommendation

#### Termination of employment contract in case of appointment as company Officer (Articles 21.1 and 21.2 of the AFEP-MEDEF Code)

When an employee is appointed Chairman and/or Chief Executive Officer, it is recommended that his or her employment contract with the company or with a company affiliated with the Group be terminated, whether through contractual termination or resignation.

### Justification

Given his existing responsibilities within the Atos group, Mr. Gilles Grapinet will retain his employment contract with an Atos SE affiliate which provides, first, that he will serve as Senior Executive Vice President in charge of coordination of Global Functions within the Atos group (other than in respect of the financial control of the Worldline subsidiary) and second, that he will assume the role of Company CEO (or other comparable responsibilities within the Atos group in the event that he ceases to be CEO of Worldline).

As indicated in the July 24, 2017 press release related to the Combined Shareholders' Meeting, the Worldline Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, unanimously decided to extend the Company's current governance structure and confirmed the terms of office of the Chairman of the Board of Directors and of the CEO for the duration of their respective terms of office as Directors.

Indeed, in line with its previous recommendations, the Nomination and Remuneration Committee recommended that the Company's management mode, which has shown evidence since the Company's listing on the stock market, be renewed as it enables the Chairman of the Board of Directors, who also leads the parent company, Atos SE, to direct and organize the Board's governance and works; with the CEO taking responsibility for implementing strategy and managing operations.

## G.2.2 Management Mode [GRI 102-22][GRI 102-24][GRI 102-25][GRI 102-26]

In accordance with Article 22 of the Company's Bylaws, the Board of Directors has decided to separate the functions of the Chairman of the Board of Directors and Chief Executive Officer of the Company. Since April 30, 2014, Mr. Thierry Breton serves as Chairman of the Board of Directors, while Mr. Gilles Grapinet serves as Chief Executive Officer.

Mr. Gilles Grapinet is party to an employment agreement with an Atos SE affiliate that provides, first, that he will serve as Senior Executive Vice President of the Atos group in charge of coordination of Global Functions (other than in respect of the financial control of the Worldline subsidiary), and second, that he will assume the role of CEO of the Company (or other comparable responsibilities within the Atos group in the event that he ceases to be CEO of Worldline).

In order to ensure a smooth transition, the following structure was put in place for a period of approximately 18 months following the listing of the Company's shares on Euronext Paris: the CEO of the Company, assisted by a Senior Executive Vice President, three global business line Directors, and a Chief Technology Officer and Chief Operations Officer of the Group, devotes two-thirds of his time to managing the Company.

In the context of the merger of Worldline and equens operations, and given the associated need to fully mobilize all the integration know-how and proven capabilities of Atos group, Worldline's Board of Directors, based on the recommendation from the Nomination and Remuneration Committee, unanimously decided to extend for another 12 to 18 months the current governance structure of the Company.

Upon recommendation of the Nomination and Remuneration Committee, this governance structure was extended by the Board of Directors following the Combined General Shareholders' Meeting on July 24, 2017.

As underlined by the Nomination and Remuneration Committee and the Board of Directors, the relevance of the decision to separate the functions of Chairman and CEO has shown since the Company's listing on the stock market, as it enables the Chairman of the Board of Directors, who also leads the parent Company, Atos SE, to direct and organize the Board's governance and works; with the CEO taking responsibility for implementing strategy and managing operations.

### Limits on the powers of the Chief Executive Officer

The Chief Executive Officer must submit the following decisions for the prior authorization of the Board of Directors:

- purchase or sale of shareholdings exceeding €10 million;
- purchase or sale of assets exceeding €10 million;
- purchase of assets or shareholdings beyond the Group's usual activities;
- purchase or sale of real estate assets exceeding €10 million;
- strategic alliance or partnership which could have a structural impact for the Group;
- parental company guarantees exceeding the limit of the delegation granted to the Chief Executive Officer;
- entry of a third party as a shareholder of a material subsidiary of the Group;
- financing and borrowing in excess of €10 million.

## G.2.3 The Board of Directors: composition and functioning

[GRI 102 Board -5][GRI 102-18][GRI 102-22][GRI 102-23]

### G.2.3.1 Mission of the Board of Directors

The mission of the Board of Directors is to determine the strategy and trends of the Company's activity and to oversee their implementation. Moreover, the Board of Directors appoints senior officers and rules on the independence of Directors, on a yearly basis, possibly sets limits on the powers of the CEO, issues the report on corporate governance, convenes the

Shareholders' Meetings and decides on their agendas, undertakes the controls and verifications which it deems fit, the control and audit of the sincerity of the financial statements, the review and approval of the financial statements, the communication to the shareholders and reviews communications to the market of high quality information.

### G.2.3.2 Composition of the Board of Directors

The following Director reappointments were made, and Director cooptations ratified, in 2017:

Date	Concerned Director	Event
May 24, 2017	<b>Thierry Breton Gilles Grapinet Aldo Cardoso</b>	Renewal of the term of office as Director for 3 years.
May 24, 2017	<b>Susan Tolson</b>	Renewal of the term of office as Director for 2 years.
May 24, 2017	<b>Sophie Proust Danielle Lagarde</b>	Ratification of the co-opting as Director of the Company until the end of the General Meeting convened to approve the financial statements for the fiscal year ending in 2017.

The Combined General Meeting of Worldline's shareholders held on July 24, 2017 allowed for the confirmation of the respective terms of office as Directors of all current members of the Board of Directors, in line with the remaining duration of their respective terms of office.

As of December 31, 2017, the Board of Directors was composed of nine members (including its Chairman), three of whom were

appointed by the Board of Directors as Independent Directors pursuant to the criteria set forth in the AFEP-MEDEF Code and six other Directors (including the Chairman) who were appointed by the General Shareholders Meeting upon nomination by Atos SE, the Group's principal shareholder.



## Corporate governance and capital

Corporate Governance [GRI 102-10][GRI 102-18][GRI 102-22][GRI 102-24][GRI 102-26]

The table below shows the composition of the Board of Directors as of December 31, 2017, and the main positions and offices held by the Company's Directors outside of the Company during the last five years:

### Thierry Breton

<p><b>Number of shares:</b> 1,501</p> <p><b>Date of birth:</b> January 15, 1955</p> <p><b>Nationality:</b> French</p> <p><b>Date of appointment:</b> April 30, 2014</p> <p><b>Date of renewal:</b> May 24, 2017</p> <p><b>Term expires on:</b> AGM rulling on the accounts of the 2019 financial year</p>	<b>Biography - Professional experience</b>	
	<b>Chairman of the Board of Directors of Worldline and Chairman and Chief Executive Officer of Atos SE</b>	
	<p>Thierry Breton is graduated from the Paris École Supérieure d'Électricité (Supélec) and the Institut des Hautes Études de Défense Nationale (IHEDN, 46<sup>th</sup> class). In 1986, he became Project Manager of the Poitiers Futuroscope theme park, and then headed its teleport operations. He later served as an adviser to Education Minister René Monory in the area of new information technologies. He also served on the Poitou-Charentes Regional Council from 1986 to 1992 (as Vice-Chairman from 1988 on).</p> <p>He then joined Bull as Director of Strategy and Development before becoming Deputy Managing Director. Member of the Board of Directors in February 1996, he was successively named Vice-Chairman of the Board then Group Delegated Director.</p> <p>After being appointed Chairman and Chief Executive Officer of Thomson (1997-2002) then Chairman and Chief Executive Officer of France Telecom (2002-2005), he was France's Minister for the Economy, Finance and Industry between February 25, 2005 and May 16, 2007, before becoming a professor at Harvard University (USA) for "Leadership, Corporate Accountability".</p> <p>In November 2008, he became Chairman of the management Board of Atos Origin. He is today Chairman and Chief Executive Officer of Atos SE. He has also been President of the French National Association for Research and Technology (ANRT) since March 2015 and member of the National Academy of Technologies (France) since 2015.</p>	
	<b>List of positions and offices held in French and foreign companies</b>	
	<p><b>Other positions and offices held at December 31, 2017</b></p> <p><b>Within the Worldline Group</b></p> <p>France:</p> <ul style="list-style-type: none"> <li>Chairman of the Board of Directors and CEO of Atos SE**</li> </ul> <p><b>Outside the Worldline Group</b></p> <p>France:</p> <ul style="list-style-type: none"> <li>Director of Carrefour SA**</li> </ul> <p>Foreign countries:</p> <ul style="list-style-type: none"> <li>Director of Sonatel** (Senegal) and SATS** (Singapore)</li> </ul>	<p><b>Other positions and offices held during the last five years</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <ul style="list-style-type: none"> <li>CEO of Atos International SAS</li> <li>Chairman of the Board of Directors of Bull</li> </ul>

\*\* Listed company.

**Gilles Grapinet**

<p><b>Number of shares:</b> 20,001</p> <p><b>Date of birth:</b> July 3, 1963</p> <p><b>Nationality:</b> French</p> <p><b>Date of appointment:</b> April 30, 2014</p> <p><b>Date of renewal:</b> May 24, 2017</p> <p><b>Term expires on:</b> AGM rulling on the accounts of the 2019 financial year</p>	<p><b>Biography - Professional experience</b></p> <p><b>Chief Executive Officer of Worldline</b></p> <p>Gilles Grapinet is a graduate of the <i>École Nationale d'Administration and a French Inspecteur Général des Finances</i> (General Finance Inspector). He was Director of Information Systems and Strategy at the French Direction Générale des Impôts (Tax department), and Director of the Copernic program, charged with creating an "e-Tax department" for electronic filing of tax returns and payment of taxes. He was an economic and financial adviser to the French Prime Minister in 2003 and 2004, and then chief of staff (Directeur de cabinet) to two ministers of the Economy and Finances from 2004 to 2007. In 2007, he became a member of the Executive Committee of Crédit Agricole SA, in charge of Strategy and later of the Group's Systems and Payment Services division. Mr. Grapinet joined Atos in December 2008. He currently serves as Senior Executive Vice-President in charge of Global Functions of the Atos group, in which capacity he has headed Global Support Functions, ensured coordination and development of Global Sales and Marketing as well as of the Consulting and Technology Services division of the Atos group, and supervised development of the Group's activities. Mr. Grapinet has been Worldline's Chief Executive Officer since July 2013. He received the French <i>Légion d'Honneur</i> (Chevalier) in 2011.</p>	
	<p><b>List of positions and offices held in French and foreign companies</b></p>	
	<p><b>Other positions and offices held at December 31, 2017</b></p> <p><b>Within the Worldline Group</b></p> <p>France:</p> <ul style="list-style-type: none"> <li>Senior Executive Vice President Global Functions of Atos SE**</li> </ul> <p>Foreign countries:</p> <ul style="list-style-type: none"> <li>Chairman of the Supervisory Board of equensWorldline SE</li> <li>Member of Supervisory Board of Worldline (China)</li> </ul> <p><b>Outside the Worldline Group</b></p> <ul style="list-style-type: none"> <li>Permanent representative of Atos SE**, Director of Atos Participation 2 SA</li> </ul>	<p><b>Other positions and offices held during the last five years</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <ul style="list-style-type: none"> <li>Director of Saint Louis Ré SA and Bull SA</li> <li>Vice President of Atos IT Solutions and Services GmbH</li> <li>Member of the Supervisory Board of Atos Information Technology GmbH (Germany)</li> </ul>

\*\* Listed company.

**Gilles Arditti**

<p><b>Number of shares:</b> 1,501</p> <p><b>Date of birth:</b> November 24, 1955</p> <p><b>Nationality:</b> French</p> <p><b>Date of appointment:</b> April 30, 2014</p> <p><b>Date of renewal:</b> May 26, 2016</p> <p><b>Term expires on:</b> AGM rulling on the accounts of the 2017 financial year</p>	<p><b>Biography - Professional experience</b></p> <p><b>Executive Vice President Investor Relations &amp; Financial Communication of Atos SE</b></p> <p>Gilles Arditti holds a master in finance from the <i>Université de Dauphine</i> and a master in international finance from the <i>École des Hautes Études de Commerce</i> (HEC) in Paris. He also holds an engineering degree from the <i>École Nationale Supérieure des Techniques Industrielles et des Mines d'Alès</i> (ENSTIMA) and is a Certified Public Accountant. After six years at Bull and four at KPMG, he joined Atos group in 1990, where until 2004 he was, successively, Director of Mergers and Acquisitions, Director of Finance and Human Resources for Atos Origin in France, and CFO for France, Germany and Central Europe. In 2007, Mr. Arditti became head of Investor Relations and Financial Communication for the Atos group, a position he still holds. Mr. Arditti was a member of the Board of Directors of Worldline Germany from 1993 to 2006.</p>	
	<p><b>List of positions and offices held in French and foreign companies</b></p>	
	<p><b>Other positions and offices held at December 31, 2017</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <p>None</p>	<p><b>Other positions and offices held during the last five years</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <p>None</p>





**Aldo Cardoso\***

<p><b>Number of shares:</b> 1,500</p> <p><b>Date of birth:</b> March 7, 1956</p> <p><b>Nationality:</b> French</p> <p><b>Date of appointment:</b> June 13, 2014</p> <p><b>Date of renewal:</b> May 24, 2017</p> <p><b>Term expires on:</b> AGM rulling on the accounts of the 2019 financial year</p>	<p><b>Biography - Professional experience</b></p>		
	<p><b>Director of companies</b></p> <p>Aldo Cardoso is a graduate of the <i>École Supérieure de Commerce</i> de Paris and holds a Master's degree in business Law and is a Certified Public Accountant. From 1979 to 2003, he held several successive positions at Arthur Andersen, including consultant, partner (1989), Chief Executive Officer audit and financial advisory France (1993-1996), member of the Board of Directors of Andersen Worldwide (1996), Chairman of the Board of Directors (non-executive) of Andersen Worldwide (2000) and Chief Executive Officer of Andersen Worldwide (2002-2003). Since 2003, he has served as a Director of French and foreign companies.</p>		
	<p><b>List of positions and offices held in French and foreign companies</b></p>		
	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><b>Other positions and offices held at December 31, 2017</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <p>France:</p> <ul style="list-style-type: none"> <li>• Director of Engie**</li> <li>• Director of Imerys**</li> <li>• Chairman of the Board of Bureau Veritas**</li> </ul> </td> <td style="width: 50%; vertical-align: top;"> <p><b>Other positions and offices held during the last five years</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <ul style="list-style-type: none"> <li>• Censeur of Axa Investment Managers (France)</li> <li>• Director of Accor**</li> <li>• Director of Gecina**</li> <li>• Director of Rhodia**</li> <li>• Director of Mobistar (Belgium)**</li> <li>• Director of General Electric Corporate Finance Bank SAS</li> </ul> </td> </tr> </table>	<p><b>Other positions and offices held at December 31, 2017</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <p>France:</p> <ul style="list-style-type: none"> <li>• Director of Engie**</li> <li>• Director of Imerys**</li> <li>• Chairman of the Board of Bureau Veritas**</li> </ul>	<p><b>Other positions and offices held during the last five years</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <ul style="list-style-type: none"> <li>• Censeur of Axa Investment Managers (France)</li> <li>• Director of Accor**</li> <li>• Director of Gecina**</li> <li>• Director of Rhodia**</li> <li>• Director of Mobistar (Belgium)**</li> <li>• Director of General Electric Corporate Finance Bank SAS</li> </ul>
<p><b>Other positions and offices held at December 31, 2017</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <p>France:</p> <ul style="list-style-type: none"> <li>• Director of Engie**</li> <li>• Director of Imerys**</li> <li>• Chairman of the Board of Bureau Veritas**</li> </ul>	<p><b>Other positions and offices held during the last five years</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <ul style="list-style-type: none"> <li>• Censeur of Axa Investment Managers (France)</li> <li>• Director of Accor**</li> <li>• Director of Gecina**</li> <li>• Director of Rhodia**</li> <li>• Director of Mobistar (Belgium)**</li> <li>• Director of General Electric Corporate Finance Bank SAS</li> </ul>		

\* Independent Director.  
\*\* Listed company.

**Danielle Lagarde**

<p><b>Number of shares:</b> 1,500</p> <p><b>Date of birth:</b> May 3, 1960</p> <p><b>Nationality:</b> French</p> <p><b>Date of appointment:</b> December 12, 2016</p> <p><b>Term expires on:</b> AGM rulling on the accounts of the 2017 financial year</p>	<p><b>Biography - Professional experience</b></p>		
	<p><b>Chief Human Resources Officer EMEA at Jones Lang Lasalle</b></p> <p>Danielle Lagarde joined the Atos group in 2005 where she spent more than eleven years and where she served in several different roles.</p> <p>From June 2014 to January 2017, she served as Group Senior Vice President, in charge of Human Ressources Executive management. Prior to this role and from 2008 to 2014, she was responsible for the Group HR Center of Excellence, in charge of all HR expertise, and was also leading the HR for corporate entities and for all support functions. From 2007 to 2008, she served as Group Vice President of Talent management &amp; HR for corporate entities. She started in the Group as HRD Continental Europe for Atos Euronext in 2005.</p> <p>Prior to Atos Group, Danielle Lagarde served as Senior HR Director EMEA for several Service Lines at DELL, CEO France for RSL Com (US Telco company), HRD Europe for Viatel (US Telco), Managing Director at Millesime Human Resources Ltd. based in Hong Kong, and Corporate Communication Manager for a Group of Airlines (EAS Europe Airlines). She started her career as a Headhunter and was Consultant (Partner) at Switch One during several years.</p> <p>She is currently serving as Chief Human Resources Officer EMEA at Jones Lang Lasalle.</p> <p>Danielle Lagarde holds a Post Master degree (DESS) in Human Resources (IAE Aix en Provence), a Board Member Certification (IFA/Sciences Po Paris) and a "Women on Board" Certification from Harvard business School.</p>		
	<p><b>List of positions and offices held in French and foreign companies</b></p>		
	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><b>Other positions and offices held at December 31, 2017</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <p>Chairman of Jones Lang Lasalle holding SAS France</p> </td> <td style="width: 50%; vertical-align: top;"> <p><b>Other positions and offices held during the last five years</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <p>None</p> </td> </tr> </table>	<p><b>Other positions and offices held at December 31, 2017</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <p>Chairman of Jones Lang Lasalle holding SAS France</p>	<p><b>Other positions and offices held during the last five years</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <p>None</p>
<p><b>Other positions and offices held at December 31, 2017</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <p>Chairman of Jones Lang Lasalle holding SAS France</p>	<p><b>Other positions and offices held during the last five years</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <p>None</p>		

**Ursula Morgenstern**

**Number of shares:**  
1,501  
**Date of birth:**  
April 12, 1965  
**Nationality:**  
German  
**Date of appointment:**  
April 30, 2014  
**Date of renewal:**  
May 26, 2016  
**Term expires on:**  
AGM rulling on the accounts of the 2018 financial year

**Biography - Professional experience**

**Head of Germany, Atos group**

Ursula Morgenstern joined Atos in 2002 through the acquisition of KPMG Consulting. From 2007 to 2009, she was Senior Vice-President responsible for Systems Integration, and then she was Senior Vice-President responsible for Private Sector Markets. Prior to that, she held a variety of roles in Systems Integration including management roles for sectors and various practices. Before taking on the role as CEO of UK&I in 2012 she was COO for UK&I. From July 2015 to February 2018 she was managing the Global Business & Platform Solutions division. Since February 2018 she is CEO of Atos's Germany GBU (Global Business Unit).

**List of positions and offices held in French and foreign companies**

**Other positions and offices held at December 31, 2017**

**Within the Worldline Group**

None

**Outside the Worldline Group**

France:

- Director of Bluekiwi Software SAS

Foreign countries:

- Director of Canopy the Open Cloud company Limited and of Canopy the Open Cloud UK Limited (United Kingdom)

**Other positions and offices held during the last five years**

**Within the Worldline Group**

None

**Outside the Worldline Group**

- Director of Canopy the Open Cloud company USA, Inc.
- Director and CEO of Atos IT Solutions and Services Limited (Ireland)
- Director and CEO of Atos IT Solutions and Services Limited (United Kingdom)
- Director and CEO of Atos Consulting Limited
- Director of Atos Scotland APF GP Limited
- Director of Atos Scotland GP Limited, managing associate of Atos CS Scotland LP Partnership
- Director and CEO of Atos Esprit Limited
- Director and CEO of Atos International IT Limited
- Director and CEO of Atos Investments Limited
- Director and CEO of Atos IT Services Limited
- Director and CEO of Atos IT Services UK Limited
- Director and CEO of Atos Limited
- Director of Atos Origin (Sema) Pension Trustees Limited
- Director of Atos Origin CS Pension Trustees Limited
- Director of Atos Origin Pension Trustees Limited
- Director of Atos ASPS Scotland GP Limited
- Director and CEO of Atos UK International IT Services Limited
- Director and CEO of Atos UK IT Holdings Limited
- Director and CEO of Atos UK IT Limited
- Director and CEO of Barabas Limited
- Director and CEO of BR business Systems Limited
- Director and CEO of Sema Investment UK Limited
- Director and CEO of Shere Limited





**Susan M. Tolson\***

<p><b>Number of shares:</b> 1,500</p> <p><b>Date of birth:</b> March 7, 1962</p> <p><b>Nationality:</b> American</p> <p><b>Date of appointment:</b> June 13, 2014</p> <p><b>Date of renewal:</b> May 24, 2017</p> <p><b>Term expires on:</b> AGM rulling on the accounts of the 2018 financial year</p>	<p><b>Biography - Professional experience</b></p> <p><b>Board member for corporations and non-profit entities</b></p> <p>Susan M. Tolson graduated cum laude from Smith College in 1984 with a BA in economics and earned an MBA degree from Harvard business School in 1988. Ms. Tolson started her career as a corporate finance analyst at Prudential-Bache Securities in 1984, and then joined Aetna Investment Management company in 1988 as an Investment Officer, managing private equity investments in media and entertainment companies. From April 1990 to June 2010, Ms. Tolson worked at Capital Research company (Capital Research), a subsidiary of The Capital Group Companies, Inc., one of the world's largest investment management organizations, successively as an analyst, portfolio manager and then Senior Vice-President, specializing in the high-yield bond market. Ms. Tolson has been an active Board member for several corporations and non-profit entities since 2010.</p>	
	<p><b>List of positions and offices held in French and foreign companies</b></p>	
	<p><b>Other positions and offices held At December 31, 2017</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <p>France:</p> <ul style="list-style-type: none"> <li>• Director of Lagardère Group **</li> </ul> <p>Foreign countries:</p> <ul style="list-style-type: none"> <li>• Director of Take-Two Interactive Software</li> <li>• Director of Outfront Media**</li> <li>• Director of American Cinémathèque</li> <li>• Member of the Los Angeles World Affairs Council, the Paley Center For Media and the Los Angeles Society of Financial Analysts</li> </ul>	<p><b>Other positions and offices held during the last five years</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <ul style="list-style-type: none"> <li>• Director of American Media, Inc.</li> <li>• Honorary President of the Council of the American Women's Group in Paris</li> <li>• Director of the Fulbright Commission</li> <li>• Board member of the American University of Paris</li> <li>• Honorary President of American Friends of the Musée d'Orsay</li> </ul>

\* Independent Director.

\*\* Listed company.

**Sophie Proust**

<p><b>Number of shares:</b> 1,500</p> <p><b>Date of birth:</b> February 4, 1965</p> <p><b>Nationality:</b> French</p> <p><b>Date of appointment:</b> December 12, 2016</p> <p><b>Term expires on:</b> AGM rulling on the accounts of the 2017 financial year</p>	<p><b>Biography - Professional experience</b></p> <p><b>Head of Atos Research &amp; Development, Big Data &amp; Security</b></p> <p>Sophie Proust graduated from the <i>École Supérieure d'Électricité</i> (Supélec). She joined Bull in 1989 where she held various technical managerial positions and, in particular, she headed the Tera100 Project which granted the CEA, in 2010, with the first Petaflops- scale calculator in Europe. She joined the Atos group in 2014 following the takeover by Atos of Bull, where she lastly held the position of Head of Research &amp; Development. At Atos, she currently is Head of Research &amp; Development for the Big Data &amp; Security division.</p>	
	<p><b>List of positions and offices held in French and foreign companies</b></p>	
	<p><b>Other positions and offices held At December 31, 2017</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <p>None</p>	<p><b>Other positions and offices held during the last five years</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <p>None</p>



**Luc Rémont\***

<p><b>Number of shares:</b> 1,500</p> <p><b>Date of birth:</b> September 7, 1969</p> <p><b>Nationality:</b> French</p> <p><b>Date of appointment:</b> June 13, 2014</p> <p><b>Date of renewal:</b> May 26, 2016</p> <p><b>Term expires on:</b> AGM rulling on the accounts ofe the 2018 financial year</p>	<p><b>Biography - Professional experience</b></p> <p><b>Executive Vice President, International Operations, Schneider Electric</b></p> <p>Luc Rémont graduated from <i>École Polytechnique</i> and <i>École Nationale Supérieure des Techniques Avancées</i> (Ensta) and started his career in 1993 as an engineer at the French Ministry of Defense. From 1996 to 2007, he held several positions at the French Ministry of Economy, Finance and Industry. Initially, he was responsible for the French Treasury's relations with international development banks (including the World Bank and EBRD) before representing the French State's shareholding interests in transportation companies. From 2002 to 2007, he served as technical advisor and then deputy chief of staff of the Minister of Finance. In 2007, he joined Merrill Lynch Investment Banking and then he was head of Bank of America Merrill Lynch Corporate and Investment Banking for France beginning from 2009 to 2014. In April 2014, he then joined Schneider Electric, where he served as President of Schneider Electric France between July 2014 and April 2017. Since then, he holds the position of Executive Vice President International Operations at Schneider Electric.</p> <p><b>List of positions and offices held in French and foreign companies</b></p> <table border="1"> <tr> <td style="vertical-align: top;"> <p><b>Other positions and offices held at December 31, 2017</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <p>France:</p> <ul style="list-style-type: none"> <li>Executive Vice President, International Operations, Schneider Electric**</li> <li>Director of Naval Group</li> </ul> <p>Foreign countries:</p> <p>None</p> </td> <td style="vertical-align: top;"> <p><b>Other positions and offices held during the last five years</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <ul style="list-style-type: none"> <li>CEO of Schneider Electric France</li> </ul> </td> </tr> </table>	<p><b>Other positions and offices held at December 31, 2017</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <p>France:</p> <ul style="list-style-type: none"> <li>Executive Vice President, International Operations, Schneider Electric**</li> <li>Director of Naval Group</li> </ul> <p>Foreign countries:</p> <p>None</p>	<p><b>Other positions and offices held during the last five years</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <ul style="list-style-type: none"> <li>CEO of Schneider Electric France</li> </ul>
<p><b>Other positions and offices held at December 31, 2017</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <p>France:</p> <ul style="list-style-type: none"> <li>Executive Vice President, International Operations, Schneider Electric**</li> <li>Director of Naval Group</li> </ul> <p>Foreign countries:</p> <p>None</p>	<p><b>Other positions and offices held during the last five years</b></p> <p><b>Within the Worldline Group</b></p> <p>None</p> <p><b>Outside the Worldline Group</b></p> <ul style="list-style-type: none"> <li>CEO of Schneider Electric France</li> </ul>		

\* Independent Director.

\*\* Listed company.

The Board of Directors is renewed each year, subject to a staggered renewal process. In order to allow for staggered renewal of Directors, the Directors making up the initial Board of Directors were divided into three groups appointed for terms of one, two and three years. In order to ensure that the Independent Directors have terms of sufficient length following the initial public offering of the company, two Independent

Directors were appointed for a term of three years and one Independent Director was appointed for a term of two years. Accordingly, the Board of Directors was renewed each year as follows: two Directors at the end of the first year following the initial public offering of the company, three Directors at the end of the second year and four Directors at the end of the third year.

Name	Sex	Independent <sup>4</sup>	Nationality	Age	Date of appointment/ reappointment	Committee member	End of term of office	Number of shares held
Thierry Breton <sup>1</sup>	M	No	French	63	May 24, 2017	N&R*/I*	AGM* 2020	1,501
Gilles Grapinet	M	No	French	55	May 24, 2017	I	AGM 2020	20,001
Gilles Arditti	M	No	French	62	May 26, 2016	A*	AGM 2018	1,501
Aldo Cardoso <sup>2</sup>	M	Yes	French	62	May 24, 2017	A/I	AGM 2020	1,500
Danielle Lagarde	F	No	French	58	December 12, 2016		AGM 2018	1,500
Ursula Morgenstern	F	No	German	53	May 26, 2016		AGM 2019	1,501
Susan M. Tolson	F	Yes	American	56	May 24, 2017	N&R/A	AGM 2019	1,500
Sophie Proust	F	No	French	53	December 12, 2016		AGM 2018	1,500
Luc Remont <sup>3</sup>	M	Yes	French	49	May 26, 2016	N&R	AGM 2019	1,500

\* AGM: Annual General Meeting; N&C: Nomination and Remuneration Committee; A: Audit Committee; I: Investment Committee

<sup>1</sup> Chair of the Investment Committee.

<sup>2</sup> Chair of the Audit Committee.

<sup>3</sup> Chair of the Nomination and Compensation Committee.

<sup>4</sup> The analysis of the independence of each Director is set forth under Section G.2.4.2 Review of the Directors' independence.



### **G.2.3.3 Shareholding obligations**

Pursuant to the Internal Regulations of the Board of Directors, each Director (except the employee Directors and the Directors representing employee shareholders) must own at least seven hundred and fifty (750) shares.

### **G.2.3.4 Diversity Policy at Board level**

The Board of Directors held on December 11, 2017, in order to anticipate the entry into force of Article L. 225-37-4 of the French Commercial Code and within the framework of its continuing implementation of best-in-class corporate governance standards has, upon recommendation of the Nomination and Remuneration Committee, reviewed the composition of the Board of Directors and approved the diversity policy applicable at Board level. In that respect, after carefully analyzing the Board's membership with respect to such criteria as age, gender, skills, professional experience, nationality and independence, and in light of the evolution of the Board composition over the past recent years, it set the following objectives:

- (i) Age of Directors: Directors' age rank from 49 to 63 with an average of 55 years old. The Board considered that current age average is satisfactory;
- (ii) Gender diversity: Since January 1, 2017, four out of the total nine members of the Board of Directors are women, i.e. 44% of the members, thus surpassing the threshold of 40% of same-sex directors set out in law. The Board of Directors considered that the current ratio is satisfactory and aims at upholding it in the view of upcoming renewals thus satisfying the requirements set out by the laws and regulations.
- (iii) Diversity of skills and professional experience : The Board acknowledged that (i) Directors have extensive professional experience in various industries on high profile positions and are serving or have served as Directors or corporate officers in other French or non-French companies, some of which are listed on the stock exchange, (ii) the diversity of skills is well reflected in the variety of profiles of Board members who have different experiences and trainings: engineering, finance, education, management skills, etc. Consequently, the Board considered that the current diversity of skills is satisfactory and should be upheld.
- (iv) Diversity of nationalities: All members of the Board of Directors are of French nationality, except Ms. Susan M. Tolson who is an American citizen and Ms. Ursula Morgenstern who is a German citizen. The Board considered that the current ratio of 22% is satisfactory and should at least be upheld.
- (v) Directors' independence: Current ratio of independent Directors is 33%. The Board considered that the ratio is satisfactory and set the objective to uphold the current ratio thus satisfying the recommendations of the AFEP-MEDEF for companies that are controlled.

### **G.2.3.5 Employee's participation in the Board of Directors**

As of December 31, 2017, the Company had not appointed an employee Board member within the meaning of Article L. 225-27-1 of the French Commercial Code, as the Article is not applicable as long as the company is a subsidiary of Atos SE which is required to have employee representation on its Board.

### **G.2.3.6 Directors' training**

As per the AFEP-MEDEF Code recommendations, upon the appointment of a new Director, various sessions are offered with the main Group executives on the Group's business, organization and governance.

A specific training is also proposed to Directors appointed on the Audit Committee, at the time of their appointment, on the Company's specific accounting, financial or operational features and the Company's governance.

### **G.2.3.7 Statement Regarding the Board of Directors and senior management**

As of the date of the registration of this Registration Document, to the Company's knowledge, there are no family relationships among the members of the Company's Board of Directors and senior management.

To the Company's knowledge, over the course of the past five years: (i) none of the above persons has been convicted of fraud; (ii) none of the above persons has been associated with a bankruptcy, receivership or liquidation; (iii) no accusations or official public sanctions have been brought against any of the above persons by statutory or regulatory authorities (including designated professional bodies); and (iv) none of the above persons has been disqualified by a court from acting as a member of the administrative, management or supervisory body of any company, or from being involved in the management or performance of the business of any company.

### **G.2.3.8 Conflict of Interest**

To the Company's knowledge, and subject to the relationships described in Section E.8, "Related Party Transactions", as of the date of this Registration Document, there are no potential conflicts of interest between the duties of the members of the Board of Directors and senior management to the Company and their private interests.

To the Company's knowledge, as of the date of this Registration Document, there are no agreements or undertakings of any kind with shareholders, clients, suppliers or others pursuant to which any member of the Company's Board of Directors or senior management has been appointed to such position.

As of the date of this Registration Document, the members of the Board of Directors have not agreed to any restriction on their right to transfer shares of the Company, with the exception of rules relating to the prevention of insider trading and the recommendations of the AFEP-MEDEF Code with respect to the obligation to retain shares. To date, all Directors meet the requirement, contained in the Board of Directors' Internal Regulations, of holding at least 750 Company shares each.

To the Company's knowledge, there are no service contracts between members of the Company's Board of Directors and any of its subsidiaries, which provides for the granting of benefits.

### G.2.3.9 Board of Directors' Internal Regulations

The Board of Directors of the Company has approved Internal Regulations, which were last updated during the Board meeting held on October 20, 2017, setting forth its composition, responsibilities and procedural rules, in addition to those set forth in legislative and regulatory provisions and the Company's Bylaws, and to which are annexed the Directors' Charter and the Guide to the Prevention of Insider Trading.

The Internal Regulations specify, in particular, rules on composition, operation and role of the Board, compensation of Directors, assessment of the works of the Board, information of Directors, the role, competence and operating rules of the Board's Committees, the specific missions and prerogatives that can be assigned to a Director, and the confidentiality obligations imposed on Directors.

As soon as appointed, a copy of the Internal Regulations as well as of the Directors' Charter and the Guide to the Prevention of Insider Trading are provided to the Directors who acknowledge the provisions of these documents. Extracts of the Guide to the Prevention of Insider Trading may be found in section G.5.4.

#### Extracts of the Internal Regulations of the Board of Directors

The Board of Directors' Internal Regulations relating to such topics as (i) reserved matters of the Board of Directors, (ii) operation of the Board of Directors, (iii) missions and operation of the Committees, (iv) and assessment of the works of the Board of Directors are summarized in dedicated sections of this Registration Document. The Internal Regulations provide for additional provisions, the main ones of which are listed below:

##### Information supplied to the Directors

The Company shall be required to provide its Directors with any information necessary for the efficient participation in the work of the Board of Directors in such a way as to enable it to carry out their mandate under appropriate conditions. The same shall apply at any time in the life of the Company where the importance or urgency of the information so requires. This permanent information shall include any relevant information, including critical information, concerning the Company and particularly articles in the press and financial analysis reports.

A Director may request from the Chairman any complementary information that he or she deems necessary for the full accomplishment of his or her tasks, particularly in view of the agenda of the meetings. Should a Director believes that he or she is not in a position to deliberate in full knowledge of all the facts, he or she has a duty to inform the Board and to demand vital information.

##### Acceptance of new social mandates

The Chief Executive Officer seeks the opinion of the Board of Directors prior to accepting any new social mandate in a French or foreign listed company, outside the Group.

##### Possibility to assign a task to a Director

When the Board of Directors decides to entrust an assignment to one (or more) of its members or to a third party (or parties), it shall establish the principle characteristics of such task.

When the person or persons entrusted with this assignment are members of the Board of Directors, they shall not participate in the voting.

Based on this resolution, the Chairman shall initiate the drafting of a commissioning letter, which shall:

- define the specific purpose of the assignment;
- determine the form that the report of the assignment shall take;
- determine the duration of the assignment;
- determine, where applicable, the compensation due to the person carrying out the assignment as well as the methods of payment of the amounts due to the interested party; and
- provide for, where applicable, a maximum limit of reimbursement of travel expenses as well as expenses incurred by the interested party and those related to the carrying out of the assignment.

The Chairman shall submit the draft commission letter to the Nomination and Remuneration Committee for its opinion.

The report of the assignment shall be communicated by the Chairman to the Directors of the Company.

#### Extracts from the Charter of the Worldline Board of Directors

The Directors' Charter of Worldline summarizes the missions and obligations of the members of the Board of Directors. This Charter covers in particular the following points: prohibition to hold a corporate office and an employment contract, company interests, attendance, diligence, loyalty, independence, confidentiality, trading in the Group's shares, conflicts of interests and information of members. The following paragraphs are extracted from the Directors' Charter.

##### Appointment

Before accepting their mandates, each Director must be aware of his or her rights and obligations binding upon him or her. In particular, he or she must acknowledge the applicable laws and regulations applicable to his or her office, the provisions of the Company's Bylaws, the Internal Regulations of the Board of Directors, the Directors' Charter and the Guide to the Prevention of Insider Trading. Directors must own in their own name at least the number of registered shares required by the rules governing the Company. If they do not own such shares at appointment, they must acquire them within six months of their date of appointment.





### **Directorship and Employment are mutually exclusive**

A senior manager who becomes a Company officer shall undertake to terminate his or her employment contract with the Company (if such employment contract exists), either by contractual termination or by resignation. This provision obviously does not apply to the Director representing the employee shareholders.

### **Defending the interest of the Company**

Each Director represents all shareholders and must act at all times in the interest of said shareholders and in the interest of the Company. He or she must warn the Board of Directors of any event brought to his or her attention that he or she deems, could affect the Company's interests.

### **Conflicts of interest**

The Director strives to strictly avoid any conflict that may arise between his or her own moral and material interests and those of the Company. Directors must inform the Board of Directors of any actual or potential conflict of interest that they are aware of. He or she must strictly refrain from participating in discussions or decisions on such matters where he or she should be in a situation of a conflict of interest. A conflict of interests arises when a Director or a member of his or her family could personally benefit from the way the Company's business is conducted, or could maintain a relationship of any kind with the Company, its affiliates or its management that could compromise the Director's judgment (particularly as client, supplier, business banker, legal representative).

### **Attendance - Diligence**

By accepting their mandate, each Director agrees to spend the necessary time and care in performing their duties. Unless prevented from doing so, each Director must attend all Board of Directors' Meetings and, where applicable, the meetings of all Board Committees to which they belong. He or she shall keep informed about the work and specifics of the Company, including its stakes and values, by inquiring, if necessary, its management. He or she shall make a point of keeping updated on the knowledge that enables him or her to perform his or her functions.

The Director shall request any documents that he or she considers essential to deliberate on the issues on the agenda. If a Director considers that he or she does not have full knowledge of the facts, it is his or her duty to inform the Board and to demand any essential information.

### **Loyalty**

Each Director is under an obligation of loyalty towards the Company. He or she shall not take any initiative that could harm the interests of the Company or other companies or entities within the Worldline Group and shall act in good faith in all circumstances. He or she shall not take on any responsibilities on a personal basis in any company or business practicing any activities in direct competition with those of the Company, without prior approval of the Chairman of the Board of Directors and of the Chairman of the Nomination and Remuneration Committee.

### **Independence**

The Director carries out his or her function in complete independence. He or she undertakes to preserve in all circumstances his or her independence of analysis, judgment, decision and action. He or she does not tolerate being influenced by any factor outside of the corporate interest which he or she undertakes to protect. He or she commits to inform the Board of Directors of any issue which appears to be of such nature as to affect the Company's interests.

### **Confidentiality**

The Directors are required to uphold professional secrecy, which exceeds the mere obligation of discretion provided for by legislation, in regards to any information gathered during or outside of the Board of Directors' Meetings. They commit to keep strictly confidential any information that has not been publicly disclosed, of which they have been informed or become aware during their mandate, as well as the contents of discussions and votes of the Board of Directors and of its committees.

### **Inside information and trading in the Company's securities**

Directors shall strictly refrain from using any privileged information he or she have access to, to his or her personal advantage or to the advantage of anyone else. He or she may not trade in the Company's securities other than in compliance with legal and regulatory provisions. He or she commits to comply with the "Guide to the Prevention of Insider Trading" approved by the Board of Directors. Board members must inform the *Autorité des Marchés Financiers* (French Financial Market Authority), in accordance with applicable rules, of any deals in the securities of the Company.

## G.2.4 Director's independence

### G.2.4.1 Definition of an independent Director

#### As per the AFEP-MEDEF Code

The AFEP-MEDEF Code of Corporate Governance defines as independent, a Director when **"he or she has no relationship of any kind whatsoever with the corporation, its group or the management that may interfere with his or her freedom of judgment"**. The AFEP-MEDEF Code also determines that a certain number of criteria must be reviewed in order to determine the independence of a Director:

- the Director shall not be, or shall not have been during the course of the previous five years:
  - an employee or executive officer of the corporation,
  - an employee, executive officer or a Director of a company consolidated within the corporation,
  - an employee, executive officer or a Director of the Company's parent company or of a company consolidated within this parent;
- the Director shall not be an executive officer of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the corporation (currently in office or having held such office during the last five years) is a Director;
- the Director shall not be (or be linked directly or indirectly to) a customer, supplier, investment banker or commercial banker:
  - that is material for the corporation or its group,
  - or for a significant part of whose business the corporation or its group accounts;
- the Director shall not be related by close family ties to a company Officer;
- the Director shall not have been an auditor of the corporation within the previous five years;
- the Director shall not have been a Director of the corporation for more than twelve years. The loss of the status of independent Director occurs on the date at which this period of twelve years is reached.

Directors representing major shareholders of the Company or of its parent company may be considered independent provided that they do not take part in the control of the Company. In excess of a 10% holding of stock or votes, the Board, upon a report from the Nomination and Remuneration Committee, should systematically review the qualification of a Director as independent, in the light of the make-up of the Company's share capital and the existence of a potential conflict of interests.

### Independence criteria relating to the material nature of the relationship with the Company

As recommended by the AFEP-MEDEF Code, as part of the assessment of how significant the relationship with the Company or its group is, the Board of Directors, during its meeting held on December 11, 2017, on the recommendation of the Nomination and Remuneration Committee, retained:

- a quantitative criterion, being the consolidated turnover of 1% performed by the Company with a group within which a Worldline Director exercises a function and/or holds a mandate;
- qualitative criteria, i.e.: (i) the duration and continuity of the business relationship (seniority of the relationship or impact of potential contract renewals...), (ii) the importance or intensity of the relationship (potential economic dependency), and (iii) the structure of the relationship (Director free of any interest...).

### G.2.4.2 Review of the Directors' independence

During its meeting of December 11, 2017, the Board of Directors, relying on the preliminary work of the Nomination and Remuneration Committee, assessed the Board member's independence based on the criteria set out by the AFEP-MEDEF Code. The Directors considered as independent were: Aldo Cardoso, Susan M. Tolson and Luc Rémont, thus raising the ratio of independent directors to 33%, in conformity with the AFEP-MEDEF recommendations for controlled companies. In particular, the Audit Committee and the Nomination and Remuneration Committee are both chaired by an Independent Director.

Six out of nine members of the Board were not considered to be independent, namely, Thierry Breton, due to his office as Chairman of the Board of Directors (and as Chairman and Chief Executive Officer of Atos SE, the Company's controlling shareholder), Gilles Grapinet due to his office as Company Chief Executive Officer and his functions within the Atos group management, Gilles Arditti, Ursula Morgenstern and Sophie Proust due to their functions within the Atos group management; Danielle Lagarde due to her former Atos group management positions held during the previous five years.



**Corporate governance and capital**

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The detailed assessment of the Directors' independence based on the above mentioned criteria is reproduced in the below table:

Director	Not to be, or not having been within the previous five years: - an employee or Executive Director of the corporation; - an employee, Director or Executive Director of a company that the company consolidates, - an employee, Director or Executive Director of the parent of the Company or of a company that the latter consolidates;	Not to be an Executive Director of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such, or an Executive Director of the corporation (currently in office or having held such office less than five years) is a Director	Not to be a customer, supplier, investment banker or commercial banker: - that is material for the corporation or its Group; - or for a significant part of whos business the corporation or its group accounts;	Qualitative criteria		
				Quantitative criterion (1% consolidated revenue)	Length	Importance
Thierry Breton	NO	YES	YES	YES	YES	YES
Gilles Grapinet	NO	NO	YES	YES	YES	YES
Gilles Arditti	NO	YES	YES	YES	YES	YES
Aldo Cardoso	YES	YES	YES	YES	YES	YES
Danielle Lagarde	NO	YES	YES	YES	YES	YES
Ursula Morgenstern	NO	YES	YES	YES	YES	YES
Susan M. Tolson	YES	YES	YES	YES	YES	YES
Sophie Proust	NO	YES	YES	YES	YES	YES
Luc Rémont	YES	YES	YES	YES	YES	YES

<b>Not to be related by close family ties to an Executive Director</b>	<b>Not to have been an auditor of the corporation within the previous five years</b>	<b>Not to have been a Director of the company for more than twelve years</b>	<b>Not being a representative of a shareholder holding more than 10% of the share capital or voting rights</b>	<b>Qualification</b>
YES	YES	YES	NO	Not independent
YES	YES	YES	NO	Not independent
YES	YES	YES	NO	Not independent
YES	YES	YES	YES	Independent
YES	YES	YES	NO	Not independent
YES	YES	YES	NO	Not independent
YES	YES	YES	YES	Independent
YES	YES	YES	NO	Not independent
YES	YES	YES	YES	Independent





## G.2.5 Board of Directors Meetings

### G.2.5.1 Operating rules

As per the Board of Directors' Internal Regulations, the Board of Directors, convened by its Chairman, shall meet at least four times a year and as often as necessary in the Company's interest. Board of Directors' Meetings shall follow the agenda set by the Chairman and communicated to the Directors. Whenever possible, the necessary documents and elements are sent to the Directors with the agenda.

The Board of Directors shall elect a Chairman from among its members, who shall be a natural person, and, if the Board deems it appropriate, one or more Vice-Chairmen. It shall determine the duration of their functions, which shall not exceed those of their mandate as Director, and which may be terminated by the Board at any time. The Board of Directors shall appoint, determining his or her term of office, a secretary who may be chosen from among the Directors or from outside.

In compliance with the provisions of Article L. 225-37 of the French Commercial Code, meetings of the Board of Directors may be held by any means of video-conferencing or telecommunication allowing for the identification of the Directors and guaranteeing their actual participation, i.e. transmitting at least the voices of the participants and having the technical capabilities enabling continuous and simultaneous retransmission of the discussions in order to allow them to participate in the Board of Directors Meetings.

Directors wishing to attend a meeting of the Board of Directors by way of videoconference or telecommunication as described above shall indicate such to the Chairman by email at least 24 hours before the date of the meeting so that the Chairman may supply the said Directors with videoconferencing or telecommunication facilities, as preferred.

For the purposes of calculating the quorum and the majority, the Directors participating in the meeting by way of videoconference or telecommunication shall be deemed present. Necessary measures shall be taken in order to ensure the identification of each speaker and the verification of the quorum. Otherwise, the meeting of the Board of Directors shall be adjourned.

The preceding provisions relating to participation in Board meetings by way of videoconference or telecommunication shall not be applicable to the adoption of decisions covered under Articles L. 232-1 and L. 233-16 of the French Commercial Code, respectively related to the creation of the Company's annual accounts and management report and to the creation of the Group's consolidated accounts and the Group's management report.

The Directors shall have the option of being represented at Board of Directors' Meetings by another Director. Each Director may only represent one of his or her colleagues during the same Board of Directors Meeting.

The Board of Directors may only deliberate validly if at least half of its members are present. Decisions are taken by a majority of members present or represented. If the votes are equal, the Chairman of the session shall cast the deciding vote.

### G.2.5.2 Works in 2017

During the 2017 financial year, the Board of Directors met twelve times. Attendance of Directors at these meetings was an average of 90%. The highest individual rate of attendance was 100% (reached by 5 Directors) and the lowest individual rate of attendance was 58%\*.

In addition, for the 2018 fiscal year, the Board of Directors decided that it would meet at least once without the Chief Executive Officer's presence.

The Board of Directors met to discuss the following topics in particular:

#### **As far as financial statements, budget and financial commitments are concerned**

- Review and approval of the 2018 budget;
- Review of the financial information, quarterly reports and forecasts;
- Review of and closure of the consolidated half-year and yearly financial statements;
- Review of financial presentations and press releases;
- Review and approval of parent company guarantees;
- Review of the presentations to be made on the Investor Day;

#### **As far as strategic projects and operations are concerned**

- Review of the Group's strategic trends;
- Review of external growth operations.

#### **As far as compensation is concerned**

- Confirming the elements of the Chief Executive Officer's compensation, setting the objectives for his variable part for H2 2017 and H1 2018, and confirming the results for his variable compensation related to H2 2016 and H1 2017;
- Review of the resolutions to be submitted to the Annual General Meeting on the say on pay "ex post" and "ex ante" in relation to the compensation of the Chief Executive Officer as per the recommendations of the AFEP-MEDEF Code;
- Setting up of a performance shares allocation plan;
- Confirming achievement of performance conditions, including the achievement of the CSR performance conditions, and setting new annual objectives for the same in connection with on-going performance share plans;
- Review of a project of employee stock ownership plan.

\* The information given on the lowest individual rate was not for an Independent Director.



**As far as governance is concerned**

- Convening the Annual General Meeting, reviewing and approving the Board of Directors' report to the Annual General Meeting (including the corporate social and environmental responsibility report);
- Modifications of the Board of Directors' Internal Regulations following the entry into force of the European audit reform;
- Review of the operation of corporate bodies and corporate governance (confirmation to separate the offices of Chairman of the Board of Directors and of Chief Executive Officer, nomination of the Chairman of the Board and of the Chief Executive Officer after the renewal of Thierry Breton's and Gilles Grapinet's terms of office as Directors by the Annual General Meeting, confirmation of the composition of the Committees after the renewals of terms of office

decided by the Annual General Meeting, renewal of delegations of powers to the Chief Executive Officer, propositions of renewal of Directors, assessment of the Board's works, review of Directors' independence, conformity review of the Company's practices with the AFEP-MEDEF Code recommendations, review and approval of the Chairman's report on governance and internal control, allocation of directors' fees);

- Discussions related to a plan for the succession of the Senior Officers.

The Board regularly heard the Statutory Auditors' reports as well as the works of the three permanent Committees of the Board of Directors: the Audit Committee, the Nomination and Remuneration Committee and the Investment Committee.

**G.2.6 Committees of the Board of Directors [GRI 102-37]**

Pursuant to Article 17 of the Company's Bylaws as adopted at the Company's Extraordinary Shareholders' Meeting on April 30, 2014, the Company's Board of Directors may create Committees charged with examining questions submitted to it by the Board or its Chairman.

Two of the Company's Board of Directors' Committees were put in place on the listing date of the Company's shares on Euronext Paris: an Audit Committee and a Nomination and Remuneration Committee. Also, a third Committee was created by decision of the Board of Directors on December 12, 2016: the Investment

Committee. The powers of these Committees are governed by the Internal Regulations of the Board of Directors. The Committees are solely advisory in preparing the works of the Board which is the only decision-making and liable body. They report to the Board of Directors. Their recommendations are discussed at length during the meetings of the Board of Directors, where applicable, on the basis of the documentation generated by the Committees.

The composition, responsibilities and powers, and procedural rules of these Committees are described below.

**G.2.6.1 The Audit Committee**

**Mission (Article 9.3.2 of the Internal Regulations of the Board of Directors)**

The Audit Committee's mission is to prepare and facilitate the work of the Board of Directors within its relevant fields of competence, as set forth in the Internal Regulations of the Board of Directors. It assists the Board of Directors in analyzing the accuracy and sincerity of the Company's corporate and consolidated financial statements and oversees the quality of internal controls and of the information disclosed to shareholders and the markets. The missions of the Audit Committee are specified in the Board of Directors' Internal Regulations following the entry into force of the European audit reform.

The Audit Committee may provide the Board with all opinion or recommendation within the areas described below. In particular, the Audit Committee receives from the Board of Directors the following assignments:

**With respect to the financial statements**

- to monitor the process of preparing financial information and, as the case may be, issue recommendations to guarantee its integrity;

- to proceed with a prior examination and give its opinion on the draft annual, half yearly and, where applicable, quarterly company and consolidated accounts prepared by the Finance department;
- to assess the relevance and the permanence of the accounting principles and rules;
- to be presented with the evolution of the perimeter of consolidated companies;
- to meet, whenever it deems necessary, with the Statutory Auditors, the general management, the Financial and Accounting management, the Internal Audit management or any other member of the management; these hearings may take place, when appropriate, without the presence of the members of the general management;
- to examine the financial documentation distributed by the Company at the closing of the annual accounts, as well as the important financial documents and press releases and those relating to material external growth operations;
- to report on the results of the financial statements certification, on the way this mission contributed to the integrity of the financial information and about the role that the Committee played in the process.





## Corporate governance and capital

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### With respect to the external control of the Company

- to examine questions relating to the appointment or renewal of the Company's Statutory Auditors;
- to monitor the conduct of the assignment entrusted to the Statutory Auditors;
- to approve the provision of services by the Statutory Auditors or by their network members for the benefit of the Company or its subsidiaries, other than the certification of accounts and the services required from the Statutory Auditors by the law. The Committee bases its recommendations on the analysis of the risk to the independence of the Statutory Auditor(s) and on the safeguard measures applied by them. Pursuant to the provisions of the French Sapin II Law dated November 8, 2016 and the new Articles L. 822-11-2 and L. 823-20-5 of the French Commercial Code, and as from the date of their entry into force, the Board of Directors and the Audit Committee of the Company, which is controlled by Atos SE, are exempted from the application of this approval procedure, as long as the assignments usually entrusted to the Statutory Auditors with regard to a legal entity which belongs to the Worldline Group, are approved by the Audit Committee of Atos SE, in accordance with the applicable law. A report on any decisions taken under this procedure will be presented at each meeting of the Audit Committee;
- to ensure that the Statutory Auditors act in compliance with their duty of independence.

### With respect to internal control and monitoring the Company's risks

- to evaluate, together with Group-level management, the efficiency and the quality of the Group's internal control systems and procedures, to examine the significant off-balance sheet risks and undertakings, and to meet with the head of Internal Audit, to give its opinion as to the organization of the Internal Audit department, and to be informed of its planned work. The Audit Committee will receive internal auditor's reports or a periodic summary of such reports;
- to assess the reliability of the systems and procedures used in establishing the accounts, to review the methods and procedures for reporting and processing accounting and financial information;
- to regularly make itself aware of the financial situation, the situation of the treasury and any significant undertakings and risks and to examine the procedures adopted to evaluate and manage those risks.

### With respect to agreements entered into by the Company :

- to review all drafts of framework agreements relating to the provision of services between Atos SE and/or its subsidiaries, on the one hand, and the Company and/or its subsidiaries, on the other hand, that involve annual payments in excess of € 10 million; and
- to review all drafts of financing or cash management agreements exceeding € 10 million entered into between the Company and/or one of its subsidiaries, on the one hand, and Atos SE and/or one of its subsidiaries, on the other hand.

### Composition (Articles 9.2.4 and 9.3.2 of the Internal Regulations of the Board of Directors)

The Audit Committee can be composed of a minimum of three and a maximum of five members, two-thirds of whom must be appointed from among the independent members of the Board of Directors, in accordance with the recommendations of the AFEP-MEDEF Code.

On the filing date of the Registration Document, the Audit Committee was composed as followed<sup>(1)</sup>:

- Mr. Aldo Cardoso\* (Chairman);
- Ms. Susan M. Tolson\*;
- Mr. Gilles Arditti.

In accordance with the recommendations of the AFEP-MEDEF Code, 2/3 of the members of the Audit Committee are independent, and they all have financial and accounting competences.

Aldo Cardoso, Chairman of the Audit Committee, has an in-depth and recognized knowledge of corporate finance and accounting, as well as of audit and control procedures, which he acquired during his long experience in the management of the audit and financial, legal and tax consulting firm Arthur Andersen and in exercising his various directorships as a director of leading French and foreign companies. He is a Certified Public Accountant.

Susan M. Tolson has financial and accounting knowledge as well as investment and development skills acquired from her experience in various investment structures (particularly in investment management) and performing her duties as director of non-profit companies and organizations in France and especially abroad.

Gilles Arditti has financial and accounting knowledge as well as mergers & acquisitions and investor relations skills (mainly in the IT and consulting sector) which he has developed in particular through the various management positions held within the Atos group (Mergers & Acquisitions Director of the Group, CFO France, Head of Investor Relations and Financial Communication of the Group...). He has a thorough knowledge of the procedures learned at KPMG and developed during his career. He is a Certified Public Accountant.

More information regarding the backgrounds of Susan M. Tolson, Aldo Cardoso and Gilles Arditti is available in their biography in Section G.2.3.2. Composition of the Board of Directors.

In accordance with applicable law, the Audit Committee includes members who are knowledgeable in finance and accounting. All members of the Audit Committee must, at the time of their nomination, be informed about the Company's accounting, financial and operational specificities.

The term of office of Audit Committee members is the same as their term of office as members of the Board of Directors. The term of a member of the Audit Committee may be renewed at the same time as such member's term as a member of the Board of Directors.

(1) Independent Directors are identified with this symbol: \*

The Chairman of the Audit Committee is appointed from among its independent members by the Board of Directors, upon the proposal of the Nomination and Remuneration Committee. The Audit Committee may not include any Senior Officer of the Company.

The Committee's secretary is any person designated by the Chairman of the Committee or with the Chairman's approval.

**Operating rules (Article 9.3.2 of the Board of Directors' Internal Regulations)**

The Audit Committee may validly deliberate either in a meeting or by telephone or video conference, when convened by its Chairman or secretary, as long as at least half of its members participate. The notice of the meeting must include an agenda and may be transmitted orally or by any other means. The decisions of the Audit Committee are subject to a majority vote by members participating in the meeting, with each member having one vote.

The Audit Committee meets as often as necessary and, at least, twice per year on the occasion of the preparation of the annual and half-yearly financial statements. Meetings take place prior to the meeting of the Board of Directors and, whenever possible, at least two days before such meeting when the Audit Committee's agenda includes examination of the annual or half-yearly financial statements due to be reviewed by the Board of Directors.

The Audit Committee may call upon external experts if need be.

**Works in 2017**

During the 2017 financial year, the Audit Committee met seven times. Attendance of members to the meetings was an average of 95%. The highest individual rate of attendance was 100% (reached by 2 members) and the lowest individual rate of attendance was 86%.

During the 2017 financial year, the Audit Committee reviewed the following items in particular:

- the Group's accounting and financial documents, before their presentation to the Board; the periodic financial reports on the Group's performance and the draft financial press releases as well as the forecast information;
- the related party transactions with the Atos group;
- the annual mission plan of the Group Internal Audit department, the conclusions of the main missions and the summary reports concerning the activities of the Internal Audit;
- the risk mapping;
- the risks associated with the most critical contracts as well as the state of declared claims and litigations and the provisions.

The Committee heard the intermediate and final reports of the Statutory Auditors concerning the annual and half-yearly accounts, as well as the reports of their other works carried out in connection with their general audit mission.

**G.2.6.2 The Nomination and Remuneration Committee [GRI 102-36][GRI 102-37]**

**Mission (Article 9.3.1 of the Internal Regulations of the Board of Directors)**

The mission of the Nomination and Remuneration Committee is to prepare and facilitate the decisions of the Board of Directors, within its relevant fields of competence.

With respect to nominations, the general field of competence of the Nomination and Remuneration Committee is to seek and examine any candidacy to the position of member of the Board of Directors or to a position of senior officer, and to formulate an opinion and/or recommendation with respect to such candidacy to the Board of Directors.

The Nomination and Remuneration Committee reviews important operations that involve a risk of conflict of interests between the Company and the members of the Board of Directors. The Nomination and Remuneration Committee makes a preliminary assessment of the independence of the members of the Board of Directors, which is then reviewed and discussed annually by the Board of Directors prior to the publication of the Registration Document.

With respect to compensation, the Nomination and Remuneration Committee is charged with formulating proposals regarding the compensation of the Chairman and of the Chief Executive Officer (fixed compensation amount and definition of the rules governing the variable compensation, ensuring the consistency of these rules with the annual evaluation of the performances and with the Company's medium-term strategy, and verifying the annual application of these rules).

The Nomination and Remuneration Committee also participates in preparing an incentive compensation policy for employees of the Company and its subsidiaries. In particular, it formulates proposals regarding the decisions to grant options for the subscription and/or purchase of Company shares, or of Company performance shares to the benefit of company officers and any or all employees of the Company and its subsidiaries.

The rules governing the compensation of senior officers are described in Section G.3 "Executive compensation and stock ownership" of this Registration Document.

With respect to members of the Board of Directors, the Committee is responsible for proposing to the Board of Directors to rule each year on the total annual amount of Directors' fees to be submitted to the approval of the Annual Shareholders' Meeting and the way in which such Directors' fees shall be distributed among the Directors, particularly taking into consideration the attendance of the Directors at Board and committees meetings, the level of liability incurred by the Directors, and the time that they are required to devote to their functions.

The Committee also makes observations and/or recommendations relating to retirement and employment insurance schemes, benefits in kind and the financial rights granted to company officers of the Company and its subsidiaries.



### Composition (Articles 9.3.1 of the Internal Regulations of the Board of Directors)

The Nomination and Remuneration Committee is composed of a minimum of three and a maximum of five members, the majority of whom must be appointed from among the independent members of the Board of Directors, in accordance with the recommendations of the AFEP-MEDEF Code.

At the filing date of the Registration Document, the Nomination and Remuneration Committee members was composed as follows<sup>(1)</sup>:

- Mr. Luc Rémont\* (Chairman);
- Mr. Thierry Breton;
- Ms. Susan M. Tolson\*.

In accordance with the recommendations of the AFEP-MEDEF Code, the Nomination and Remuneration Committee is composed of an independent Chairman and a majority of independent members, and no senior officer is a member.

Members of the Committee are appointed by the Board of Directors from among its members and taking into consideration their independence, experience and skills.

The term of office of the members of the Nomination and Remuneration Committee is the same as their term as members of the Board of Directors. The term of a member of the Nomination and Remuneration Committee may be renewed at the same time as such member's term as a member of the Board of Directors.

The Chairman of the Nomination and Remuneration Committee is appointed from among the independent members by the Board of Directors, upon the proposal of the Chairman of the Board of Directors.

The Committee's secretary is any person designated by the Chairman of the Committee or with the Chairman's approval.

### Operating rules (Article 9.3.1 of the Internal Regulations of the Board of Directors)

The Nomination and Remuneration Committee may validly deliberate either in a meeting or by telephone or video conference, when convened by its Chairman or secretary, as long as at least half of its members participate to its work. The notice of the meeting must include an agenda and may be transmitted orally or by any other means.

The decisions of the Nomination and Remuneration Committee are subject to a majority vote by members participating in the meeting, with each member having one vote. The Nomination and Remuneration Committee meets as often as necessary and at least three times per year, in particular before the Board of Directors meets to assess the independence of its members pursuant to the independence criteria adopted by the Company and, in any event, prior to any meeting at which the Board of Directors votes on the compensation of members of senior management or the allocation of Directors' fees.

The Chief Executive Officer is associated to the works of the Committee relating to appointments.

The Nomination and Remuneration Committee may call upon external experts if need be.

### Works in 2017

During the 2017 financial year, the Nomination and Remuneration Committee met four times. Attendance of members to the meetings was an average of 92%. The highest individual rate of attendance was 100% (reached by 2 members) and the lowest individual rate of attendance was 75%.

The Nomination and Remuneration Committee met in 2017 in order to deal in particular with the following subjects:

- Review of the variable compensation of the Chief Executive Officer due for the second semester of 2016 and the first semester of 2017;
- Setting of the performance objectives applicable to the Chief Executive Officer's variable compensation for the second semester 2017 and the first semester of 2018;
- Review of the conformity of the Chief Executive Officer's compensation with the recommendations of the AFEP-MEDEF Code;
- Validation of performance conditions of certain on-going performance share plans;
- Setting of terms and conditions of certain on-going performance shares plans (including performance conditions);
- Review of a draft plan for the allocation of performance shares or stock-option plan in favour of the Chief Executive Officer, some members of the Group's management as well as for its senior executives;
- Review of retention plans for certain managers, within the context of some external growth operations;
- Review of a project of an employee stock-ownership plan (Boost) 2018;
- Review of the resolutions to be submitted to the Annual General Meeting in relation to the Chief Executive Officer's compensation, pursuant to the provisions of the AFEP-MEDEF Code ("Say on Pay");
- Composition of the Board of Directors and renewal of Directors at the 2017 Annual General Meeting;
- Total amount of Directors' fees (*jetons de présence*) proposed to the 2017 Annual General Meeting and the terms and conditions of allocation of the said Directors' fees;
- Review of the independence of Board members;
- Diversity policy at Board of Directors level;
- Succession plan for Senior Officers.

(1) Independent Directors are identified with this symbol: \*.

### G.2.6.3 Investment Committee

#### Composition (Article 9.3.3. of the Board of Directors' Internal Regulations)

The Investment Committee is composed of a minimum of three and a maximum of five members, appointed by the Board of Directors among its members.

The Chairman of the Investment Committee is appointed by the Board of Directors, upon the proposal of the Chairman of the Board of Directors.

The term of office of the members of the Investment Committee is the same as their term as members of the Board of Directors. They can, however, resign during any meeting of the Board of Directors without cause or notice. The term of their office can be renewed. The Board of Directors may terminate their office ad nutum, without cause.

The three members of the Committee are<sup>1</sup>:

- Mr. Thierry Breton (Chairman);
- Mr. Gilles Grapinet;
- Mr. Aldo Cardoso\*.

The rules related to remuneration for the other Committees are applicable to the newly created Committee, as described in Section G.3.1 Director's fees.

#### Operating rules (Article 9.3.3. of the Board of Directors' Internal Regulations)

The Investment Committee's mission is to prepare and facilitate the decisions of the Board of Directors within its relevant fields of competence. It assists the Board of Directors in analyzing the main external growth projects led by the Company.

In order to carry forward its mission, the Investment Committee will be assisted from time to time or permanently by any employee whose expertise is of use for the Committee's works, and whose appointment will be made upon proposal of the Committee's Chairman subject to a decision of the Board of Directors.

The Committee shall be able to call upon external experts if need be.

#### Works in 2017

The Investment Committee met twice during the 2017 financial year. Attendance of members to the meetings was 100%.

In 2017, the Investment Committee reviewed the various on-going acquisition projects and, in particular, the acquisition of Digital River World Payments (Sweden), MRL Posnet (India) and FirstData Baltics (Baltic states).

## G.2.7 Assessment of the works of the Board of Directors [GRI 102-28]

The Board of Directors' Internal Regulations require the Board of Directors to assess its capacity to meet the expectations of the shareholders by periodically analyzing its composition, organization and its operation, as well as the composition, organization and operation of its Committees. In particular, it must analyze the rules governing the functioning of the Board and its Committees, reflect on the desirable balance in their composition, periodically ask itself whether their organization and functioning are adequate to their tasks, verify that important questions are properly prepared and debated, and measure the effective contribution of each Director to the work of the Board of Directors and of the Committees in light of such person's skills and involvement in deliberations.

The evaluation has three objectives:

- (i) to assess the way in which the Board operates;
- (ii) to check that the important issues are suitably prepared and discussed;
- (iii) to measure the participation and the actual contribution of each Director to the Board's work.

For that purpose, the Internal Regulations provide that, once a year, the Board of Directors shall devote one item on its agenda to the discussion of its operation and inform the shareholders each year, in the Registration Document, of the conduct of these assessments and the subsequent follow up.

In accordance with the AFEP-MEDEF Code, the Board of Directors must conduct a formal assessment, on an annual basis, under the direction of the Nomination and Remuneration Committee and the supervision of the Group Secretary with the help, if necessary, of an outside consultant. For the 2017 financial year, the Board decided during its meeting held on October 20, 2017, to proceed with a formalized assessment under the same conditions as for the previous years.

The formalized assessment carried out on the works of the Board and its Committees during the 2017 fiscal year, allowed to deepen the appreciation of the works achieved at the Board level as well as in the Committees, as to the conditions in which meetings are prepared and in particular at the Committee's level (the latter also being subject to an assessment).

The assessment was carried out pursuant to the following procedure:

- under the direction of the Nomination and Remuneration Committee and the supervision of the Group Secretary, each Director answers a questionnaire which he or she is individually provided, with the possibility of individual interviews with key management personnel. The questionnaire addresses such topics as:
  - the suitability of the Board and Committees composition,
  - the suitability of the agenda and information provided in that respect, as well as of the time devoted to specific subjects,

<sup>1</sup> Independent Directors are identified with this symbol: \*



## Corporate governance and capital

Corporate Governance [GRI 102-10][GRI 102-18][GRI 102-22][GRI 102-24][GRI 102-26]

- the suitability of the means provided to the Committees to carry out their mission,
- the quality of the recommendations from the Committees,
- the quality of the minutes of meetings,
- the documents/information the Directors wish to be addressed/provided,
- the satisfactory nature of the actual contribution of each Director to the works of the Board,
- the actual contribution of the Directors to the works of the Board,
- the improvements to be made;
- at the end of these works, an item was put on the agenda of the Board of Directors' Meeting of December 11, 2017 in order to report on the outcome of this assessment and consider the improvements to retain.

Generally speaking, for all the questions asked, the results of the assessment are highly satisfactory in 90% of cases (i.e. 5% higher than the previous year). More specifically, the following points emerged from the Secretary's analysis, and were shared with all the Directors:

- the Directors were fully satisfied with the diversity of the Board's composition, with a higher proportion of women at the end of 2016 (4/9, i.e. 44% of Board members). The majority of Directors also considered that the diversity of skills was appropriate at the Board level and, one Director

suggested that a digital and Fintech oriented perspective be added. Besides, they believe that it would be beneficial if the Board held periodic meetings devoted to such issues as strategy, growth and Worldline's positioning towards competitors. For that purpose, some Directors would like to receive more information about changes in regulations, market and technologies;

- the Board and its Committees ran more smoothly this year (+10 points compared with the previous year), although several Directors believe that the time taken to forward documents could be shortened. One Director recommended that executive sessions be held without corporate management and the Board already decided to implement this suggestion in 2018;
- the information sent to the Board was deemed to be satisfactory. Directors wished to receive more press surveys and financial analyses. Regular briefings of the Board by one, or more, operational managers would also enable Directors to gain a better understanding of Worldline's core businesses.

In addition to being addressed through the questionnaire (in particular with the assessment of the actual contribution of each Director), the assessment of the performance of the general management took place twice in 2017, during the Board of Directors' Meetings that ruled in February and July, respectively for the second semester 2016 and the first semester 2017, on the achievement of the performance criteria of the Chief Executive Officer's variable compensation.

## G.2.8 Cross reference table with the report on Corporate Governance

The 2017 Registration Document includes all corporate governance-related items required under article L.225-37 *et seq* of the French Commercial Code to be included in the Board of Directors' report on Corporate Governance. Consequently, the following table allows identifying in the 2017 Registration Document the required information.

Information required under L225-37 <i>et seq</i> of the French Commercial Code	Section of the 2017 Registration Document	Pages
<b>Governance (L225-37-4 CCom)</b>		
List of mandates and functions in any company exercised by each corporate officers during the financial year	G.2.3.2.	297
Agreements entered into between a subsidiary and a corporate officer or a shareholder holding more than 10% of the voting rights	N/A	
Table of on-going delegations to proceed to share capital increases	G.6.6.4.	343
Choice of terms and conditions to exercise the general management of the Company	G.2.2.	296
Composition of the Board of Directors and conditions of organization of the works of the Board	G.2.3.; G.2.5.	297; 310
Diversity policy at Board level	G.2.3.4.	304
Limitations of powers on the Chief Executive Officer	G.2.2.	296
Recommendations of Corporate Governance Code which are not followed and place where Code may be consulted	G.2.1.	296
Specific terms and conditions of participation in General Meetings	G.1.3.2.	294
<b>Executive Compensation (L225-37-2 and L225-37-3 CCom)</b>		
Presentation of draft resolutions on compensation policy to be submitted to the General Meeting in the context of the <i>ex ante</i> vote	G.3.3.; G.4.3.	319; 335
Corporate officers' compensation paid during the closed financial year	G.3.2.1.; G.3.2.2.; G.4.2.	319; 323; 335
Undertakings in favor of corporate officers in case of taking up, ending or change of functions.	N/A	
<b>Elements likely to have an impact in case of public offer (L225-37-5 CCom)</b>		
Structure of share capital of the Company	G.6.1.2.	339
Limitations on the exercise of voting rights and share transfers as per the articles of association	G.1.3.2.; G.6.6.7.	294; 344
Direct or indirect shareholdings in the share capital of the Company	G.6.1.2.	339
List of holders of any securities with special control rights	N/A	
Control mechanisms in employee shareholding systems	N/A	
Agreements between shareholders which may result in restrictions to share transfers and the exercise of voting rights	G.6.6.6.; G.6.6.7.	344; 344
Rules applicable to the appointment and replacement of Board members and the amendment of the articles of association of the Company	G.1.3.1.; G.1.3.2.	293; 294
Powers of the Board of Directors' (in particular for the issuance or buyback of shares)	G.1.3.1.; G.6.6.3.; G.6.6.10.	293; 343; 344
Agreements entered into by the Company which are modified or terminated in case of change of control of the Company	E.8	261
Agreements providing for indemnities to Board members or employees upon termination of their employment contract, by resignation or termination without real and serious cause, or pursuant to a purchase or exchange public offer	N/A	



## G.3 Executive compensation and stock ownership

### G.3.1 Directors' fees [GRI 102-35][GRI 102-36][GRI 102-51]

The Chairman of the Board of Directors and the other members who discharge duties with Atos group or Worldline do not receive any Directors' fees in their capacities as Directors of the Company.

In accordance with the resolution adopted at Worldline's Shareholders Meeting dated May 24, 2017, the 2017 annual budget for Directors' fees was set at € 150,000.

The rules of payment of the Directors' fees are determined by the Board of Directors, based on the proposal of the Nomination and Remuneration Committee. For 2017, the fees were allocated on the basis of the following principles:

- for the Board of Directors: a fixed compensation of € 20,000 per Director plus a variable fee of € 1,000 per

meeting (remuneration is based on the attendance to the Board Meetings);

- for the Committees: compensation is based on attendance to the meetings: € 1,500 per attended meeting for the Chairman of the said Committee and € 750 per attended meeting for each member of the Committee.

The members of the Board of Directors did not receive any other compensation from the Company for the fiscal year which ended on December 31, 2017 for their function of Director of the Company, with the exception of the Company's CEO as described hereafter.

#### G.3.1.1 Amount of Directors' fees paid and due in the fiscal year, per Director, in relation to attendance at Board of Directors and Committees meetings (AMF Table 3)

(in €)	2017		2016	
	Paid <sup>1</sup>	Due <sup>2</sup>	Paid <sup>3</sup>	Due <sup>4</sup>
Aldo Cardoso	41,500*	44,000*	42,000	41,500*
Luc Rémont	35,500	36,000	36,500	35,500
Susan M. Tolson	40,000*	38,500*	38,750*	40,000*
Thierry Breton	-	-	-	-
Gilles Grapinet	-	-	-	-
Gilles Arditti	-	-	-	-
Charles Dehelly <sup>5</sup>	-	-	-	-
Danielle Lagarde	-	-	-	-
Ursula Morgenstern	-	-	-	-
Michel-Alain Proch <sup>5</sup>	-	-	-	-
Sophie Proust	-	-	-	-
<b>Total</b>	<b>117,000</b>	<b>118,250</b>	<b>117,250</b>	<b>117,000</b>

\* These fees granted to Directors residing outside of France correspond to the amounts, before withholding tax, paid or due by Worldline.

<sup>1</sup> Directors' fees paid in 2017, for 2016.

<sup>2</sup> Directors' fees owing for 2017.

<sup>3</sup> Directors' fees paid in 2016, for 2015.

<sup>4</sup> Directors' fees owing for 2016.

<sup>5</sup> Directors until December 12, 2016.

Directors' fee for the year ended December 31, 2017 are paid in 2018.

For 2017, the amount of Directors' fees due was 118,250 euros, composed of an amount of 60,000 euros for the fixed portion, and 58,250 euros for the variable portion. In accordance with the AFEP-MEDEF Code, the variable portion of the Directors' fees is structurally greater <sup>1</sup>.

Except from the amounts mentioned in the above table, non-executive Directors do not receive any other compensation from the Company or its parent company, Atos SE.

<sup>1</sup> On the basis of an attendance of all the Directors to the meetings of the Board of Directors and its Committees in 2017, the variable portion would have represented an amount of 62,250 euros, thus greater than the fixed portion.



## G.3.2 Compensation of the Senior Officers of Worldline [GRI 102-35]

### G.3.2.1 Principles and criteria for setting, allocating, and granting, all elements of compensation to the Senior Officers, submitted to the Shareholders' vote

#### G.3.2.1.1 Principles of the compensation of Thierry Breton - Chairman of the Board of Directors

Mr. Thierry Breton was appointed Chairman of the Board of Directors on April 30, 2014, the date on which the Company was converted into a limited liability corporation (*société anonyme*), for the duration of his term as a Director. Prior to such date, he had been Chairman of the Supervisory Board of the simplified stock company since July 31, 2013. His term of office as Director of the Company expires on the Annual Shareholders' Meeting that will take place in 2020 rulling on the financial statements of the 2019 fiscal year. Mr. Breton did not receive any compensation for his position with the Company in 2013 and in 2014.

In accordance with the decision of the Board of Directors of April 30, 2014, Mr. Breton will receive no compensation in his capacity as Chairman of the Company's Board of Directors.

Mr. Breton does not receive Directors' fees in his capacity as member of the Board of Directors. Mr. Breton will not receive any severance or compensation under a non-compete clause in the event of termination of his mandate with the Company.

Mr. Thierry Breton benefits, as other members of the Executive Committee of Atos who end their career within Atos SE ou Atos International SAS, of a supplementary pension plan within the framework of Article L.137-11 of the French Social Security Code. The population of beneficiaries is therefore larger than that of company officers (*mandataires sociaux*). Further information is set forth in Section D.3.5.7 of the Registration Document and in the 2017 Registration Document of Atos SE.

#### G.3.2.1.2 Principles of the compensation of Gilles Grapinet - Chief Executive Officer

Mr. Gilles Grapinet was appointed Chief Executive Officer on April 30, 2014, the date on which the Company was converted into a limited liability corporation (*société anonyme*), for the duration of his term as a Director. Prior to such date, he had been Chairman of the simplified stock company since July 31, 2013. Mr. Grapinet did not receive any compensation for his position within the Company in 2013. His term as a Director of the Company was renewed during the Annual Shareholders' General Meeting of 2017 for a period of three years.

Mr. Gilles Grapinet's compensation is determined pursuant to his employment agreement with Atos International SAS, a subsidiary of Atos SE, for an unlimited duration. This employment agreement remained in effect after the listing of the Company's shares on Euronext Paris. The portion of his fixed compensation relating to his duties as CEO of the Company represents two-thirds of the total fixed compensation provided for by his employment agreement with Atos International SAS, a subsidiary of Atos SE. This portion is re-invoiced in full by Atos International SAS to the Company.

During its meeting held on July 28<sup>th</sup>, 2014, the Board of Directors adopted the terms and conditions of Mr. Gilles Grapinet's compensation in relation to his functions as Chief Executive Officer of the Company.

The Board of Directors of the Company authorized, after review by the Nomination and Remuneration Committee, the signing of a service agreement between Atos International and the Company in order to recharge the portion of Mr. Gilles Grapinet's compensation related to his functions as Worldline CEO, under the following conditions:

- Recharging of two-thirds of Mr. Gilles Grapinet's annual fixed base compensation;
- Recharging of the variable part of his compensation relating to Worldline financial performance, which will be paid upon decision of Worldline Board of Directors (depending on the achievement of targets which it determines in advance);
- Recharging of expenses incurred in the interest of Worldline (two-thirds of costs related to his workplace and other expenses);
- Recharging of two-thirds of benefits in kind granted to Mr. Gilles Grapinet (company car pursuant to the Atos group policy, and employee benefits and health coverage schemes);
- Coverage by Worldline of the costs related to the acquisition of rights by Mr. Gilles Grapinet under the defined benefit plan (*régime de retraite à prestations définies*) that is applicable to employees or directors of Atos International SAS or Atos SE, members of the Executive Committee of the Atos group (prorata the time spent with Worldline as CEO and up to two-thirds limit).

In addition, Atos International SAS receives a 2% mark-up of such recharged amounts, to compensate management costs.

The following principles of the compensation of Mr. Gilles Grapinet relating to his duties as Chief Executive Officer and senior executive officer of the Company have been proposed by the Nomination and Remuneration Committee, approved by the Board of Directors and are submitted to the vote of the Annual General Meeting. They have been established in compliance with the recommendations of the AFEP-MEDEF Code.

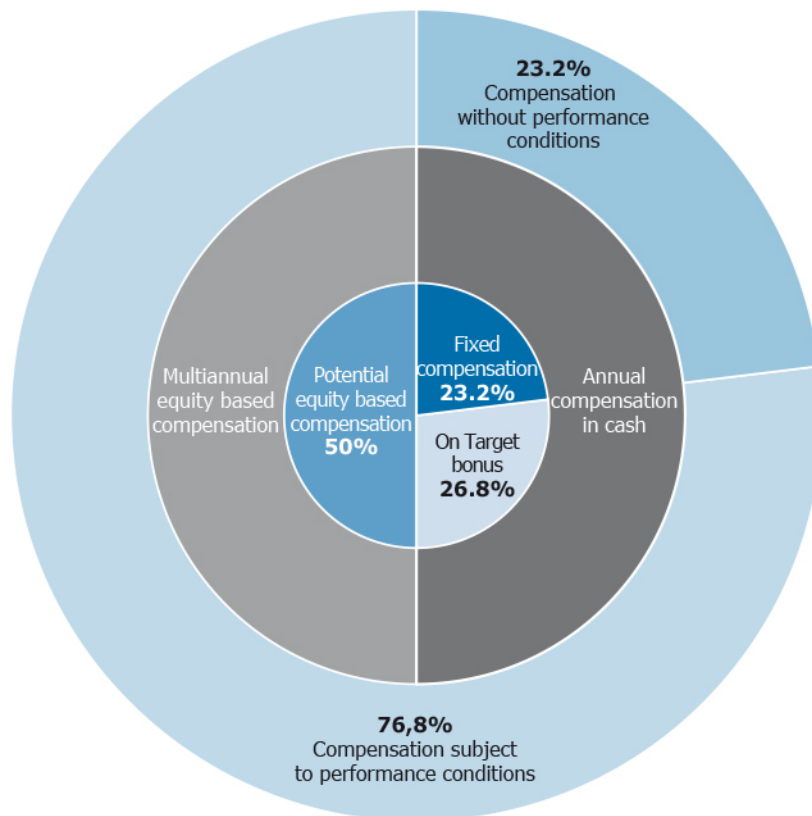
- Principle of **balance**: the Nomination and Remuneration Committee ensures that no element represents a disproportionate share of the CEO's compensation;
- Principle of **competitiveness**: the Nomination and Remuneration Committee also ensures the competitiveness of the compensation of the senior executives, through regular compensation surveys. Within the context of the implementation of this principle, the Board of Directors held on December 12, 2016, proceeded with a comparative analysis of the compensations of chief executive officers in various European companies of the payment services sector with a profile similar to that of Worldline, established on multiple criteria (revenue, OMDA, geographical presence, headcount) after having taken into account the increase in the size of the Company since 2011 (initial public offering, major acquisitions in 2016, increase of the marked

capitalization by 50% since the listing); this benchmark stressed the adequacy between the performance of the Company and the resulting compensation of the Chief Executive Officer.

- Related to **performance**: the CEO's compensation is closely linked to **Group performance**, notably through a variable compensation plan determined on a half-year basis. The payment of the semester bonuses is subject to the achievement of precise, simple, and measurable objectives which are closely linked to Group's objectives, as regularly disclosed to the shareholders. In order to develop a **community of interest with Worldline's shareholders** and to associate Worldline's managers and the Chief Executive Officer with the performance and financial results of the Company in a long-term perspective, a part of their compensation is equity based, including stock-options and performance shares. Finally, the compensation policy of the Chief Executive Officer supports Worldline's commitment to corporate responsibility. In this context, performance criteria related to **the social and environmental responsibility** have been established in the stock-options and performance shares plans granted as from 2014.

The principles set forth above will apply in the event of appointment of a new senior officer.

**THE STRUCTURE OF THE COMPENSATION OF THE CEO IS THE FOLLOWING AND IS BASED ON THE COMPANY DEVELOPMENT PLAN FROM ATOS GROUP THREE-YEAR PLAN « 2017-2019 »**



## Elements of the 2018 compensation of Gilles Grapinet, Chief Executive Officer

On the occasion of the new Worldline three-year 2017-2019 strategic plan, in line with the three-year Atos group "Ambition 2019" plan, recently submitted to the investors, the Board of Directors decided on December 12, 2016, upon recommendation of the Nomination and Remuneration Committee the following elements of the total compensation of Mr. Gilles Grapinet relating to his duties of Chief Executive Officer of the Company, as from January 1, 2017. The following amounts have not changed since 2017:

### 1. Fixed annual compensation

A fixed annual compensation of 415,000 euros;

### 2. Variable compensation

A variable compensation, subject to performance conditions, annual target being equal to 480,000 euros, with a maximum payment capped at 130%, which corresponds to a cap of 150.36% of the fixed annual compensation in case of over-performance and no minimum payment.

The variable compensation of the Chief Executive Officer is a conditional compensation, based on clear and demanding operating performance criteria exclusively related to quantitative and financial objectives. These objectives are closely aligned with the Group's ambitions, as they are regularly presented to the shareholders.

In order to monitor the Group's performance more closely, and to accompany it proactively with respect to its strategic plan, the performance objectives for the Chief Executive Officer are set and reviewed on a half-year basis. Thus, H1 targets are set on the basis of the budget as approved by the Board of Directors in December 2017, and those of H2 on the basis of the « Full Year Forecast 2 », approved in July 2018.

For each semester of 2018, the CEO variable compensation indicators' natures and weights are distributed as follows:

- Revenue growth (40%);
- Group Operating Margin before Depreciation and Amortization (OMDA) (30%);
- Group Free Cash Flow before acquisition/disposal and variation of equity and dividends (30%).

The Board of Directors decides, through the half year objectives determining the variable compensation of the CEO, the financial objectives of the three-year strategic plan relating to revenue growth, OMDA and free cash flow. The budget objectives underlying such variable compensation are decided by the Board of Directors in order to carry out the achievement of the financial objectives announced to the market.

Therefore, for each performance indicator, the Board of Directors sets:

- A target in line with the strategic plan (budget) the attainment of which resulting in 100% achievement for getting the on-target variable compensation in respect of this indicator;

- A floor which defines the threshold below which no variable compensation for that component is due;
- A cap which defines the threshold above which the variable compensation for that indicator is limited at 130% of its on-target amount.

The elasticity curve accelerates the amount of the variable compensation due upwards and downwards according to the level of achievement of each of the objectives.

The payment of the variable compensation for the first and second semesters 2018 will be subject to the approval of the Shareholders' General Meeting to be held in 2019 rulling on the 2018 financial statements.

### 3. Multi-year equity based compensation

Worldline is strongly committed to associating its employees with the long-term performance and results of the Company, notably through Long-Term Incentive (LTI) plans. Beneficiaries of such LTI plans are mostly the first managerial lines of Worldline including the CEO (see Section D.3.5.6).

The equity based compensation of the CEO is limited, based on the fair value set by reference to IFRS 2 recognized in the consolidated financial statements, to circa 50% of the global compensation of the Chief Executive Officer. Therefore, every year, the Board of Directors will adapt the equity based compensation of the CEO based on the equity granted for the past financial year, in order to comply with this cap.

The acquisition of equity instruments (performance shares and/or stock options) is subject to the achievement of the performance conditions, to be fulfilled over a period of three years, and based on key factors of the Group strategy and on indicators based on the Company social and environmental responsibility.

When it decides on the granting of the performance shares, the Board of Directors also states the percentage (15%) of acquired shares that the senior officer must keep until the end of his duties.

For 2018, it will be proposed to the General Meeting to be held on May 24, 2018 to renew the authorizations granted to the Board of Directors with the view to proceed with the issuance of performance shares and stock options. Such authorizations will allow the Board of Directors to decide on the issuance of (i) two first global plans including the CEO as beneficiary: the first one will be a performance share plan and the second will be a stock-options plan, the main characteristics of which are described below; and (ii) a third specific performance shares plan dedicated to rewarding and retaining one or more new talents joining the Company through newly acquired companies.

**A. Condition of attendance:** Subject to certain exceptions provided for in the plan (e.g. death or invalidity), the acquisition of performance shares is subject to the preservation of employee or company officer status of the Worldline Group or of Atos SE or of any company affiliated with Atos SE, by the beneficiary, during the acquisition period in accordance with article L. 225-180 of the French Commercial Code.



- B. Performance condition:** The allocation of performance shares and/or stock options is also subject to the achievement of the following internal and external performance conditions, calculated for the three years 2018, 2019 and 2020 for the global plans and two years 2018 and 2019 for the specific plan.

**Performance Share plan (Global)**

Internal Performance Conditions

For each year 2018, 2019 and 2020, 3 internal performance indicators must be met:

- Revenue growth ;
- Operating Margin before Depreciation and Amortization (OMDA);
- Group Free Cash Flow before acquisition/disposal and variation of equity and dividends

The performance target achievement levels will be in line with the targets set forth by the Board of Directors and communicated to the market.

In the situation where one of the criteria would not be met during the course of the last year of the plan, the latter would be considered as achieved if it reaches at least 85% of the target; however the grant of performance shares will be lowered to 75% of the initially granted aggregate number.

The indicators mentioned in the performance conditions will be calculated based on a constant exchange rate and a constant consolidation scope.

External Performance Conditions:

For each year 2018, 2019 and 2020, at least 2 out of 3 performance criteria must be met (or maintained if already at the highest level):

- The Worldline Group gets the GRI Standards "Comprehensive" option (or its equivalent if, during the plan, the terminology to define the highest achievable level is modified);
- The Worldline Group gets the Eco Vadis CSR label "Gold" (or its equivalent if, during the plan, the terminology to define the highest achievable level is modified);
- The Worldline Group gets the GAIA Index Certification general rating equal or above 70% (or its equivalent if, during the plan, this terminology is modified).

**Stock-options plan (Global):**

Internal Performance Conditions:

For each year 2018, 2019 and 2020, the three internal performance indicators and defined targets are as follows:

- Revenue growth: at least equal to -15%.
- OMDA: 92.5 % of the target set in the budget for the relevant year.
- Free Cash-flow: 92.5 % of the target set in the budget for the relevant year.

For each year, at least two out of three criteria must be met, if one is not, then it becomes mandatory for the following year.

External Performance Conditions:

For each year 2018, 2019 and 2020, at least 2 out of 3 performance criteria must be met (or maintained if already at the highest level):

- The Worldline Group gets the GRI Standards "Comprehensive" option (or its equivalent if, during the plan, the terminology to define the highest achievable level is modified);
- The Worldline Group gets the Eco Vadis CSR label "Gold" (or its equivalent if, during the plan, the terminology to define the highest achievable level is modified);
- The Worldline Group gets the GAIA Index Certification general rating equal or above 70% (or its equivalent if, during the plan, this terminology is modified).

**Specific Performance Shares plan:**

The grant will be subject to internal performance conditions linked to the operational entity scope, a multiplier of maximum 150% will be applied in the event of overachievement of the performance conditions as set in the plan rules.

The performance conditions will relate to revenue and OMDA of the operational entity, for years 2018 and 2019.

The CEO will not be a beneficiary of this Specific Performance Shares plan.

- C Vesting and holding periods:** The beneficiaries of the performance shares and/or stock-options plans will acquire them three years after the grant, provided that all required targets mentioned above are achieved and that they comply with the attendance requirement to the date of acquisition. The shares acquired will not be subject to a holding period and will be immediately exercisable by their beneficiaries, subject to the "black-out periods" set by the Company in the Guide for the Prevention of Insider Trading, applicable legal rules, and, for the Chief Executive Officer, the 15% retention obligation. In the event that performance conditions were not achieved and / or attendance condition was not satisfied, the performance shares and/or stock options would then be canceled.

**4. Exceptional compensation:**

The CEO does not receive any exceptional compensation.

**5. Severance Pay**

The CEO will not receive a severance payment at the end of his mandate nor any compensation for non-compete clause in the event of termination of his mandate.

**6. Benefits in kind**

The CEO benefits from a company vehicle.

**7. Complementary and supplementary pension plans**

As all the employees of Atos International SAS members of the Executive Committee of the Atos Group, Mr. Gilles Grapinet used to benefit, until March 1, 2015 of a supplemental defined contribution plan. Contributions paid by the employer correspond to 5% of compensation paid and are limited to tranches A, B and C. Employees were not required to make contributions. Mr. Gilles Grapinet benefits, as all the members of the Executive Committee of Atos SE who end their career within Atos SE or Atos International SAS, from a supplementary

pension plan within the framework of Article L. 137-11 of the French Social Security Code. The population of beneficiaries is therefore larger than that of company officers. Further

information is set forth in Section D.3.5.7 of the Registration Document and in the 2017 Registration Document of Atos SE.

### **G.3.2.2 Elements of the compensation due or awarded at the end of 2017 to Senior Officers, submitted to the shareholders' vote**

Pursuant to article L. 225-37-2 of the French Commercial Code, the principles and criteria for setting, allocating, and granting the fixed, long-term variable, and exceptional elements making up the total compensation and all fringe benefits of the Chairman and the Chief Executive Officer due to his mandate and underpinning the remuneration policy that is relevant to him in 2017, have been approved by the shareholders' vote, during the Annual General Meeting which was held on May 24, 2017 (13th resolution).

Pursuant to article L. 225-100 of the French Commercial Code, the amounts resulting from the foregoing policy will be submitted to the approval of the shareholders to be held in 2018 for approving the annual accounts.

#### **MR. THIERRY BRETON**

<b>Remuneration Component</b>	<b>Amount</b>	<b>Comments</b>
<b>Fix and variable remuneration Director fees Severance pay</b>	<b>0 euro</b>	<p>Mr. Thierry Breton was appointed Chairman of the Board of Directors on April 30, 2014, the date on which the Company was converted into a limited liability corporation (société anonyme), for the duration of his term as a Director. Prior to such date, he had been Chairman of the Supervisory Board of the simplified stock company since July 31, 2013.</p> <p>His term of office as a Director of the Company expires on the Annual Shareholders' Meeting that will take place in 2020 to approve the financial statements for the 2019 fiscal year. Mr. Breton did not receive any compensation for his position with the Company between 2013 and 2017.</p> <p>In accordance with the decision of the Board of Directors of April 30, 2014, Mr. Breton will receive no compensation in his capacity as Chairman of the Company's Board of Directors.</p> <p>Mr. Breton does not receive Directors' fees in his capacity as a member of the Board of Directors. Mr. Breton will not receive any severance or compensation under a non-compete clause in the event of termination from the Company.</p>

For detailed information regarding the compensation of Mr. Thierry Breton paid by Atos for 2017, please refer to Section G.3. of the 2017 Registration Document of Atos SE.



**MR. GILLES GRAPINET**

Remuneration Component	Amount	Comments																																						
<b>Fixed annual compensation</b>	<b>415,000 euros</b> on an annual basis	The fixed annual compensation of the CEO has been approved during the Shareholders' Meeting of the Company, dated May 24th 2017 under the 13th resolution.																																						
<b>Variable compensation</b>	<b>535,398 euros</b> due for 2017 ie. 111.5% of the target variable compensation and 129% of the annual fixed compensation	<p>In 2017, the nature and weighting of each indicator of the variable on-target bonus of the CEO are the following:</p> <ul style="list-style-type: none"> <li>• Worldline Group Organic Revenue Growth (40%);</li> <li>• Worldline Group Operating Margin before Depreciation and Amortization (30%);</li> <li>• Worldline Group Free Cash Flow before acquisition/disposal and variation of equity and dividends (30%).</li> </ul> <p>The achievement of these criteria and the subsequent variable compensation amount has been approved during the Board of Directors meetings of July 24th 2017 and February 19th 2018. The variable compensation due for the first semester 2017 was 294,720 euros, ie. 122.8% of the on-target variable compensation for a semester, and 240,678 euros, ie. 100.3% for the second semester.</p> <table border="1"> <thead> <tr> <th><b>2017 Targets</b></th> <th colspan="2"><b>First Half</b></th> <th colspan="2"><b>Second Half</b></th> </tr> <tr> <th>Indicator</th> <th><b>Weight</b></th> <th><b>Payout*</b></th> <th><b>Weight</b></th> <th><b>Payout*</b></th> </tr> </thead> <tbody> <tr> <td>Organic Revenue Growth</td> <td>40%</td> <td>&gt; 100%</td> <td>40%</td> <td>&lt;100%</td> </tr> <tr> <td>Operating Margin before Depreciation and Amortization</td> <td>30%</td> <td>&gt; 100%</td> <td>30%</td> <td>&gt;100%</td> </tr> <tr> <td>Free Cash Flow</td> <td>30%</td> <td>&gt; 100%</td> <td>30%</td> <td>&gt;100%</td> </tr> <tr> <td><b>Payout in % of the on target variable compensation for a semester</b></td> <td></td> <td><b>122.8%</b></td> <td></td> <td><b>100.3%</b></td> </tr> </tbody> </table> <p><i>* After applying the 130% payout capped curves</i></p> <p>So the annual variable compensation due for 2017 was 535,398 euros ie. 111.5% of the annual target variable compensation. Based on the semesters targets, the full year average achievements are as follows :</p> <table border="1"> <thead> <tr> <th><b>2017</b></th> <th><b>Achievement</b></th> </tr> </thead> <tbody> <tr> <td>Organic Revenue Growth</td> <td>100.5%</td> </tr> <tr> <td>Operating Margin before Depreciation and Amortization</td> <td>104.2%</td> </tr> <tr> <td>Free Cash Flow</td> <td>113.4%</td> </tr> </tbody> </table> <p>Budget targets are in line with the financial targets shared by the Company every year.</p>	<b>2017 Targets</b>	<b>First Half</b>		<b>Second Half</b>		Indicator	<b>Weight</b>	<b>Payout*</b>	<b>Weight</b>	<b>Payout*</b>	Organic Revenue Growth	40%	> 100%	40%	<100%	Operating Margin before Depreciation and Amortization	30%	> 100%	30%	>100%	Free Cash Flow	30%	> 100%	30%	>100%	<b>Payout in % of the on target variable compensation for a semester</b>		<b>122.8%</b>		<b>100.3%</b>	<b>2017</b>	<b>Achievement</b>	Organic Revenue Growth	100.5%	Operating Margin before Depreciation and Amortization	104.2%	Free Cash Flow	113.4%
<b>2017 Targets</b>	<b>First Half</b>		<b>Second Half</b>																																					
Indicator	<b>Weight</b>	<b>Payout*</b>	<b>Weight</b>	<b>Payout*</b>																																				
Organic Revenue Growth	40%	> 100%	40%	<100%																																				
Operating Margin before Depreciation and Amortization	30%	> 100%	30%	>100%																																				
Free Cash Flow	30%	> 100%	30%	>100%																																				
<b>Payout in % of the on target variable compensation for a semester</b>		<b>122.8%</b>		<b>100.3%</b>																																				
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Organic Revenue Growth	100.5%																																							
Operating Margin before Depreciation and Amortization	104.2%																																							
Free Cash Flow	113.4%																																							
<b>Fringe benefits</b>	<b>3,565 euros</b>	Company car.																																						

Remuneration Component	Amount	Comments
<b>Multiannual equity-based variable compensation</b>	No stock-option Grant ~ Grant of <b>43,700 Performance Shares</b> Shares valuation <b>654,883 euros</b> Based on the fair value as determined according to IFRS 2 standard retained for the consolidated financial statements.	In connection with the authorization granted for thirty-eight months, by the Combined General Meeting of May 24, 2017 (twenty third resolution), the Board of Directors decided, during its meeting held on July 24, 2017, and upon the recommendation of the Nomination and Remuneration Committee, to proceed to the allocation of a theoretical maximum number of 43,700 performance shares to be issued in favor of the Chief Executive Officer. This amount takes into account the recommendations of the AFEP MEDEF Code applicable to the CEO. These shares are evaluated at 654,883 euros according to IFRS standard retained for the consolidated financial statements of the Company. In their analysis, the Board of Directors reviewed the following components: <ul style="list-style-type: none"> <li>• Allocation of a maximum of 43,700 performance shares to the CEO;</li> <li>• The principle and additional requirement to adapt the final allocation of shares to the CEO in the case of over achievement with a maximum multiplier of 115%, and remaining within the ceiling of 50% of the annual overall remuneration based on equities (even in the most favorable situation);</li> <li>• The beneficiary is required to remain owner of 15% of his acquired shares for the duration of his duties as Senior Officer.</li> <li>• The prohibition to enter into financial hedging transaction relating to the granted shares during the term of the Chief Executive Officer</li> </ul>
<b>Other compensation</b>	<b>623 euros</b>	Recharge of the 2/3 of the holidays bonus due by virtue of collective agreement to the CEO and other employees of Atos International SAS. As a reminder, the CEO does not receive exceptional compensation nor compensation elements or fringe benefits. He will not receive a severance payment at the end of his mandate nor any compensation for non-compete clause in the event of termination of his mandate. Moreover, the CEO has declined to accept his director's fees.
<b>Defined Benefit Supplementary Pension scheme</b>	N/A	Like all employees of Atos International SAS members of the Executive Committee of the Atos Group, Mr. Gilles Grapinet used to be a beneficiary, until March 1, 2015, of a supplemental defined contribution plan. Contributions paid by the employer correspond to 5% of compensation paid and are limited to tranches A, B and C. Employees were not required to make contributions. In addition, Mr. Gilles Grapinet is a beneficiary under a supplementary pension plan applicable to employees or directors of Atos International SAS or Atos SE, members of the Executive Committee of the Atos group, the terms of which are described hereafter.  The Company agreed with Atos SE to pay the relevant premiums for Mr Gilles Grapinet's defined benefit supplementary pension scheme during the period of his mandate as CEO of Worldline and limited to two third of the overall cost. A detailed description of the supplementary pension plan is available in Section D.3.5.7.

### G.3.2.3 Compliance of the Senior Officers compensation with the recommendations of AFEP MEDEF Code.

Since the listing of the Company's shares on Euronext Paris, the Company commits to comply with all of the recommendations of the AFEP-MEDEF Code, in particular, to the conditions of compensation of Senior Officers, and to regularly report thereon. The Board of Directors of the Company met on February 19, 2018 to perform the annual review of the implementation by the Company of these governance principles.

The Board assessed the implementation of these provisions by the Company and considered that the governance practices of the Company, in particular regarding the Senior Officer's compensation, are compliant with the AFEP-MEDEF Code recommendations.



### G.3.2.4 Summary of the compensation due or paid to the Senior Officers - AMF Table 1 and 2

#### AMF TABLE 1: SUMMARY OF THE COMPENSATION, STOCK-OPTIONS AND PERFORMANCE SHARES GRANTED TO THE SENIOR OFFICERS

##### Mr. Thierry Breton - Chairman of the Board of Directors

(in €)	2017 in euros		2016 in euros	
	Related to Atos	Related to Worldline	Related to Atos	Related to Worldline
Remuneration due for the relevant year	3,246,764	0	3,013,729	0
Value of options granted during the year	0	0	-	0
Value of Performance Shares granted during the year*	2,876,186	0	2,456,445	0
<b>TOTAL</b>	<b>6,122,950</b>	<b>0</b>	<b>5,470,174</b>	<b>0</b>

\* Atos SE Performance shares.

##### Mr. Gilles Grapinet - Chief Executive Officer

(in €)	2017 in euros		2016 in euros	
	Related to Atos	Related to Worldline	Related to Atos	Related to Worldline
Remuneration due for the relevant year	513,283	954,586	494,344	840,167
Value of options granted during the year	0	0	0	0
Value of Performance Shares granted during the year	143,055	654,883	365,099	646,643
<b>TOTAL</b>	<b>656,338</b>	<b>1,609,469</b>	<b>859,443</b>	<b>1,486,810</b>

On each date of grant, the fair value of performance shares granted is determined pursuant to IFRS 2 standard retained for the consolidated financial statements. Performance shares granted are valued based on this fair value. Thus, the value of performance shares granted as disclosed above is a historical value on the date of grant calculated for accounting purposes. This value does not represent a current market value nor the actual amounts that may be paid to the beneficiary if and when the performance shares are acquired.

#### AMF TABLE 2: COMPENSATION OF EACH SENIOR OFFICER

##### Mr. Thierry Breton - Chairman of the Board of Directors

(en euros)	2017				2016			
	Related to Atos		Related to Worldline		Related to Atos		Related to Worldline	
	Due	Paid	Due	Paid	Due	Paid	Due	Paid
Fixed remuneration	1,400,000	1,400,000	-	-	1,350,000	1,350,000	-	-
Variable remuneration	1,840,410	1,824,383	-	-	1,656,991	1,602,991	-	-
Exceptional remuneration	-	-	-	-	-	-	-	-
Director's fees	-	-	-	-	-	-	-	-
Fringe benefits	6,354	6,354	-	-	6,738	6,738	-	-
<b>Total</b>	<b>3,246,764</b>	<b>3,230,737</b>			<b>3,013,729</b>	<b>2,959,729</b>		



**Mr. Gilles Grapinet - Chief Executive Officer**

(en euros)	2017(*)				2016 (*)			
	Related to Atos		Related to Worldline		Related to Atos		Related to Worldline	
	Due	Paid	Due	Paid	Due	Paid	Due	Paid
Fixed remuneration	207,500	207,500	415,000	415,000	200,330	200,330	400,660	400,660
Variable remuneration**	303,689	318,872	535,398	496,520	292,540	277,114	436,560	440,959
Exceptional remuneration	0	0	0	0	0	0	0	0
Director's fees	0	0	0	0	0	0	0	0
Fringe benefits***	1,782	1,782	3,565	3,565	1,474	1,474	2,947	2,947
Other Compensation****	312	312	623	623				
<b>TOTAL</b>	<b>513,283</b>	<b>528,466</b>	<b>954,586</b>	<b>915,708</b>	<b>494,344</b>	<b>478,917</b>	<b>840,167</b>	<b>844,566</b>

\* Mr. Gilles Grapinet's compensation is determined pursuant to his employment agreement with Atos International SAS, a subsidiary of Atos SE. The portion of his fixed compensation relating to his duties as Chief Executive Officer of the Company represents two-thirds of the total fixed compensation provided for by his employment agreement with Atos International SAS, a subsidiary of Atos SE. This portion is re-invoiced in full by Atos International SAS to the Company and is described in the above table.

\*\* For the 2017 fiscal year, the variable compensation due corresponds to the variable compensation for H2 2016, payed during H1 2017. As of December 31, 2017, the said variable compensation has not yet been re-invoiced by Atos International to the Company.

\*\*\* Company car.

\*\*\*\* Company Labor Agreement benefit (vacation bonus).

Due variable compensation reflects amounts due for the first and second semesters of the relevant year. Paid variable compensation reflects amounts paid for the second semester of the previous year and the following first semester. Pursuant to the provisions of the so-called "Sapin 2" law, the payment of the variable compensation due for the second semester 2017 is subject to the approval of the Shareholders' General Meeting to be held on May 24, 2018 which will validate the 2017 statements.

The modalities of the recharge by Atos SE of the compensation of Mr. Gilles Grapinet related to his functions as Worldline Chief Executive Officer are described under Section G.3.2.1.2.

**Multi-year equity based compensation (Mr Gilles Grapinet)**

In connection with the authorization granted, for thirty-eight months, by the Combined General Meeting of May 24, 2017 (twenty-third resolution), the Board of Directors, during its meeting held on July 24, 2017, and upon the recommendation of the Nomination and Remuneration Committee, decided to proceed with the allocation of maximum 43,700 ordinary performance shares of the Company (taking into account a mechanism to modulate the number of shares in case of over-performance, through the application of a multiplier coefficient capped at 115%), existing or to be issued in favor of the senior officers.

Performance conditions to be achieved over the three years 2017, 2018 and 2019 of the new plan relate to internal financial criteria linked to Free Cash Flow, Operating Margin before

Depreciation and Amortization and Revenue Growth. The plan also provides for three external conditions detailed below.

The features of the performance shares allocation plan are as follows:

**1. Condition of attendance:** Subject to certain exceptions provided for in the plan, the allocation of performance shares is conditioned on the preservation of employee or company officer status of the Worldline Group or of Atos SE or of any company affiliated to Atos SE, by the beneficiary during the acquisition period (section 3 below) in accordance with article L. 225-180 of the French Commercial Code.

**2. Performance conditions:** The allocation of performance shares is also subject to the achievement of the following internal and external performance conditions, calculated for the three years 2017, 2018 and 2019.

**Internal performance conditions**

For each year 2017<sup>(1)</sup>, 2018 and 2019, at least 2 out of 3 internal performance criteria must be met. If one criterion is not met, this criterion becomes compulsory for the following year.

**Internal Performance Condition n°1:**

The Worldline Group Revenue Growth for 2017\*, 2018 and 2019 is at least equal to one of the following two amounts:

- the growth rate set forth in the Company's budget minus a percentage decided by the Board of Directors; or
- +5% growth rate in reference to the growth targets of the Company.

(1) For 2017, the percentage disclosed in the budget is the "Full Year B2".





**Internal Performance Condition n°2 :**

The Group Operating Margin before Depreciation and Amortization in the relevant year is at least equal to one of the following two amounts:

- 85 % of the Worldline Group Operating Margin before Depreciation and Amortization disclosed in the budget of the Company for the relevant year; or
- the Worldline Group Operating Margin before Depreciation and Amortization recorded in the previous year increased by 10 %.

**Internal Performance Condition n° 3 :**

The amount of the Group Free Cash Flow, before dividends and income generated from acquisitions/disposals in the relevant year, is at least equal to one of the following two amounts:

- 85 % of the Worldline Group Free Cash Flow set forth, before dividends and income generated from acquisitions/disposals in the budget of the Company for the relevant year; or
- the Worldline Group Free Cash Flow before dividends and income generated from acquisitions/disposals recorded in the previous year increased by 10 %.

The indicators of Performance Conditions n°1, n°2 and n°3 will be calculated at constant currency exchange rates and consolidation scope.

**External Performance Conditions**

For each year 2017, 2018 and 2019, at least 2 out of 3 performance criteria must be met (or maintained if already at the highest level):

- The Worldline Group gets the GRI Standards "Comprehensive" rating (or its equivalent if, during the plan, the terminology to define the highest achievable level is modified);
- The Worldline Group gets the Eco Vadis CSR rating "Gold" (or its equivalent if, during the plan, the terminology to define the highest achievable level is modified);
- The Worldline Group gets the GAIA Index Certification general rating equal or above 70% (or its equivalent if, during the plan, this terminology is modified).
- Subject to the presence and performance conditions of the plan being achieved, the definitive allocation of performance shares may vary between 85% and 115% of the number of performance shares communicated to the Beneficiaries in the letter of grant, in case of, respectively, under-performance or over-performance of the Worldline Group during the period 2017-2019 compared to objectives defined by the Board of Directors.

**Acquisition periods:**

Beneficiaries of performance shares will acquire the shares on 24 July 2020, subject to achieving the performance conditions and the aforementioned condition of attendance until 24 July 2020. The shares thus acquired will not be subject to any holding obligation and will be immediately available for sale by their beneficiaries, subject to the « closed periods » as set by the Company according to the Insider and Confidential Information Guide, the applicable legal rules, and, for the Chief Executive Officer, the 15% retention obligation of the performance shares that may be allocated to him for the duration of his mandate.

**G.3.2.5 Stock-options granted to or exercised by Senior Officers during the year - AMF Tables 4 and 5**

During 2017, the senior officers were not granted any options to purchase or buy shares of Atos SE or Worldline. In addition, the Chairman did not hold any outstanding Atos SE stock-options as of January 1, 2017.

**AMF TABLE 5: SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE FINANCIAL YEAR BY EACH SENIOR OFFICER**

Mr. Gilles Grapinet has exercised Atos SE stock-options as indicated below.

Name	N° and date of the plan	Number of options exercised during 2017	Exercise price
Gilles Grapinet	December 23, 2008 T1	14,000	18.40 euros
	December 23, 2008 T1	6,800	18.40 euros
	December 23, 2008 T2	6,800	22 euros
	December 23, 2008 T3	6,800	26.40 euros
	December 23, 2008 T1	2,506	18.40 euros
	December 23, 2008 T2	2,506	22 euros
	December 23, 2008 T3	2,505	26.40 euros
	December 23, 2008 T3	16,930	26.40 euros

Mr. Gilles Grapinet, Chief Executive Officer, did not exercise any Worldline stock-options in 2017.

### G.3.2.6 Performance shares granted to Senior Officers during the year -AMF Table 6

The table below shows the performance shares granted to the Senior Officers, and in particular those granted during the year.

Pursuant to the authorization granted by the Worldline Shareholders' General Meeting held on May 26, 2016 (23<sup>rd</sup> resolution), the Board of Directors, during its meeting held on July 25, 2016, upon recommendation of the Nomination and Remuneration Committee, decided the grant of performance shares. The Worldline Chief Executive Officer is one of the beneficiaries of this grant. Performance conditions related with such grant are stated in the 2016 Registration Document.

Pursuant to the authorization granted by the Worldline Shareholders' General Meeting held on May 24, 2017 (23<sup>rd</sup> resolution), the Board of Directors, during its meeting held on July 24, 2017, upon recommendation of the Nomination and Remuneration Committee, decided the grant of performance shares. The Worldline Chief Executive Officer is one of the beneficiaries of this grant. Performance conditions related to this Worldline plan are summarized in Section G.3.2.4, Table 2.

Performance conditions related to the various Atos plans are summarized in the Atos SE Registration Document.

	Related to	Plan Date	Number of Shares	Vesting Date	Availability Date	Share valuation (euros) <sup>1</sup>
<b>Mr. Thierry Breton Chairman of the Board of Directors</b>	Atos	July 24, 2017	43,000 <sup>2</sup>	July 31, 2020	July 31, 2020	2,876,186
<b>Mr. Gilles Grapinet Chief Executive Officer</b>	Atos	July 24, 2017	6,000	July 31, 2020	July 31, 2020	143,055
	Worldline	July 24, 2017	43,700 <sup>3</sup>	July 24, 2020	July 24, 2020	654,883

<sup>1</sup> Valuation of the shares at their grant date, pursuant to the application of the IFRS 2, after taking account of any discount related to performance criteria and the probability of presence in the Atos Group after the vesting period, but before spreading the load under IFRS 2 throughout the vesting period. As from 2014, Atos and Worldline have taken into account the probability of achieving the performance conditions.

<sup>2</sup> The final number of vested shares will be capped at 38,738 shares

<sup>3</sup> Theoretical grant taking into account a maximum multiplier of 115% (the final number of vested shares will be capped at 43,700 shares)

### G.3.2.7 Performance shares that have become available during the year for the Senior Officers - AMF Table 7

During 2017, the performance shares granted on July 24, 2013 became available for possible sale to the beneficiaries according to the France plan rules. Worldline Chairman and Chief Executive Officer are beneficiaries of this Atos SE plan.

Acquisition and availability terms are described, in the paragraph related to the past grants of performance shares of Atos SE Registration Document.

	Related to	Plan Date	Number of shares available during the financial year	Vesting Date	Availability Date
<b>Mr. Thierry Breton Chairman of the Board of Directors</b>	Atos	July 24, 2013	45,000	July 24, 2015	July 24, 2017
<b>Mr. Gilles Grapinet Chief Executive Officer</b>	Atos	July 24, 2013	22,500	July 24, 2015	July 24, 2017



### G.3.2.8 Past awards of subscription or purchase options (up to December 31, 2017) – AMF Table 8

Atos SE has not issued any stock-options plan for its employees or senior officers since the stock-options granted on December 31, 2010. The past grants over the last ten years by Atos SE are detailed in the Atos SE Registration Document.

The table below shows the past grants by Worldline since 2014 to reward and retain its key-talents and top management.

Mr. Gilles Grapinet, as Company Chief Executive Officer, was granted 180,000 stock-options by Worldline SA on September 3,

2014 and on September 1, 2015. For further details regarding the 2014 and 2015 plans, please refer to respectively the Worldline 2014 and 2015 Registration Documents.

None of the members of the Board of Directors are benefitting from the stock-options plans granted by Worldline on May 25 and August 16, 2016.

	Date of shareholders Meeting				Total
	2014	2015	2016	2016	
<b>Date of Board Meeting</b>	03/09/14	27/07/15 <sup>2</sup>	22/02/16 <sup>3</sup>	25/07/16 <sup>4</sup>	
<b>Exercise period start date</b>	15/05/16	15/05/17	25/05/18	25/05/18	
<b>Exercise period end date</b>	03/09/24	31/08/25	24/05/26	15/08/26	
<b>Strike Price (in €)</b>	17.22	22.87	26.82	28.58	
<b>Options granted</b>	1,527,220	1,558,500	196,000	45,000	3,326,720
<b>Of which to members of the Board <sup>1</sup></b>	202,660 <sup>5</sup>	180,000 <sup>6</sup>	0	0	382,660
<b>Number of beneficiaries</b>	92	138	52	2	
<b>Options exercised</b>	563,396	245,850	0	0	809,246
<b>Options cancelled or expired</b>	90,300	154,500	2,500	0	247,300
<b>Status on 12/31/2017</b>	873,524	1,158,150	193,500	45,000	2,270,174
<b>Value of unexercised options (in € million)</b>	15,04	26.49	5.19	1.29	48,00

1. Current Board of Directors.

2. The grant date has been set by the Board of Directors on September 1, 2015.

3. The grant date has been set by the Board of Directors on May 25, 2016.

4. The grant date has been set by the Board of Directors on August 16, 2016.

5. In addition to Mr Gilles Grapinet to whom 180,000 stock-options were granted, stock-options were also granted to Mrs Ursula Morgenstern (13,330) and Mr Gilles Arditti (9,330).

6. Among the directors, stock-options were only granted to Mr Gilles Grapinet.

The overview of the performance conditions applicable to the above plans are detailed under Section 17.3.3 of the 2016 Registration Document.

The achievement of the performance conditions relating to the stock-options plan of September 1, 2015 can be found in Section G.3.2.11.

### G.3.2.9 Stock-options granted to the top ten employees who are not company officers, and options exercised by the ten employees with the highest number of options purchased or subscribed-AMF Table 9

	Total number of options granted/shares subscribed or purchased	Average Price (Exercise Price of the year of grant)	Plans
Options granted during the year by the issuer to the ten employees having the highest number of options granted (Global Information)	na	na	na
Options held on the issuer exercised during the financial year by the ten employees of the issuer having the highest number of options purchased or subscribed (Global Information)	179,557	17.22	September 3, 2014
	83,200	22.87	September 1, 2015

Worldline 2016 Stock-options are not yet available.

### G.3.2.10 Past grants of Performance Shares - AMF Table 10

	Date of shareholders meeting				Total
	26/05/2016*	26/05/2016*	02/01/2017**	24/05/2017*	
<b>Date of Board meeting</b>	25/07/2016	25/07/2016	12/12/2016	24/07/2017	
<b>Plan detail</b>	France	International	-	-	
<b>Number of beneficiaries</b>	67	62	5	270	-
<b>Shares granted</b>	263,650	152,964	224,250	507,118	<b>1,147,982</b>
<b>Of which to members of the Board</b>	43,700	-	-	43,700	<b>87,400</b>
<b>International Mobility Mouvement</b>	-	-	-	-	-
<b>Shares cancelled or expired</b>	15,813	1,725	-	-	<b>17,538</b>
<b>Number of shares available on 31/12/2017</b>	-	-	-	-	-
<b>Of which to members of the Board</b>	-	-	-	-	-
<b>Status as of 31/12/2017</b>	247,837	151,239	224,250	507,118	<b>1,130,444</b>
<b>Acquisition date</b>	25/07/2018	25/07/2019	01/04/2020	24/07/2020	
<b>Availability date</b>	25/07/2019	25/07/2019	01/04/2020	24/07/2020	

\* the number of shares takes into account a maximum multiplier of 115% (as per the performance conditions below).

\*\* the december 12<sup>th</sup> 2016 plan was deployed on january 2<sup>nd</sup> 2017, please refer to section 17.3.4 of the Registration Document of 2016 for further details.

The 1,130,444 performance shares represented 0.85% of the share capital of Worldline on December 31, 2017. The terms and conditions of the July 24<sup>th</sup> 2017 plan, of which the Chief Executive Officer is a beneficiary, are described in section G3.2.4, Table 2.



The performance conditions of the 2016 and 2017 plans are listed below:

<b>Performance conditions</b>	<b>25/07/2016</b>	<b>02/01/2017</b>	<b>24/07/2017</b>
Revenue growth for the year is at least equal to :	(i) The growth rate set forth in the Company's budget for the corresponding year minus a percentage defined by the Board of Directors; or (ii) the annual growth rate in reference to the growth targets of the Group.	(i) Target threshold is set at -1.5% of the equensWorldline growth target set in the budget for the relevant year (ii) a ceiling is set at +2.5% of the equensWorldline grow the rate set in the budget for the relevant year (iii) a linear multiplier is set between the threshold and the target (85%-100%) and between the target and the ceiling (100%-115%).	(i) The growth rate set forth in the Company's budget for the corresponding year minus a percentage defined by the Board of Directors; or (ii) the annual growth rate in reference to the growth targets of the Group.
<b>and</b>			
Group Operating Margin before Depreciation and Amortization in the relevant year is at least equal to one of the following two amounts:	(i) 85% of the Worldline Group Operating Margin before Depreciation and Amortization disclosed in the budget of the Company for the relevant year; or (ii) the Worldline Group Operating Margin before Depreciation and Amortization recorded in the previous year increased by 10%.	(i) Target threshold set at 90% of the OMDA target for equensWorldline in the budget of the relevant year (ii) ceiling set at 110% of the OMDA target for equensWorldline in the budget of the relevant year (iii) a linear multiplier is set between the threshold and the target (85%-100%) and between the target and the ceiling (100%-115%).	(i) 85% of the Worldline Group Operating Margin before Depreciation and Amortization disclosed in the budget of the Company for the relevant year; or (ii) the Worldline Group Operating Margin before Depreciation and Amortization recorded in the previous year increased by 10%.
<b>and</b>			
Group Free Cash Flow, before dividends and income generated from acquisitions/disposals in the relevant year, is at least equal to one of the following two amounts:	(i) 85% of the Worldline Group Free Cash Flow set forth, before dividends and income generated from acquisitions/disposals in the budget of the Company for the relevant year; or (ii) the Worldline Group Free Cash Flow before dividends and income generated from acquisitions/disposals recorded in the previous year increased by 10%.	(i) target threshold set at 90% of the Free Cash-Flow budget of equensWorldline for the relevant year (ii) ceiling is set at 110% of the Free Cash-Flow budget for the relevant year (iii) a linear multiplier is set between the threshold and the target (85%-100%) and between the target and the ceiling (100%-115%).	(i) 85% of the Worldline Group Free Cash Flow set forth, before dividends and income generated from acquisitions/disposals in the budget of the Company for the relevant year; or (ii) the Worldline Group Free Cash Flow before dividends and income generated from acquisitions/disposals recorded in the previous year increased by 10%.
<b>and</b>			
External Performance Condition linked to Environmental and Social Responsibility	Worldline must fulfill the requirement of at least two out of the three target : - the Company obtains the GRI G4 "Comprehensive" score (or equivalent if, during the Plan, the term used for the highest level is changed); - The Company obtains the Eco Vadis CSR - "Gold" score (or its equivalent if, during the Plan, the term used for the highest level is changed); - The Company obtains the general GAIA Index Certification score equal or higher than 70% (or equivalent if, during the Plan, the term is changed).	For each year : - Customer Satisfaction : a target is set, the threshold is set at 90% of the target and the ceiling at 110%. A linear multiplier is set between the threshold and the target (85%-100%) and between the target and the ceiling (100%-115%).  - equensWorldline Quality Measure: a target is set, the threshold is set at 90% of the target and the ceiling at 110%. A linear multiplier is set between the threshold and the target (85%-100%) and between the target and the ceiling (100%-115%).	Worldline must fulfill the requirement of at least two out of the three target : - the Company obtains the GRI G4 "Comprehensive" score (or equivalent if, during the Plan, the term used for the highest level is changed); - The Company obtains the Eco Vadis CSR - "Gold" score (or its equivalent if, during the Plan, the term used for the highest level is changed); - The Company obtains the general GAIA Index Certification score equal or higher than 70% (or equivalent if, during the Plan, the term is changed).
<b>Years</b>	2016 - 2017 - 2018	2017 - 2018 - 2019	2017 - 2018 - 2019

### G.3.2.11 Achievement of the performance conditions relating to the Stock-Options plans and Performance Shares plans of the Company

The stock-options plan dated September 3, 2014 and September 1, 2015, were respectively vested on May 15, 2016 and May 15, 2017, and the options are exercisable since then.

Regarding the stock-options plans dated May 25, 2016 and August 16, 2016, as well as the performance share plan dated July 25, 2016, the performance conditions were achieved for

each of the years 2016 and 2017. The external performance conditions of the July 25, 2016 plan have been met as well. The acquisition of the stock-options/performance shares in respect of these plans remains subject to the completion of the attendance condition on the relevant acquisition date.

<b>Worldline revenue growth</b> Criteria validation	<b>2017</b> YES	<b>2016</b> YES
<b>Worldline Operating Margin before Depreciation and Amortization (OMDA)</b> Criteria validation	<b>2017</b> YES	<b>2016</b> YES
<b>Worldline Free Cash Flow</b> Criteria validation	<b>2017</b> YES	<b>2016</b> YES
<b>External Performance</b> Condition linked to Environmental and Social Responsibility Criteria validation	<b>2017</b> YES	<b>2016</b> YES
<b>Performance conditions validation</b>	<b>YES</b>	

Regarding the performance shares plan of July 24<sup>th</sup> 2017, the internal performance conditions have been achieved for 2017. The external performance conditions have been met as well. The final acquisition of the performance shares remains subject

to the achievement of the internal and external performance conditions for years 2018 and 2019 as well as the attendance condition.

<b>Worldline revenue growth</b> Criteria validation	<b>2019</b> Pending	<b>2018</b> Pending	<b>2017</b> YES
<b>Worldline Operating Margin before Depreciation and Amortization (OMDA)</b> Criteria validation	<b>2019</b> Pending	<b>2018</b> Pending	<b>2017</b> YES
<b>Worldline Free Cash Flow</b> Criteria validation	<b>2019</b> Pending	<b>2018</b> Pending	<b>2017</b> YES
<b>External Performance</b> Condition linked to Environmental and Social Responsibility Criteria validation	<b>2019</b> Pending	<b>2018</b> Pending	<b>2017</b> YES
<b>Performance conditions validation</b>	<b>Pending</b>		



**G.3.2.12 Senior Officers benefits - AMF Table 11**

Mr. Thierry Breton, Chairman of the Board of Directors, does not have an employment contract and will not receive a severance payment at the end of his mandate nor any compensation for non-compete clause in the event of termination of his mandate.

as the Company's Chief Executive Officer. He is not entitled to any contract-based severance or compensation under a non-compete clause in the event of termination of his position with the Company.

Mr. Gilles Grapinet, CEO, is a party to an employment agreement with the Atos Group that will continue after the end of his term

Directors	Worldline Employment contract		Supplementary Pension plan		Payments or Benefits effectively or potentially due in the event of termination or change of position		Non-Compete Clause payment	
	YES	NO	YES	NO	YES	NO	YES	NO
Thierry Breton Chairman of the Board of Directors								
Beginning of term: April 30, 2014		✓		✓		✓		✓
End of term: Shareholder's Meeting called to approve the financial statements for the fiscal year ending on 12/31/2019								
Gilles Grapinet Chief Executive Officer								
Beginning of term: April 30, 2014		✓		✓		✓		✓
End of term: Shareholder's Meeting called to approve the financial statements for the fiscal year ending on 12/31/2019								

**Complementary pension:**

Like all employees of Atos International SAS members of the Executive Committee of the Atos Group, Mr. Gilles Grapinet used to be a beneficiary, until March 1, 2015, of a complementary defined contribution plan. Contributions paid by the employer correspond to 5% of compensation paid and are limited to tranches A, B and C. Employees are not required to make contributions.

**Supplementary pension:**

The Chairman and the Chief Executive Officer benefit from the supplementary pension plan reserved for members of the Atos Group's Executive Committee ending their career at Atos SE or Atos International SAS governed by article L. 137-11 of the French Social Security Code. The beneficiary group is thus wider than the inner circle of Executive Directors. The characteristics of this pension plan are detailed in Section D.3.5.7.



## G.4 Annual General Meeting of May 24, 2018

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### G.4.1 Resolutions submitted to the Annual General Meeting

Resolutions to be submitted to the shareholders' vote will be published in the "*Bulletin des Annonces Légales Obligatoires*" (official legal gazette for listed companies) in a notice of meeting which will be followed by a convening notice to the Annual General Meeting which will be held on May 24, 2018. These notices will be posted on the Company's website ("Investors" section) as required by applicable laws and regulations.

### G.4.2 Elements of the compensation due or awarded for the 2017 fiscal year to the Senior Officers of the Company, submitted to the shareholders' vote

The elements of compensation due or awarded at the end of the 2017 financial year to the Chairman of the Board of Directors and to the Chief Executive Officer, which will be submitted to the shareholders' vote during the Annual General Meeting of May 24, 2018, are presented in section G.3.2.2. of this Registration Document.

### G.4.3 Principles and criteria for setting, allocating and granting the elements of the compensation of the Senior Officers of the Company for the 2018 fiscal year, submitted to the shareholders' vote

The principles and criteria for setting, allocating and granting the elements of compensation of the Chairman of the Board of Directors and of the Chief Executive Officer, in respect for the year 2018, which will be submitted to the shareholders' vote during the Annual General Meeting of May 24, 2018, are presented in section G.3.2.1 of this Registration Document.



## G.4.4 Summary of the transactions made in 2017 on the shares of the Company (article 223-26 of the AMF *Réglement Général*)

Name	Number of shares purchased or subscribed	Number of shares sold	Date	Purchase price / sale price (in €)
	7,000*		03/06/2017	17.2200
Charles Dehelly		7,000	03/06/2017	27.0690
Danielle Lagarde	1,500		03/16/2017	27.2700
Gilles Arditti	1,500		05/03/2017	30.6011
Ursula Morgenstern	1,500		05/03/2017	30.6011
Luc Rémont	1,500		05/03/2017	30.4977
Thierry Breton	1,500		05/04/2017	30.4063
Sophie Houssiaux	1,500		05/04/2017	30.7101

\* In stock-options exercise

## G.5 Code and charts [GRI 102-12][GRI 102-16]

### G.5.1 United Nations Global Compact

Since June 2010, Worldline, as its majority shareholder, Atos SE, has been participating to the UN Global Compact, asserting its commitment to the ten universally-recognized principles in the areas of human rights, labor, environment and anti-corruption.

Worldline, as a subsidiary of Atos SE, is fully and proactively committed, both at Company and top management level, to conduct its business in accordance with these principles.

### G.5.2 Code of Ethics

Worldline's Code of Ethics was reviewed and approved by the Worldline's Board of Directors in 2016.

The Code of Ethics makes a direct reference to Worldline Corporate Values, establishing ethical practices as the backbone of Worldline's business strategy: Responsibility, Trust, Sustainable competitiveness, Service quality and listening to clients, Innovation, Wellbeing@Work and Excellence.

The Code of Ethics also reminds employees the need to act honestly, impartially and with integrity in their day-to-day work, and in compliance with the legal framework applicable to each country where Worldline conducts its business.

This principle of integrity implies that Worldline treats its employees as well as third parties with integrity, based on merits and qualifications, prohibiting any form of discrimination.

Suppliers, partners and third parties who assist Worldline in its business activities must formally commit to respecting the principles of the Code. These principles are included in the Supplier Sustainability Charter that business partners are expected to sign.

For further information, please refer to Section D.4.1.1 Legal compliance. The Code of Ethics is also available on the website of Worldline, section CSR (Corporate Social Responsibility).

### **G.5.2.1 No Bribery or Corruption**

Worldline refuses all form of corruption or dishonest or illegal practice with the aim to obtain a commercial advantage or other, as well as any money laundering. As participant to the United Nations Global Compact, Worldline subscribes to anti-bribery principles in "all its forms, including extortion and bribery".

For further information on Worldline's compliance program related to anti-bribery and corruption, see Section D.4.1.1 Legal compliance.

### **G.5.2.2 Fair competition**

Worldline treats its customers, suppliers, partners and intermediaries with respect and shall not take unfair advantage nor practice discriminatory conditions. Consequently, Worldline refuses that its employees or third parties when assisting Worldline in developing business take part in an agreement, understanding or concerted practice which would contravene the applicable laws and regulations concerning anti-competitive practices.

For further information on Worldline's compliance program in this area, see Section D.4.1.1 Legal compliance.

### **G.5.2.3 Conflicts of Interest**

Worldline undertakes to ensure that all decisions taken by anyone of its employees within the framework of professional duty are taken objectively and impartially, in the interest of Worldline and not based on personal interest, whether financial or family.

Consequently, employees are asked to inform the Company in the event they would be in a situation of conflict of interest with Worldline's competitors, partners, customers or suppliers.

For further information on Worldline's compliance program related to Conflicts of Interest, see Section D.4.2.2.2 Code of Conduct and employee awareness in the Procurement department.

### **G.5.2.4 Protection of Worldline assets - Fraud**

The assets owned by Worldline which consist, in particular, in material such as hardware, or intellectual property rights or financial equity are used only for conducting Worldline business and pursuant to the law and rules defined by the Group:

reporting must be high quality, reliable and relevant, translating exactly the activities of the Company.

For further information on Worldline's compliance program related to Protection of Worldline assets and Fraud, see Section D.4.1.1 Legal compliance.

### **G.5.2.5 Duty to act in Good Faith, Protection of confidentiality and privileged information**

Worldline protects both its own confidential information and that information provided by its customers, suppliers or partners (see Section D.4.1.2 Data protection and Customer privacy). Moreover, Worldline sets up rules to prevent insider trading and misconduct (see Section G.5.4 Privileged information and insider trading).

In addition, Worldline ensures that in their decisions and actions, Worldline employees act in good faith, such as refraining from acting in an inappropriate manner of any kind, including disparaging the services provided by Worldline to its clients and misappropriating the use of Worldline services and assets for personal benefit.

### **G.5.2.6 Alert system - Employees' rights and duties**

Worldline has established for any employee who believes that a law, regulation or one of the principles set out in the Code of Ethics has been or is about to be breached, a right to report to his/her immediate superior or to his/her GBU General Counsel or to the Group Head of Compliance, his/her concerns. This reporting must be done in accordance with the regulation applicable in the country he/she is employed. The employee who raises the alert is assured complete confidentiality in relation to the alert. The employee shall not be subjected to any penalty or retaliatory measure or discrimination, provided that he/she acted in good faith and without the intention to cause harm, even if the events relating to the alert prove inaccurate or no action is subsequently taken.

If necessary, the employee's protection may be assured, on his/her request, by mobility within the Group. All alerts that reveal fraudulent behavior, significant lapses or material shortcomings in internal controls result in corrective measures and/or disciplinary measures and/or legal action. Anonymous reports are not considered, except if permitted by local laws.

For further information on Worldline's compliance program related to Alert system, see Section D.4.1.1 Legal compliance.



## G.5.3 Other applicable provisions

The Code of Ethics' principles are not the only mandatory provisions applicable within Worldline. A standard of policies established by the different departments and adopted by the Group governs the activities of each employee, who must comply with these rules regarding, in particular, delegations of

authority, mandatory contractual clauses for clients and suppliers contracts, the selection of potential employees and their training or the selection process for business partners, among other requirements.

## G.5.4 Privileged information and insider trading

In order to ensure market transparency and integrity in Worldline securities, the Company aims at providing its investors and shareholders, under conditions that are equal for all, information on its activities and performance. The Company requires all senior managers or employees having access to critical information to follow special rules, contained in a guide, to prevent insider trading.

### G.5.4.1 Insider trading

The undue use or disclosure of inside information constitutes a stock market regulation or legal violation which are liable to criminal, regulatory (Autorité des Marchés Financiers - AMF) and civil proceedings. Accordingly, no employee shall disclose any inside information to third parties or deal in Worldline securities when he or she is in possession of any inside information.

### G.5.4.2 Dealing during closed periods

Employees who are likely to have access on a regular basis to privileged information must not deal in Worldline securities, whether directly or indirectly, during any "closed period". A closed period is defined as six weeks prior to the publication of Worldline's annual financial results, 30 days prior to the publication of Worldline's half-yearly statements and four weeks prior to the financial information for the first, second and third quarters.

### G.5.4.3 Hedging of stock-options and performance shares

All staff members are prohibited to put in place, by means of derivatives or otherwise (right to purchase or sell at a certain price or any other term and conditions) against Worldline stock price changes from their exposure to the potential value of:

- stock options they are entitled to until the beginning of such options' exercise period;
- performance shares they were awarded, during acquisition and blocking periods.

In line with the commitments made on the occasion of previous share award plans, the Chief Executive Officer, on the occasion of the award of stock-options on September 3, 2014 and September 1, 2015, and of the award of performance shares on July 25, 2016 and July 24, 2017, took note of the Company's prohibition towards him not to engage in any risk hedging transactions over the shares which are the subject of the award throughout the duration of his social mandate.

## G.6 Evolution of capital and stock performance

### G.6.1 Basic data

#### G.6.1.1 Information on stock

Worldline SA shares are listed on the Paris Euronext Market since June 27, 2014, under code ISIN FR0011981968 and are not listed on any other stock exchange.

**Number of shares: 132,898,963** (as at December 31, 2017)

Sector classification: Information Technology

Main index: CAC AllShares

Other indexes: SBF 120, CAC Industrials, CAC Sup. Services

Market: Euronext Paris Segment A

Trading place: Euronext Paris (France)

Tickers: WLN (Euronext)

Code ISIN: FR0011981968

Payability PEA/SRD: Yes/Yes

Main tickers are:

Source	Code	Source	Code
Euronext	WLN	Reuters	WLN.PA
AFP	WLN	Thomson	WLN-FR
Bloomberg	WLN:FP		

#### G.6.1.2 Ownership of the Company's shares in the past three years and free float

The free-float of the Group shares excludes stakes held by the reference shareholder, namely Atos SE holding 69.83% of the share capital. No other reference shareholder has announced its will to maintain a strategic shareholding in the Group's share capital. Stakes owned by the employees and the management are excluded from the free float.

To the Company's knowledge and based on notices received by it, no shareholder (except Atos SE) hold 5% or more of the Company's share capital and voting rights, as of the date of the registration of this Registration Document.

As at December 31, 2017	Number of shares	% of share capital	% of voting rights
Atos SE	92,802,579	69.83%	82.23%
Board of Directors	32,004	0.02%	0.02%
Employees	290,211	0.22%	0.13%
Free float	39,774 169	29.93%	17.62%
<b>Total</b>	<b>132,898,963</b>	<b>100.00%</b>	<b>100.00%</b>

As at December 31, 2016	Number of shares	% of share capital	% of voting rights
Atos SE	92,802,579	70.12%	82.44%
Board of Directors	23,006	0.02%	0.01%
Employees	322,887	0.24%	0.14%
Free float	39,198,524	29.62%	17.41%
<b>Total</b>	<b>132,346,996</b>	<b>100.00%</b>	<b>100.00%</b>

As at December 31, 2015	Number of shares	% of share capital	% of voting rights
Atos SE	92,802,579	70.34%	70.34%
Board of Directors	23,006	0.02%	0.02%
Employees	159,758	0.12%	0.12%
Free float	38,941,245	29.52%	29.52%
<b>Total</b>	<b>131,926,588</b>	<b>100.00%</b>	<b>100.00%</b>

### G.6.1.3 Shareholding structure as at February 28, 2018

The following table sets forth the Company's shareholders as of February 28, 2018.

To the Company's knowledge and based on notices received by it, no shareholder (except Atos SE) hold 5% or more of the Company's share capital and voting rights, as of the date of the registration of this Registration Document.

As at February 28, 2018	Number of shares	% of share capital	% of voting rights
Atos SE	92,802,579	69.83%	82.21%
Board of Directors	32,004	0.02%	0.02%
Employees	289,524	0.22%	0.13%
Free float	39,823,586	29.93%	17.64%
<b>Total</b>	<b>132,947,693</b>	<b>100.00%</b>	<b>100.00%</b>

## G.6.2 Dividends

No dividends were paid in 2015, in 2016 and in 2017. During its meeting held on February 19, 2018 and considering the strategic priority given in 2018 to the development of the Company, the Board of Directors decided to propose at the next Annual General Meeting of Shareholders not to distribute any dividend on the 2017 results.

The Dividend policy is presented in Section B.4.6.

## G.6.3 Documentation

In addition to the Registration Document, which is published in English and French, the following information is available to shareholders:

- a half year report;
- quarterly revenue and operational review;
- regular press releases, regulated information and general Group's information, available through the Worldline website at Worldline.com.

## G.6.4 Financial calendar

April 24, 2018	First quarter 2018 revenue
May 24, 2018	Annual General Meeting
July 24, 2018	First half 2018 results
October 22, 2018	Third quarter 2018 revenue

## G.6.5 Contact

Institutional investors, financial analysts and individual shareholders may obtain information from:

**David Pierre-Kahn,**

Head of Investor Relations

80, quai Voltaire

95870 Bezons

T: +33 (0)1 3434 9066

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david.pierre-kahn@worldline.com

Requests for information can also be sent by email to investor-relations@worldline.com

## G.6.6 Capital

### G.6.6.1 Capital as at December 31, 2017

As at December 31, 2017, the Company's issued common stock amounted to € 90,371,294.84, divided into 132,898,963 fully paid-up shares of € 0.68 par value each.

Compared to December 31, 2016, the share capital was increased by € 375,337.56 corresponding to the issuance of 551,967 new shares resulting from the exercise of stock-options.

### G.6.6.2 Stock evolution for the past 5 years

The Company's share capital has changed as followed during the last five years:

Increase in the par value of the shares to € 6.80 per share, which occurred on April 23, 2014 and resulted in an increase in the Company's share capital from € 78,804,599.61 to € 79,028,274 followed by the division of the par value of the shares by 10, reducing it from € 6.80 to € 0.68. Therefore, 104,596,245 new shares have been created;

As part of the initial public offering, capital increase was approved by Worldline Board of Directors on June 26, 2014. 15,548,780 new shares were issued with a nominal value of € 0.68;

On December 29, 2014 with the Employee Shares Purchase Plan "Boost", 159,758 shares were created;

On February 5, 2016, with the Employee Shares Purchase Plan "Boost", 163,129 shares were created;

In 2016, 257,279 shares have been created following the exercise of stock-option rights by executives and employees of the Group.

In 2017, 551,967 shares have been created following the exercise of stock-option rights by executives and employees of the Group.

As at December 31, 2017, the Company's share capital was therefore composed of 132,898,963 fully paid-up shares of € 0.68 par value each



### G.6.6.3 Other Securities Giving Access to Share Capital

#### G.6.6.3.1 Stock option plans

	2014	2015	2016	2016	Total
<b>Date of Board meeting</b>	03/09/14	27/07/15 <sup>1</sup>	22/02/16 <sup>2</sup>	25/07/16 <sup>3</sup>	
<b>Exercise period start date</b>	15/05/16	15/05/17	25/05/18	25/05/18	
<b>Exercise period end date</b>	03/09/24	31/08/25	24/05/26	15/08/26	
<b>Options granted</b>	1,527,220	1,558,500	196,000	45,000	3,326,720
<b>Options exercised</b>	563,396	245,850	0	0	809,246
<b>Options cancelled or expired</b>	90,300	154,500	2,500	0	256,300
<b>Status on 12/31/2017</b>	873,524	1,158,150	193,500	45,000	2,270,174

<sup>1</sup> The grant date has been set by the Board of Directors on September 1, 2015.

<sup>2</sup> The grant date has been set by the Board of Directors on May 25, 2016.

<sup>3</sup> The grant date has been set by the Board of Directors on August 16, 2016.

If all stock options were to be exercised at year end, 2,270,174 new shares would have been created, representing a dilution percentage of 1.71%.

#### G.6.6.3.2 Performance shares plans

	Date of shareholders meeting				Total
	26/05/2016*	26/05/2016*	02/01/2017**	24/05/2017*	
<b>Date of Board meeting</b>	25/07/2016	25/07/2016	12/12/2016	24/07/2017	
<b>Plan detail</b>	France	International	-	-	
<b>Number of beneficiaries</b>	67	62	5	270	-
<b>Shares granted</b>	263,650	152,964	224,250	507,118	1,147,982
<b>Shares cancelled or expired</b>	15,813	1,725	-	-	17,538
<b>Status as of 31/12/2017</b>	247,837	151,239	224,250	507,118	1,130,444
<b>Acquisition date</b>	25/07/2018	25/07/2019	01/04/2020	24/07/2020	
<b>Availability date</b>	25/07/2019	25/07/2019	01/04/2020	24/07/2020	

\* the number of shares takes into account a maximum multiplier of 115% (as per the performance conditions below)

\*\* the december 12<sup>th</sup> 2016 plan was deployed on january 2nd 2017, please refer to section 17.3.4 of the Registration document of 2016 for further details.

The 1,130,444 remaining performance shares rights represented 0.85% of the share capital of Worldline on December 31, 2017. The terms and conditions of the July 24<sup>th</sup> 2017 plan, of which the CEO is a beneficiary, are described in section G.3.2.4, Table 2 of this Registration Document.



### G.6.6.4 Current authorizations to issue shares and other securities

The following authorizations to modify the share capital and to issue shares and other securities are in force as of the date of this document:

<b>Authorization</b>	<b>Duration of Authorization</b>	<b>Maximum Amount</b>	<b>Use of authorizations (par value)</b>	<b>Unused balance (par value)</b>
A.G.M 13 June 2014 Stock option plans	38 months	2.5% of the Company's share capital <sup>3</sup>	3,079,420 net grant of Stock options	224 138 Stock-options
A.G.M 24 May 2017 (14th resolution) Authorization to enter into transactions involving the Company's shares	18 months	10% of the share capital adjusted at any moment	Section G.6.6.10	10%
A.G.M 24 May 2017 (16th resolution) Share capital increase by capitalization of share premiums, reserves, profits or other items that may be capitalized	26 months	Maximum amount of share capital increase: €500 million	Unused	Maximum amount of share capital increase: €500 million
A.G.M 24 May 2017 (17th resolution) Share capital increase with preferential subscription rights	26 months	Maximum amount of share capital increase: 50% of the share capital <sup>1</sup> Maximum amount of debt instruments: €1 billion	Unused	Maximum amount of share capital increase: 50% of the share capital <sup>1</sup> Maximum amount of debt instruments: €1 billion
A.G.M 24 May 2017 (18th resolution) Share capital increase without preferential subscription rights by public offer	26 months	Maximum amount of share capital increase: 45% of the share capital <sup>1</sup> Maximum amount of debt instruments: €1 billion	Unused	Maximum amount of share capital increase: 45% of the share capital <sup>1</sup> Maximum amount of debt instruments: €1 billion
A.G.M 24 May 2017 (19th resolution) Share capital increase without preferential subscription rights by an offer made pursuant to Article L. 411-2 of the French Monetary and Financial Code (i.e., private placements to qualified investors)	26 months	Maximum amount of share capital increase: 30% of the share capital <sup>1 2</sup> Maximum amount of debt instruments: €600 million	Unused	Maximum amount of share capital increase: 30% of the share capital <sup>1 2</sup> Maximum amount of debt instruments: €600 million
A.G.M 24 May 2017 (20th resolution) Share capital increase in consideration for contributions in kind	26 months	10% of the Company's share capital <sup>1 2</sup>	Unused	10% of the Company's share capital <sup>1 2</sup>
A.G.M 24 May 2017 (21st resolution) Increase of the number of shares to be issued with or without preferential subscription rights	26 months	Maximum percentage under applicable French law on the day of the issuance (as of the date of this Registration Document, 15% of the initial share capital increase) <sup>1 2 4</sup>	Unused	Maximum percentage under applicable French law on the day of the issuance (as of the date of this Registration Document, 15% of the initial share capital increase) <sup>1 2 4</sup>



Authorization	Duration of Authorization	Maximum Amount	Use of authorizations (par value)	Unused balance (par value)
A.G.M 24 May 2017 (22nd resolution) Share capital increase in connection with an employee share savings plan without preferential subscription rights	26 months	2.5% of the Company's share capital <sup>1</sup>	Unused	2.5% of the Company's share capital <sup>1</sup>
A.G.M 24 May 2017 (23rd resolution) Free share plans	38 months	0.5% of the Company's share capital	507,118	157,376
A.G.M 24 May 2017 (15th resolution) Decrease in share capital by cancellation of shares	18 months	10% of the Company's share capital for any 24-month period		10% of the Company's share capital for any 24-month period

- <sup>1</sup> The total maximum nominal amount for the capital increases that may be realized under this authorization is to be deducted from the overall limit fixed at 80% of the share capital in connection with a capital increase, whether immediate or deferred.
- <sup>2</sup> The total maximum nominal amount for the capital increases that may be realized under this authorization is to be deducted from the overall limit fixed at €40 million in connection with a capital increase, whether immediate or deferred.
- <sup>3</sup> A sub-ceiling fixed at 0.5% applies to the allocations to the Chairman, CEO and other legal representatives (mandataires sociaux).
- <sup>4</sup> The nominal amount for the capital increases that may be realized under this authorization is to be deducted from the overall limit of the resolution pursuant to which the initial issuance was decided.

### G.6.6.5 Threshold crossing

During 2017, the Company was not informed of any crossing of threshold mentioned in article L. 233-7 (I) of the French Commercial Code.

### G.6.6.6 Shareholders' agreement

The Group has not received notice of any shareholders agreement and, to the best knowledge of the Company, no "action de concert" or similar agreements exist.

To the Company's knowledge, there is no agreement capable of having a material effect, in case of public offer on the share capital of the Company.

### G.6.6.7 Shareholders' Voting Rights

Each share of the Company gives the right to one vote, subject (i) to the existence of double voting rights on fully paid-up, registered nominal shares held by the same person for at least two years and (ii) treasury stock that do not have voting right.

### G.6.6.8 Control Structure

As of the date of this Registration Document, Atos SE has exclusive control of the Company.

However, measures have been taken to ensure that Atos SE does not abuse its status as controlling shareholder of the Company. To this end, the Company has appointed three

Independent Directors in accordance with the criteria established by the AFEP-MEDEF Code, representing one-third of the Company's Directors, in conformity with the AFEP-MEDEF Code's recommendations. In addition, the Board of Directors is assisted by the Audit Committee and the Nomination and Remuneration Committee, which are mainly composed of Independent Directors.

### G.6.6.9 Agreements Likely to Lead to a Change in Control

None.

### G.6.6.10 Treasury stock and Liquidity contract

#### Treasury Stock

As at December 31, 2017, the Company owned none of its own shares.

#### Liquidity contract

By contract dated July 28, 2014, Worldline SA entrusted Rothschild & Cie Bank, for a one-year period, renewable by tacit consent, with the implementation of a liquidity contract compliant with the Ethics Charter of the AMAFI. € 5.0 million were allocated for the purpose of implementing this contract.

The transactions carried out in 2017 under the liquidity contract are as follows:

<b>Cumulated gross flows as at December 31, 2017</b>	<b>Cumulated Purchases</b>	<b>Cumulated Sales</b>
Number of Shares	422,067	422,067
Average Sale/Purchase price (in €)	33.00	33.12
Total Amount of Purchases/Sales (in €)	13,929,278	13,980,055

### Legal framework

The 14<sup>th</sup> resolution of the Combined General Meeting of May 24, 2017, renewed in favor of the Board of Directors, the authorization to trade in the Group's shares, in connection with the implementation of a share buyback program. The number of shares purchased may not exceed 10% of the share capital of the Company, at any moment in time, such percentage applying to a capital adjusted in accordance with the operations which shall have an effect on the share capital subsequently to the General Meeting, it being specified that in the case of shares purchased within a liquidity contract, the number of shares taken into account to determine the 10% limit shall correspond to the number of shares purchased from which shall be deducted the number of shares resold during the duration of the authorization.

These purchases may be carried out by virtue of any allocation permitted by law, with the aims of this share buyback program being:

- to keep them and subsequently use them for payment or exchange in the context of possible external growth operations, it being specified that the maximum amount of shares acquired by the Company in this context shall not exceed 5% of the share capital;
- to ensure liquidity and an active market of the Company's shares through an investment service provider acting independently in the context of a liquidity contract, in accordance with the professional conduct charter accepted by the *Autorité des Marchés Financiers* (French Financial Market Authority);
- to attribute or sell these shares to the Executive Officers and Directors or to the employees of the Company and/or to the current or future affiliated companies, under the conditions and according to the terms set or accepted by applicable legal and regulatory provisions in particular in connection with (i) profit-sharing plans, (ii) the share purchase option regime laid down under articles L. 225-177 et seq. of the Commercial Code, and (iii) free awards of shares in particular

under the framework set by articles L. 225-197-1 et seq. of the Commercial Code and (iv) French and foreign law shareholding plans, in particular in the context of a company savings plan, as well as to carry out all hedging operations relating to these operations, under the terms and conditions set by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides;

- to remit the shares acquired upon the exercise of rights attached to securities giving the right, whether immediate or deferred, by reimbursement, conversion, exchange, presentation of a warrant or any other way, to the attribution of shares of the Company, as well as to carry out all hedging operations relating to the issuance of such securities, under the conditions set by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides; or
- to cancel them as a whole or in part through a reduction of the share capital pursuant to the 15<sup>th</sup> resolution of the Combined General Meeting held on May 24, 2017.

The maximum purchase price per share may not exceed € 43.50 (fees excluded).

The Board of Directors may adjust the aforementioned purchase price in the event of incorporation of premiums, reserves or profits, giving rise either to an increase in the nominal value of the shares or to the creation and the free allocation of shares, and in case of division of the nominal value of the share or share consolidation to take account of the impact of such transactions on the value of the shares. As a result, the maximum amount of funds assigned to the buyback program amounts to € 575 million as calculated on the basis of the share capital as at December 31, 2016, this maximum amount may be adjusted to take into account the amount of the capital on the day of the General Meeting.

This authorization was granted for a period of 18 months as from May 24, 2017.

### **Description of the share buyback program submitted to approval of the General Meeting of May 24, 2018**

In connection with the share buyback program, it is proposed to renew, during the General Meeting of May 24, 2018, the authorization to repurchase shares for 18 months, in accordance to the conditions described below.

In accordance with the *règlement général* of the *Autorité des Marchés Financiers* (General Rules of the French Financial Market Authority) (articles 241-1 *et seq.*), this description of program is aimed at detailing the objectives and the terms and conditions of the new share buyback program by the Company which will be subject to authorization by the Combined General Meeting of Shareholders of May 24, 2018.

The aims of this program are:

- to keep the shares and subsequently use them for payment or exchange in the context of possible external growth operations, it being specified that the maximum amount of shares acquired by the Company in this context shall not exceed 5% of the share capital;
- to ensure liquidity and an active market of the Company's share through an investment services provider acting independently in the context of a liquidity contract, in accordance with the professional conduct charter accepted by the *Autorité des Marchés Financiers* (French Financial Market Authority);
- to attribute or sell these shares to the Executive Officers and Directors or to the employees of the Company and/or to the current or future affiliated companies, under the conditions and according to the terms set or accepted by applicable legal and regulatory provisions in particular in connection with (i) profit-sharing plans, (ii) the share purchase option regime laid down under articles L. 225-177 *et seq.* of the Commercial Code, and (iii) free awards of shares in particular under the framework set by articles L. 225-197-1 *et seq.* of the Commercial Code and (iv) French or foreign law shareholding plans, in particular in the context of a company savings plan, as well as to carry out all hedging operations relating to these operations, under the terms and conditions set by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides;
- to remit the shares acquired upon the exercise of rights attached to securities giving the right, whether immediate or

deferred, by reimbursement, conversion, exchange, presentation of a warrant or any other way, to the attribution of shares of the Company, as well as to carry out all hedging operations relating to the issuance of such securities, under the conditions set by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides; or

- to cancel these shares as a whole or in part through a reduction of the share capital.

This authorization may be used at any time, except during public offers on the shares of the Company.

Acquisitions, sales, transfers or exchange of shares may be made by any means, subject to the limits authorized by the laws and regulations in force, on one or several occasion, on a regulated market or via a multilateral trading facility or a systematic internalizer or over the counter, including by public tender offering or by block purchases or sales (with no limit on the portion of the share buyback program), and where required, by derivative financial instrument (traded on a regulated market or a multilateral trading facility via a systematic internalizer or over the counter) or by warrants or securities giving access to Company shares, or the implementation of optional strategies such as purchases or sales of purchase or sale options, or by the issuance of securities giving access to the Company's capital by conversion, exchange, redemption, exercise of a warrant or any other means to Company shares held by this latter party, and when the Board of Directors or the person acting on the Board of Directors' authority, under conditions laid down in the law, decides in compliance with the relevant legal and regulatory provisions.

The maximum purchase price is set at € 65.50 (excluding taxes) per share and the number of shares which may be acquired is 10% of the shares making up the Company share capital, at any moment, this percentage applying to an adjusted capital according to the transactions affecting it subsequently to the General Meeting, theoretically 13,289,896 shares as calculated on the basis of the share capital as at December 31, 2017. The maximum amount of the funds dedicated to the share buyback program is € 870,488,188, as calculated on the basis of the share capital on December 31, 2017. This maximum amount can be adjusted to take into account the share capital amount on the day of the General Meeting.

As from its authorization by the General Meeting of May 24, 2018, this program will be in force for a maximum duration of 18 months, i.e. until November 24, 2019.

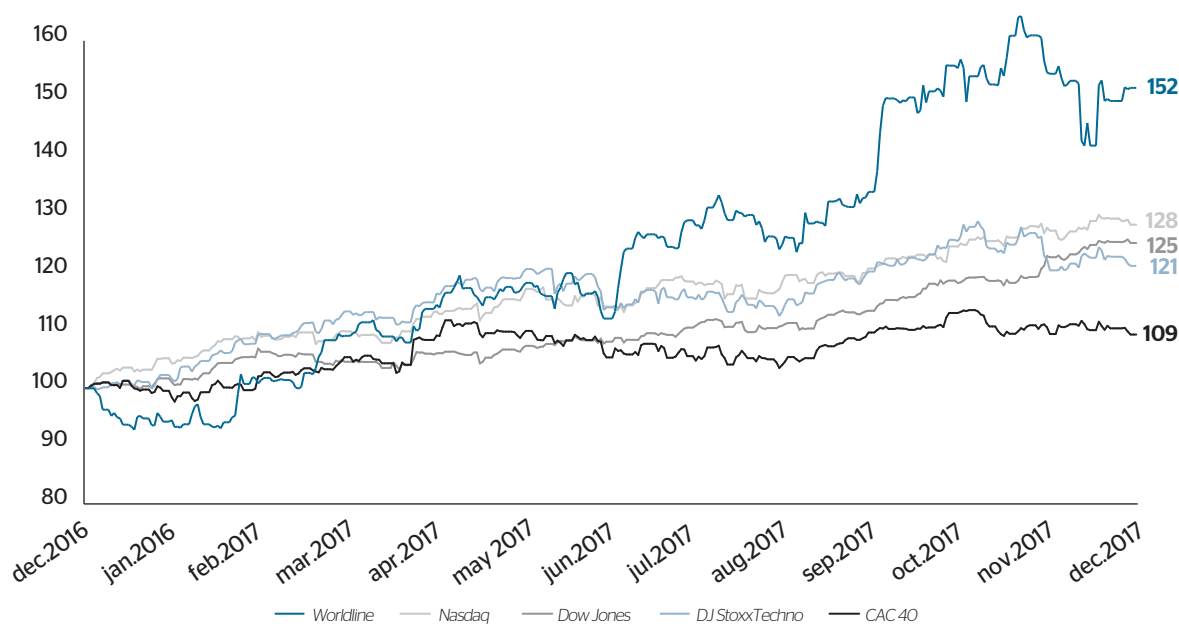
## G.6.7 Share trading performance

### G.6.7.1 Stock market overview

Worldline's share price finished 2017 up +51.87% at € 40.67.

Worldline market capitalization reached €5,405 million at the end of 2017.

#### WORLDLINE'S SHARE PERFORMANCE IN COMPARISON WITH INDICES (BASE 100 AT DECEMBER 31, 2016)



### G.6.7.1 Key figures

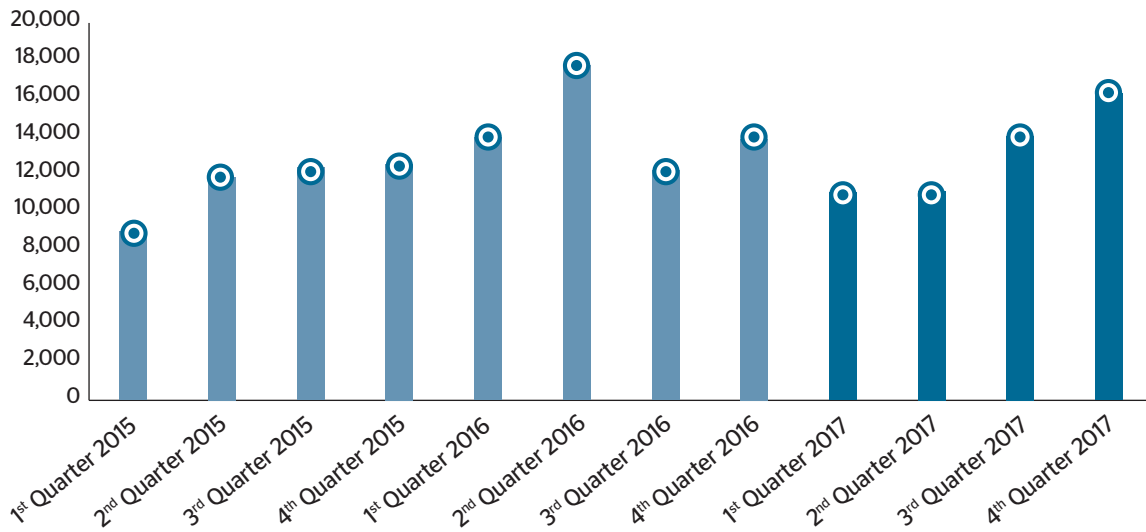
	2017	2016	2015	2014
Highest (in €)	43.99	29.09	24.66	17.09
Lowest (in €)	24.86	18.99	15.70	15.14
Closing as of 30/12 (in €)	40.67	26.78	23.87	16.00
Average daily volume processed on Euronext platform (in number of shares)	84,216	88,060	105,058	62,200
Free-float	29.93%	29.62%	29.52%	29.53%
Market capitalization as of 31/12 (in € million)	5,405	3,544	3,149	2,111
Enterprise Value as of 31/12* (in € million)	5,096	3,145	2,825	1,908
EV/revenue	3.2	2.4	2.3	1.7
EV/OMDA	15.2	12.2	12.0	8.9
P/E (year-end stock price ÷ normalized basic EPS)	37.6	27.4	24.0	18.6

\* Assuming that (Enterprise Value) = (Net Debt) + (Market Capitalization).

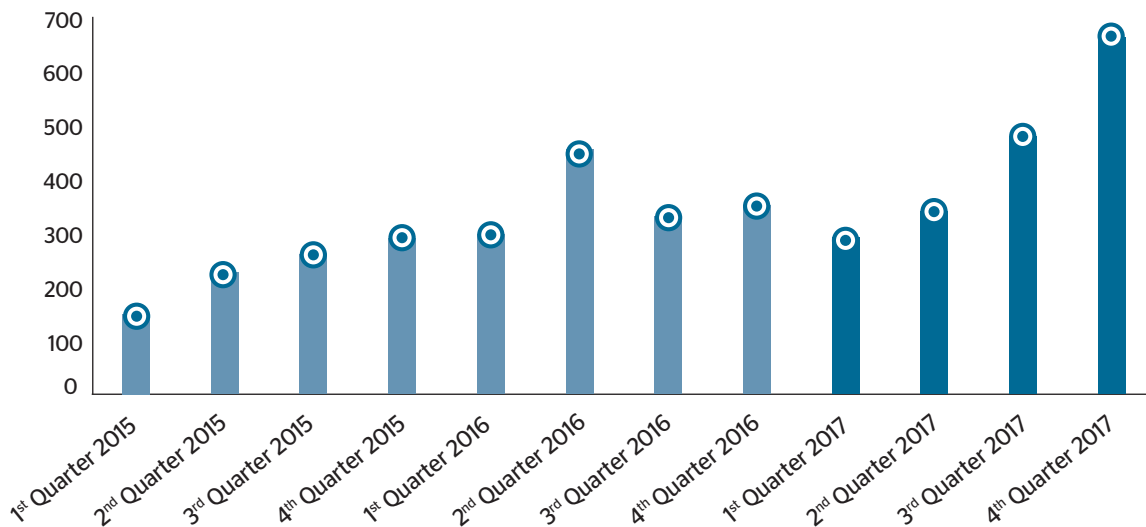
### G.6.7.3 Traded volumes

In 2017, the average daily number of shares traded reached 84 thousand on Euronext platforms, compared to 86 thousand in 2016. Regarding trading volumes on Worldline SA shares, Euronext platform represented 40.5% of the total 2017 volumes, compared to 38.5% in 2016.

#### QUARTERLY TRADING VOLUME (THOUSANDS OF SHARES)



#### QUARTERLY TRADING VOLUME (MILLION EUROS)



## G.6.7.4 2017 and subsequent key trading dates

### February 21, 2017

#### 2016 annual results

At constant scope and exchange rates, Worldline revenue stood at **€ 1,309.2 million** representing an organic growth of **+3.5%** compared with 2015. The Global Business Lines Merchant Services & Terminals and Financial Services contributed to the revenue growth, while Mobility & e-Transactional Services was impacted by the termination of two historical contracts. Excluding the impact of these contract terminations, the growth of the rest of the businesses was +8.4%.

The Group's **OMDA** improved by **+90bp**, reaching **€ 258.7 million** or 19.8% of sales.

**Net income** Group share included the profit from the disposal of the Visa Europe share for € 51.2 million and stood at **€ 144.2 million**. **Net income group share adjusted** for non-recurring expenses reached **€ 129.2 million**, which compares to € 119.9 million in 2015. **Diluted adjusted earnings per share**<sup>1</sup> was **€ 0.98** in 2016, compared with € 0.91 in 2015 (+7.7%).

**Free cash flow** in 2016 was **€ 140.4 million**, at the high end of the € 135 million to € 140 million target set for the year and increasing by +9.3% compared with 2015.

**Net cash** reached **€ 398.9 million**, increasing by **€+75.6 million** compared with the net cash position as at December 31, 2015. This net cash position includes the proceeds from the sale of Worldline's investment in Visa Europe for € 35.6 million and the net disbursement of € 111.0 million linked to the acquisition of Paysquare and KB Smartpay.

### April 24, 2017

#### First quarter 2017 revenue

**Revenue** was **€ 374.3 million**, representing an organic growth of **+1.4 %** at constant scope and exchange rates compared to the first quarter of 2016. The Global Business Lines Merchant Services and Financial Services contributed to the revenue growth, while Mobility & e-Transactional Services was still impacted, as in H2 2016, by the termination of one historical contract in France, which occurred in June 2016 and which therefore will affect Worldline growth for the last time in Q2 this year. Excluding the comparison basis impact resulting from this contract termination, the growth rate of the rest of the businesses was +6.0%.

### May 24, 2017

#### Worldline's Combined General Meeting

All resolutions submitted by the Board of Directors were approved.

In particular, the General Meeting approved the Parent Company accounts and the consolidated accounts for the financial year ending December 31, 2016, which reflect a very robust operational performance, with all the objectives for the year reached in the upper end of the guidance bracket for revenue growth, improvement of profitability as well as free cash flow generation.

During the General Meeting, the representative of the main shareholder Atos SE took the floor to indicate that a discussion about the required number of shares per Director had occurred. In that respect, an Extraordinary General Meeting shall soon be convened by the Company's Statutory Auditors in order to confirm the terms of office of the members of the Board of Directors; a specific resolution aimed at amending the Articles of Association in relation to the minimum required number of shares per Director will be submitted to the Extraordinary General Meeting.

### July 17, 2017

#### Worldline to acquire Digital River World Payments, an online global payment services provider serving Tier 1 online merchants

Founded in 1997 and headquartered in Stockholm, Sweden, DRWP is a subsidiary of Digital River and employs approximately 120 employees worldwide. With global payment gateway, multi-acquiring and collecting services under one roof and having generated yearly gross revenue of c. 37 million euros in 2016, DRWP delivers comprehensive online payment acceptance and optimization solutions for leading enterprise brands, spanning a variety of industries, including travel, retail, direct selling and digital goods. DRWP's global platform and large geographical footprint support international payment schemes and currencies across 175 countries, a wide range of local payment brands and methods, and more than 40 acquiring bank connections.

### July 24, 2017

#### Worldline's Combined General Meeting

The Combined General Meeting of Worldline's shareholders held on July 24, 2017 allowed for the confirmation of the respective terms of office as directors of all current members of the Board of Directors, in line with the remaining duration of their respective terms of office. The Board of Directors met after the General Meeting and confirmed the mandates of the Chairman of the Board of Directors and of the Chief Executive Officer for the duration of their offices as directors; the Board confirmed the composition of the Board's committees.

#### Worldline, jointly with Total, partners with the African payment Fintech InTouch

On July 13, 2017, Worldline and Total signed a binding technological, commercial, and financing agreement with African fintech InTouch. Worldline and Total will support the deployment acceleration of the "Guichet Unique" platform in eight African countries (Senegal, Ivory Coast, Cameroon, Burkina Faso, Guinea (Conakry), Mali, Morocco and Kenya).

<sup>1</sup> EPS including the impacts of potentially dilutive instruments, calculated on the net result adjusted for non-recurring items, net of tax.



This solution allows merchants to aggregate payment means (e.g. mobile money, payments through private label cards, cash) and to sell third party services (subscriptions to media content, bill settlements, money transfer, cards top-up, etc.) through a unique interface. As part of the agreement, Worldline will take along with Total a minority stake in InTouch and will provide, as a first step of a broader technological agreement, a secure and industrial hosting infrastructure to enable the fast deployment of Guichet Unique.

## July 25, 2017

### 2017 first half results

At constant scope and exchange rates, Worldline **revenue** stood at **€ 778.1 million** representing an organic growth of **+1.7%** at the end of June 2017 compared with the first half of 2016. The Global Business Lines Merchant Services and Financial Services contributed to the revenue growth, while Mobility & e-Transactional Services was still impacted, as in H2 2016, by the termination of one historical contract in France (the "Radar" contract), which occurred in June 2016 and which therefore has affected Worldline growth for the last time during this H1 2017. Excluding the comparison basis impact resulting from this contract termination, the growth rate of the rest of the businesses was above +6%.

The Group's **OMDA** reached **€ 153.5 million** or **19.7%** of revenue, i.e. an increase of +170 basis points, fully in line with the objective initially set for the full year to reach an OMDA percentage of between 20.0% to 20.5%, corresponding to an ambition to increase OMDA between +150 to +200 basis points.

**Normalized net income**<sup>1</sup> stood at **€ 71.9 million** and progressed by **+16.0%**. **Net income** Group share stood at **€ 50.8 million**, decreasing by € 41.3 million compared with the same period last year, which included the exceptional profit from the disposal of the Visa Europe share.

First half 2017 **free cash flow** was **€ 88.0 million**, representing a **+25.7%** increase compared to H1 2016.

**Net cash** reached **€ 440.1 million**, increasing by **€+92.4 million** compared with the net cash position as at December 31, 2016, which was adjusted by €-51.2 million to reflect the presentation of assets and liabilities related to intermediation activities<sup>2</sup>.

### Worldline to acquire the leading payment processor in the Baltics from First Data Corporation

Worldline announce the signature of an agreement with First Data Corporation ("FDC") for the acquisition of 100% of the share capital of FDC's fully owned subsidiaries in, Lithuania, Latvia, Estonia (together "First Data Baltics" or "FDB") for c.€ 73 million, financed by available cash.

Having generated revenue of c. € 23 million in 2016, presenting a strong financial profile with EBITDA margin materially above Worldline's EBITDA, FDB currently employs c.200 employees and is the leading financial processor in the Baltics, providing to the main Baltic banking groups and also to some banks in the wider Nordic region, a large range of outsourcing services.

Through this acquisition, Worldline gains a unique leading position in the fast-growing Baltic countries, significant development perspectives in the Baltics (n°1 in Latvia & Lithuania, n°2 in Estonia) thanks to structural electronic payments growth. Numerous synergy levers with Worldline portfolio have been identified allowing the acceleration of both revenue and profitability.

### Disposal of the Cheque Service

As part of the regular review of its portfolio, the Group has decided to sell its Cheque Services business in France through a management buy-out, as there were low synergies with the other activities of Worldline and as this business was dilutive to the Group's growth and profitability. This activity generated revenue of less than €20 million and was dilutive to the Group's OMDA margin in 2016. This transaction, which is supported by Cheque Service employees, will allow Cheque Service to pursue its commercial expansion in France.

## October 3, 2017

### Worldline to host today an Investor Day presenting the next milestone of its Pan-European leadership ambitions

Worldline announces its upgraded ambitions for the 2017-2019 period reflecting the positive developments of its plans during the last 3 years and the increase of its business after the recent acquisitions of Digital River World Payments (announced in July 2017), First Data Baltics "FDB" (announced in July 2017) and lately, MRL Posnet in India, which is announced this day.

Taking into account the acquisitions announced during the third quarter of 2017: First Data Baltics (that has been finalized on September 27, 2017), Digital River World Payments, and MRL Posnet, and their anticipated positive impact on the group 2019 financial profile, the Group now ambitions to deliver:

- **Revenue organic growth:** after 3.5% to 4% for 2017, 5% to 7% for 2018 and 6% to 8% for 2019;
- **OMDA margin:** Above 22.5% in 2019, which corresponds to an improvement of above +400 basis points compared with 2016<sup>3</sup>;
- **Free cash flow:** € 230 million to € 245 million in 2019.

### To reach its 2019 Ambition the Group will focus on the following levers:

- Take advantage of Worldline's unique Pan-European reach and undisputed leadership in Financial Processing;
- Expand strongly Worldline's Pan-European platform for Omni-Commerce Merchant Services;
- Bringing payment and regulation expertise to new markets in Mobility & e-Transactional Services.

<sup>1</sup> The normalized net income excludes unusual and infrequent items (net of tax).

<sup>2</sup> Please refer to note Accounting rules and policies to the Condensed Interim Financial Statements.

<sup>3</sup> 18.5% OMDA margin, 2016 pro forma account.



## October 23, 2017

### Third quarter 2017 revenue

During the third quarter of 2017, Worldline's revenue was at € 385.6 million, increasing by +33.0% at constant exchange rates and +6.3% organically compared with the third quarter of 2016. Revenue growth accelerated sequentially as planned compared with the growth rate reported in H1 2017 (which was +1.7%), as the negative comparative effect arising from the termination of the RADAR contract in June 2016 ended in June 2017.

Over the first nine months of 2017, Worldline's revenue was € 1,163.7 million, up +29.6% at constant exchange rates and +3.2% organically.

## February 20, 2018

### 2017 annual results

At constant scope and exchange rates, Worldline revenue stood at **€ 1,593.9 million** representing an organic growth of **+4.0%** compared with 2016. Revenue growth in H2 2017 (+6.3%) accelerated sequentially as planned compared with the growth rate reported in H1 2017 (which was +1.7%), as the negative comparative effect arising from the termination of the RADAR contract in June 2016 ended in June 2017.

The Group's **OMDA** improved by **+240bp**, reaching **€ 335.4 million** or 21.0% of sales, well in line with the revised target set in July 2017 and exceeding the objective initially set in February last year of between 20.0% and 20.5%.

**Normalized net income**<sup>1</sup> stood at **€ 144.1 million** and progressed by **+13.1%**. **Net income Group share** stood at **€ 105.5 million**, decreasing by € 38.6 million compared with 2016, which included the exceptional profit from the disposal of the Visa Europe share.

**Normalized diluted earnings per share**<sup>2</sup> was **€ 1.08** in 2017, compared with €0.96 in 2016 (+12.5%).

**Free cash flow** in 2017 was **€ 176.0 million** and increased by **+28.9%** compared with 2016.

**Net cash** reached **€ 309.1 million** decreasing by **€-38.6 million** compared with the net cash position as at December 31, 2016.

- This net cash position was adjusted by €-51.2 million to reflect the presentation of assets and liabilities related to intermediation activities, as already disclosed in the June 2017 consolidated financial statements.
- It also includes the net disbursement related mainly to the acquisitions of Digital River World Payments, First Data Baltics, MRL Posnet and Diamis for € 220.1 million.

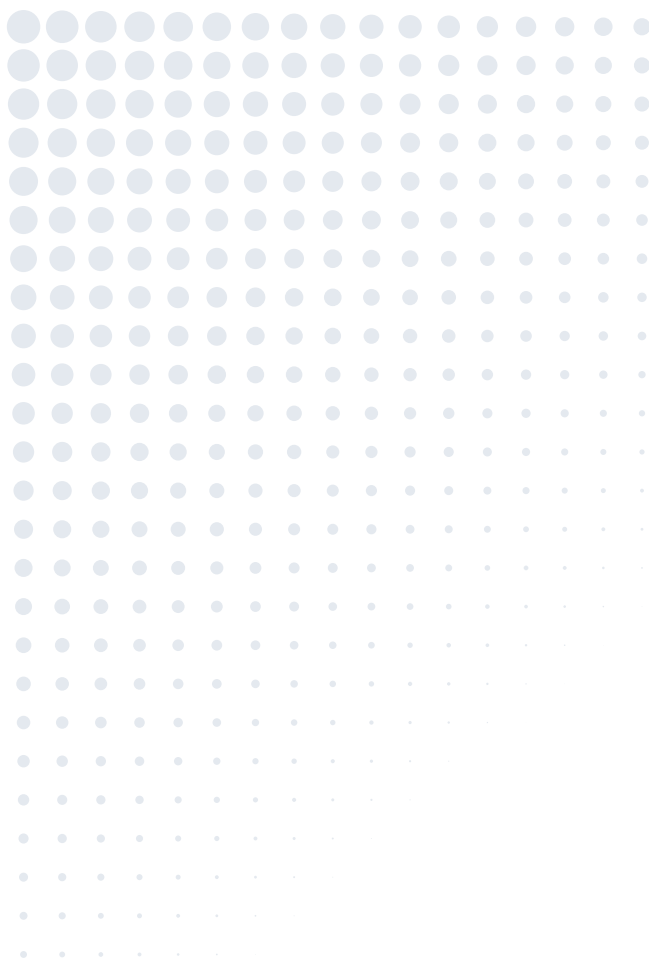
<sup>1</sup> The normalized net income Group Share excludes unusual and infrequent items (Group share), net of tax.

<sup>2</sup> EPS including the impacts of potentially dilutive instruments, calculated on the net income Group share adjusted for non-recurring items (Group share), net of tax



# H

## Appendix



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## H.1 Definitions

### Financial terms

**Current and non-current assets or liabilities:** A current and non-current distinction is made between assets and liabilities on the balance sheet. The Group has classified as current assets and liabilities those that it expects to realize, use or settle during its normal cycle of operations, which can extend beyond 12 months following the period-end.

Current assets and liabilities, excluding the current portion of borrowings and financial receivables, represent the Group's working capital requirement.

**CAGR:** The Compound Annual Growth Rate reflects the mean annual growth rate over a specified period of time longer than one year. It is calculated by dividing the value at the end of the period in question by its value at the beginning of that period, raise the result to the power of one divided by the period length, and subtract one from the subsequent result. As an example:

- Worldline 2016-2019 revenue CAGR =  $(\text{Revenue 2019e}/\text{Revenue 2016})^{1/3} - 1$

**DSO:** (Days' Sales Outstanding). DSO is the amount of trade accounts receivables (including work in progress) expressed in days' revenue (on a last-in, first-out basis). The number of days is calculated in accordance with the Gregorian calendar.

**Net debt:** Net debt comprises total borrowings (bonds, finance leases, short and long-term bank loans, securitization and other borrowings), short-term financial assets and liabilities bearing interest with a maturity of less than 12 months, less cash and cash equivalents (transferable securities, cash at bank and in hand).

**Operating margin:** Operating margin comprises operating income before major capital gains or losses on the disposal of assets, major reorganization and rationalization costs, impairment losses on long-term assets, net charge to provisions for major litigations and the release of opening balance sheet provisions no longer needed.

**EBITDA:** (Earnings Before Interest, Tax, Depreciation and Amortization). For Worldline, EBITDA is based on Operating margin less non-cash items and is referred to as OMDA (Operating Margin before Depreciation and Amortization)

**OMDA** (Operating Margin before Depreciation and Amortization) is calculated as follows:

Operating margin:

- less - Depreciation of fixed assets (as disclosed in the "Financial Report");
- less - Operating net charge of provisions (composed of net charge of provisions for current assets and net charge of provisions for contingencies and losses, both disclosed in the "Financial Report");
- less - Net charge of provisions for pensions (as disclosed in the "Financial Report");
- less - Equity-based compensation.

**Gearing:** The proportion, expressed as a percentage of net debt to total shareholders' equity (Group share and minority interests).

**Interest cover ratio:** Operating margin divided by the net cost of financial debt, expressed as a multiple.

**Leverage ratio:** Net debt divided by OMDA.

**Operating income:** Operating income comprises net income before deferred and income taxes, net financial expenses, share of net income from associates and the results of discontinued operations.

**Normalized net income:** Net income (Group share) before unusual and infrequent items, net of tax.

**EPS (earnings per share):** Basic EPS is the net income divided by the weighted-average number of common shares outstanding during the period. Diluted EPS is the net income divided by the diluted weighted-average number of common shares for the period (number of shares outstanding + dilutive instruments with dilutive effect). Normalized EPS is based on normalized net income.

**Free cash flow:** Represents the change in net cash or net debt, excluding equity changes, dividends paid to shareholders, net acquisitions/disposals.

## Business KPI's (Key Performance Indicators)

### Revenue

**Organic growth:** Organic growth represents the percent growth of a unit based on a constant scope and exchange rates basis

**TCV (Total Contract Value):** The total value of a contract at signature (prevision or estimation) over its duration. It represents the firm order and contractual part of the contract

excluding any clause on the decision of the client, as anticipated withdrawal clause, additional option or renewal.

**Pipeline:** The value of revenues that may be earned from outstanding commercial proposals issued to clients. Qualified pipeline applies an estimated percentage likelihood of proposal success.

### Human Resources

**Staff:** The total number of employees under Worldline employment contracts at the end of the period. Staff includes those on long sickness or long absence, apprentices, trainees, and employees on maternity leave, but excludes subcontractors and interims.

**FTE (Full-time equivalent staff):** The total number of staff calculated using information from time sheets on the basis of working time divided by standard contractual workable time per employee. In general, a person working on a full time contract is considered as one FTE, whereas a person working on a part time contract would be less considered than one FTE.

Calculations are based on contractual working time (excluding overtime and unpaid holidays) with potential workable time (in hours or days) = nominal time + overtime balance - unpaid vacation. For subcontractors and interim staff, potential workable hours are based on the number of hours billed by the supplier to Atos.

**Subcontractors:** External subcontractors are third-party suppliers. Outsourced activities (e.g. printing or call center activities) and fixed price subcontracting are excluded from the recorded number of subcontractors or interims.

**Interims:** Staff from an agency for temporary personnel. Interims are usually used to cover seasonal peaks or for situations requiring staff for a short period of time.

**Direct Staff:** Direct staff includes permanent staff and subcontractors, whose work is billable to a third party.

**Indirect staff:** Indirect staff includes permanent staff or subcontractors, who are not billable to clients. Indirect staff is not directly involved in the generation of products and/or services delivered to clients.

**Permanent staff:** Permanent staff members have a contract for an unspecified period of time.

**Temporary staff:** Temporary staff has a contract for a fixed or limited period of time.

**Staff turnover and attrition rate (for legal staff):** Turnover and attrition rates indicate the proportion of legal staff that has left the Group (voluntary and/or involuntary) in a defined period:

- Turnover measures the percentage of legal staff that has left the business in a defined period;
- Attrition measures the percentage of legal permanent staff that has voluntarily left the business in a defined period. Attrition rate is a ratio based on total voluntary leavers in the period on an annual basis divided by the average number of permanent staff in the period.



## Market terms

**Dilutive instruments:** Financial instruments such as bonds, warrants, stock subscription options, free shares, which could be converted into shares and have therefore a potential dilutive impact on common stock.

**Dividends:** Cash or stock payments from a company's profits that are distributed to stockholders.

**Enterprise Value (EV):** Market capitalization + debt.

**Free float:** Free float is the proportion of a company's share capital that is regularly traded on the stock exchange. It excludes shares in the six categories listed below (source Euronext):

- shares held by Group companies: Shares of the listed company held by companies that it controls within the meaning of article 233/3 of the French Commercial Code;
- shares held by founders: shares held directly or indirectly by the founders (individuals or family group) when these founders have managerial or supervisory influence (management positions, control by voting rights, influence that is a matter of public knowledge, etc.);
- shares held by the State: Interests held directly by the State, or by public sector or other companies which are themselves controlled by the State;
- shares within the scope of a shareholders' agreement: Shares subject to a shareholders' agreement within the meaning of article 233/10 and 11 of the French Commercial Code, and other than those held by founders or the State;

- controlling interest: Shares held by juridical persons (other than founders or the State) exercising control within the meaning of article 233/3 of the French Commercial Code;
- interests considered stable: Interests exceeding 5%, which have not declined by one percentage point or more, excluding the impact of dilution, in the three preceding years. This category also includes shareholders that, in addition to or in association with the link represented by share ownership, have recently entered into significant industrial or strategic agreements with the Group.

**Market capitalization:** The share price of a company multiplied by the number of its shares in issue.

**PER (Price Earnings Ratio):** Market capitalization divided by net income for a trailing (or forward) 12-month period.

## Business terms

“3-D Secure”	VISA security standard enabling an issuer to authenticate cards used for online payments. 3-D Secure is intended to replace Secure Electronic Transaction (SET).
“3G”	Third generation (3G) mobile telephony norm providing high-speed communication (up to 2 Mbit/s, theoretically symmetrical) on 1.9 to 2.2 GHz frequencies.
“acquirer/acquiring bank”	Financial institution that enters into an agreement with an accepting party to acquire data from card-based transactions and enter such data into the issuer’s settlement system. A single financial institution may be both an acquirer and an issuer.
“acquiring processing”	Set of technical operations performed to carry out the acquirer’s activity, which may be sub-contracted to a specialized company.
“acquiring”	Process by which an acquirer receives payment transaction data from an accepting party, generally a merchant, pursuant to its agreement with such accepting party.
“API”	Application programming interface.
“ATM”	Automated teller machine.
“authentication”	Procedure that allows the payment service provider to verify the use of a specific payment instrument, including its personalized security features.
“authorization”	Approval or guarantee given by the issuer to the acquirer. The authorization implies that the issuer will honor the transaction.
“big data”	Refers to the massive amounts of information data that are generated and collected over time that are often difficult to analyze using common database or information management tools. The types of data include business transactions, e-mail and text messages, location data, activity logs and unstructured text from blogs and social media, as well as the vast amounts of data that can be collected from machines of all varieties. Companies increasingly seek to analyze and monetize big data in order to better understand consumer behavior and market trends and generate new products and marketing opportunities.
“bluetooth”	Wireless technology standard for exchanging data over short distances using short-wavelength radio to simplify connections between electronic devices.
“chargeback”	An offsetting mechanism whose purpose is to reverse an initial payment or withdrawal on the grounds that the transaction in question should not be processed due to the accepting party’s failure to comply with security rules.
“clearance”	A mechanism permitting banks and financial institutions to carry out transactions. A transaction always has a debtor and a creditor. Clearance is evidenced by accounting entries recording the transaction. The credit to the creditor’s account is said to offset the debit to the debtor’s account.
“closed loop payment card”	Payment card for which processing goes directly from the payment terminal to the card issuer’s system without going through a third party.
“cloud”	Concept consisting of the transfer to distant servers of storage and data processing traditionally held on local servers or the user’s hardware.
“CMS”/ “card management system”	Software for managing a fleet of cryptographic devices such as smart cards.
“commercial acquiring”	The business of acquiring, which consists in carrying out card payments made by a merchant’s customers and includes receiving funds from issuing banks and depositing the proceeds, net of a “merchant service charge”, into the merchant’s account.
“commercial processing”/ “processing”	Set of technical operations performed to carry out a merchant’s payment transactions.
“CRM”/ “customer relationship management”	Management of the customer relationship.
“cross-channel” / “omni-channel”	Adoption of new behavior by customers who change channels during their decision-making process, where previously they were required to perform all of the steps in the process (identification of a need, search for information, evaluation of the alternatives, selection, post-purchase evaluation) through the only channel available.
“cryptographic accelerator”	Electronic device that increases the speed of encryption operations on payment terminals.





## Appendix Definitions

“CSM”	Clearing and settlement mechanism.
“data center”	Physical site used to house the equipment comprising a business’s information system (central computers, servers, storage facilities, network and telecommunications equipment, etc.).
“data mining”	Analysis of data with a view to deriving knowledge and understanding from vast amounts of data by means of a variety of automatic and semi-automatic methods and techniques.
“DCC”/“dynamic currency conversion”	Financial service in which holders of credit cards have the cost of a transaction converted to their local currency when making a payment in a foreign currency.
“e/m Payment”	e-Payment or m-Payment.
“e-Banking” or “online banking”	Refers to Internet banks offering their customers remote banking services, without using tellers or physical branches for carrying out their transactions.
“e-Commerce”	The sale or purchase of goods or services by a business, an individual, a governmental authority or any other public or private organization, carried out through a computer network.
“e-Consumer”	A consumer who carries out transactions using digital technologies.
“e-Government”	The use of digital technologies (often by Internet) to provide government services.
“electronic wallet”/ “e-Wallet”	A device for storing currency without any need for a bank account, and for making direct online payments through a payment terminal. By extension, a device permitting unique and user-friendly access to several payment solutions (for example, credit cards or debit cards).
“EMV”	Europay - MasterCard - Visa. International standard governing payment cards with chips as well as the performance of payment terminals. EMV cards and terminals must be certified pursuant to the procedures required by EMV Co, the supervisory body for the EMV standard.
“encryption”	Application of mathematical theory to create techniques and algorithms to be applied to data to ensure its confidentiality, integrity and/or authentication, for example.
“e-Payment”	Means of performing commercial transactions for the exchange of goods or services on the Internet.
“e-Ticketing”	Electronic system enabling the issuance, verification and payment of tickets, in particular in the area of public transportation.
“HCE”/ “host card emulation”	Virtual representation of a physical smart card using software on a mobile telephone.
“HSM/hardware security module”	Electronic equipment providing security services consisting of the generation, storage and protection of encryption keys.
“Interchange fees”	The amount that the acquiring bank (the merchant’s counterparty) must pay to the issuing bank (the bank that issued the card to the cardholder) each time the card is used for a customer’s payment to a merchant.
“IoT”	Internet of Everything. Connection of people, systems and objects by computer network.
“issuer” / “issuing bank”	Financial institution (or similar) that issues a card to a cardholder.
“issuing processing”	Set of technical operations performed to carry out the issuer’s activity, which may be sub-contracted to a specialized company.
“issuing”	Issuance of means of payment such as credit cards, debit cards and pre-paid cards.
“ITSO”	Integrated Transport Smartcard Organization.
“kiosk”	An interactive terminal.
“licensed payment institution”	Legal entity authorized pursuant to the Payment Services Directive to provide payment services.
“M2M”/ “machine to machine”	Technology allowing for communications between machines without human intervention.
“m-Commerce” / “mobile commerce”	The use of wireless technologies, more specifically mobile telephony technology, to conduct commercial transactions.
“m-Payment” / “mobile payment”	Transaction carried out from a mobile telephone and charged to a credit or debit card, the operator’s invoice or an electronic wallet.
“NFC”	Near-Field Communication. Short-range, high-frequency wireless communication technology permitting the exchange of information between devices up to a distance of approximately 10 centimeters.



“OBeP/ “online banking e-Payments”	Type of payment network developed by the banking industry in coordination with technology providers, designed specifically to meet the unique requirements of payments made by Internet.
“omni-commerce”	Refers to cross-channel commerce solutions.
“open payments”	Technology based on contactless payment card usage in order to settle fares.
“payment collecting”	Centralization of worldwide payment transactions with numerous local acquirers for a given merchant
“payment gateway”	Internet site permitting the acceptance of online payments and accessible through numerous other websites.
“payment scheme”	Commonly refers to an organization in charge of defining and ensuring compliance with rules specific to a method of payment. Visa and MasterCard are payment schemes.
“payment services”	Services enabling cash to be placed on or withdrawn from a payment account, as well as all the operations required for managing a payment account; execution of payment transactions; transmission of funds; Issuance of payment instruments and/or acquisition of payment orders; execution of payment transactions where the consent of the payer is given by means of a telecommunication, digital or IT device and the payment is made to the telecommunication, IT system or network operator, acting only as an intermediary between the payment service user and the supplier of the goods and services.
“Payment Services Directive”	European Directive 2007/64/CE of November 13, 2007 on payment services in the internal market.
“payment services hub”	Electronic payment platform that enables centralized processing of batch and individual payments on a single end-to-end platform, irrespective of instrument type, value of payment, customer, channel or transaction type. It supports standards based interfaces and provides a holistic, real-time view and sharing of information across all payments.
“payment terminal”/ “terminal”	Equipment used for electronic payments. Terminal that performs electronic reading of payment cards, certain verifications of validity and automatic transmission of transactions to the acquirer.
“PB”	Abbreviation for petabyte, which is a multiple of the byte, a unit of storage or transmission of digital information. A petabyte (PB) is different from a petabit (Pbit): a byte is a unit of information that is defined as a multiple of a bit (one byte equals eight bits).
“PCI DSS”	Payment Card Industry Data Security Standard. Data security standard developed by the Payment Card Industry.
“PCI/Payment Card Industry”	Association of the principal payment schemes: Visa, MasterCard, American Express, Discover, and JCB.
“PEACH”	Pan-European Automated Clearing House.
“peer-to-peer”	Computer network model similar to the client-server model but in which each client is also a server.
“PIN”	Personal identification number. A secret code required in order to confirm a user’s identity.
“POS terminal”	Terminal combining the functions of a payment terminal with other functions relating to the merchant’s business and to payments other than by card, such as cash or cheque.
“POS/point of sale”	The location where a commercial transaction takes place. A point of sale may include several points of acceptance (for example, a supermarket is a point of sale, whereas each of the supermarket’s cash registers is a point of acceptance). With rare exceptions, any French point of sale is legally defined by its SIRET number.
“private label card”	Card issued by a merchant or a non-financial institution and used for the purchase of goods and services.
“QR code”	Quick Response code. Two-dimensional matrix barcode (or “data matrix”) consisting of black nodules arranged on a white square background. The pattern of these nodules determines the information contained in the code.
“SaaS”	Software as a Service. Commercial software delivery model in which software is installed on distant servers rather than on the user’s machine.





## Appendix Definitions

"SEPA"	The Single Euro Payments Area, a project initiated in 2002 by credit institutions to make payments among 34 European countries as easy and as secure as domestic payments, by putting in place three European payment methods, namely wire transfer, direct debit and payment by card.
"settlement"	Payment of funds by the acquirer either directly into the merchant's bank account or through the payment service.
"Sips"	Secure Internet Payment Services. A secure online, cross-channel payment processing solution.
"SOA"	Service-oriented architecture. Middleware architecture model enabling interaction among applications by providing services (in the form of software components) with strong internal consistency but loose coupling to external components.
"token"	Anonymous digital identifier that can be transferred between two entities over the internet.
"VAS"	Value added services.
"white label"	A service or solution produced by one entity, the producer, that another entity, the marketer, rebrands and distributes to make it appear as if it had made it.

## H.2 Cross-reference tables

### Cross reference table for the Registration Document

This document is a full free translation of the original French text. The original document has been filed with the Autorité des Marchés Financiers (AMF) on March 21, 2018, in accordance with article 212-13 of the AMF's General Regulations. After filing, this document as a Reference Document could be used to support a financial operation if accompanied by a prospectus duly approved by the AMF.

The cross-reference table identifies the main information required by Regulation No. 809/2004 of the European Commission dated April 29, 2004 (the "Regulation"). The table indicates the pages of this Reference Document where is presented the information related to each item.

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## Appendix

### Cross-reference tables

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N°	Items of the Annex I of the regulation	Sections	Pages
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<b>21.</b>	Additional Information		
<b>21.1.</b>	Share Capital		
21.1.1	Amount of issued capital	G.6.6	339
21.1.2	Shares not representing capital	N/A	
21.1.3	Shares held by or on behalf of the issuer itself	G.6.6.10	344
21.1.4	Convertible securities, exchangeable securities or securities with warrants	G.6.6.3	342
21.1.5	Information about and terms of any acquisition rights and or obligations over authorized but unissued capital or an undertaking to increase the capital	N/A	
21.1.6	Information about any capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate	A.6.1	14
21.1.7	History of share capital	G.6.6	339
<b>21.2.</b>	Memorandum and Articles of Association		
21.2.1	Description of issuer's objects and purposes	G.1.2	292
21.2.2	Provisions of the issuer's Articles of Association, statutes, charter or bylaws with respect to the members of the administrative, management and supervisory bodies	G.1.3	293
21.2.3	Description of the rights, preferences and restrictions attaching to each class of the existing shares	G.1.3.2	294
21.2.4	Description of actions to change the rights of holders of the shares	G.1.3.2	294
21.2.5	Description of the conditions governing the manner in which Annual General Meetings and Extraordinary General Meetings of Shareholders are called	G.1.3.2	294
21.2.6	Description of any provision that would have an effect of delaying, deferring or preventing a change in control of the issuer	G.1.3.2	295
21.2.7	Description of the conditions governing the ownership threshold above which shareholder ownership must be disclosed	G.1.3.2	294
21.2.8	Description of the conditions governing changes in the capital	N/A	
<b>22.</b>	Material Contracts	E.1.5; E.1.7; F.1; F.2	181; 184; 266; 275

N°	Items of the Annex I of the regulation	Sections	Pages
23.	Third party information and statement by experts and declarations of any interest		
23.1	Statement or report attributed to a person acting as an expert	N/A	
23.2	Information sourced from third parties	Notes	2
24.	Documents on Display	G.2.1; G.6.3	296; 340
25.	Information on holdings	A.6.3.3; E.4.7.3 – Note 29	18; 235

## Cross reference table for the Financial Report

In order to facilitate the reading of this document, the cross-reference table, hereafter, allows identifying in this Reference Document, the information which constitutes the Annual Financial Report having to be published by the listed companies in accordance with article L. 451-1-2 of the French Monetary and Financial Code and article 222-3 of the French Market Authorities' General Regulations.

Information	Sections	Pages
Company financial statements	E.5	238
Consolidated financial statements	E.4	192
Annual report	See cross reference table hereafter	
Certificate of the Annual Financial Report responsible	A.4.2	7
Statutory auditors' report on the Company financial statements	E.5.1	238
Statutory auditors' report on the consolidated financial statements	E.4.1	192
Statutory auditors fees	E.4.7.3 - Note 30	237
Report of the Board of Directors on Corporate Governance and Internal Control	G.2.8	317
Statutory auditors' report, in accordance with article L. 225-235 of French Commercial Code	E.4.1	192

In accordance with the requirements of article 28 of EC regulation n° 809-2004 dated April 29, 2004 relating to documents issued by issuers listed on markets of states members of the European Union ("Prospectus Directive"), the following elements are enclosed by reference:

- the consolidated accounts for the year ended December 31, 2015 under IFRS;
- the related statutory auditors' reports; and
- the Group management report

Presented within the Registration Document ("document de référence") 2015 n° R.16-031 filed with the Autorité des Marchés Financiers (AMF) on April 28, 2016.

- the consolidated accounts for the year ended December 31, 2016 under IFRS;
- the related statutory auditors' reports; and
- the Group management report

Presented within the Registration Document ("document de référence") 2016 n° R.17-032 filed with the Autorité des Marchés Financiers (AMF) on April 28, 2017.

## Annual management report

The cross-reference table below identifies in the Reference Document the information included in the annual management report to be provided by the Company's Board of Directors, as required by Articles L. 225-100 *et seq.* of the French Commercial Code.

	<b>Sections</b>	<b>Pages</b>
1.Business Trends Analysis	E.1	177
2.Analysis of Results	E.3	187
3.Financial Operations Analysis	E.3	187
4.Description of Main Risks and Uncertainties	F.1 ; F.2 ; F.3 ; F.4 ; F.6	266; 275; 276; 278; 280
5.Financial Instruments Use	E.4.7.3 - Note 28	233
6.Risk Factors such as Pricing, Credit, Liquidity in Cash and Treasury	F.4	278
7.Information relating to the Shares Repurchases	G.6.6.10	344
8.Situation during the Fiscal year 2017	E.1; E.3; E.4. E.5; E.6	177; 187; 192; 238; 258
9.Foreseeable Trend of the Situation	B1 ; B.3 ; B.4	22; 34; 36
10.Substantial Events Occurred since the End of 2017	E.4.7.3 - Note 31; E.5.4.5 - Note 20	237; 257
11.Research and Development Activities	C.8.1	68
12.Existing branches	G.1.2	292
13.Business and Results of Operations of the Parent Company Worldline SA	C.; E.5	39; 238
14.Business and Results of the subsidiaries during the Fiscal Year 2017	A.6 ; C.	14; 39
15.Financial and non-financial key performance indicators	D.; E.7	71; 259
16.Business Outlook	B.3; B.4. E.2	34; 36; 187
17.Selected Financial Information of Worldline SA over the Last Five Fiscal Years	E.6	258
18.Employees' Involvement in the Capital of the Issuer the Last Day of the Fiscal Year	G.6.1.2	339
19.Social and Environmental Information	D.	71
20.Equity Holdings or Controlled Companies, Subsidiaries with a French HeadOffice	E.4.7.3 - Note 29; E.5.4.2	235; 246
21.Table of Transactions in the Company's Shares by the Management of the Company	G.4.4	336
22.Information on the Payment Cycles for Suppliers	E.5.4.5 - Note 11	253
23.Board Report on Corporate Governance	See cross reference table, Section G.2.8	
24.Dividends Paid over the Last Three Fiscal Years	G.6.2	340
25.Evolution and repartition of the shareholding (including treasury shares)	G.6.1.2	339
26. Financial risks linked to climate change and measures taken to reduce them through the implementation of a low-carbon strategy	D.5.2.4	147
27. Main characteristics of internal control procedures and risk management procedures	F.5 ; F.7	280; 285
28. Vigilance plan	D.4.2.2	137



## Cross-reference table de concordance with article R. 225-105-1 of the French Commercial Code

article R. 225-105-1 of the French Commercial Code	Reference Document	
	Paragraphs	Pages
<b>Employment</b>		
Total employees and distribution by gender, age and geographic location	D.3.1 D.3.2.1 D.3.2.4.1 D.3.7	105 106 110 124
New hires and departures	D.3.2.1 D.3.7	106 124
Compensation and its evolution	D.3.5.1 D.3.5.2 D.5.3.4	118 118 119
<b>Organization of working time</b>		
Organization of working time	D.3.6.4 D.3.7	123 124
Absenteeism	D.3.6.3 D.3.6.4 D.3.7	121 123 124
<b>Labor Relations</b>		
Organization of employee relations and employee communications, consultation and negotiation procedures	D.3.6.5 D.3.6.5.1	123 123
Summary of collective agreements	D.3.6.2 D.3.7	121 124
<b>Health and Safety</b>		
Frequency/severity rate of work accidents, professional illnesses.	D.3.6.3 D.3.7	121 124
Health and safety conditions	D.3.6.3	121
Summary of agreements reached with labor unions or employee representatives regarding health and safety	D.3.6.3.2 D.3.6.2	122 121
Work accidents	D.3.5.3 D.3.6.4 D.3.7	119 123 124
<b>Training</b>		
Training policies	D.3.4.1	116
Total training time	D.3.7	124
<b>Equal treatment</b>		
Measures for the equal treatment of women and men	D.3.2.4 D.3.2.4.1	110 110
Measures for the employment of disabled persons	D.3.2.4 D.3.2.4.2	110 112
Anti-discrimination policy	D.3.2.4 D.3.6.1 G.5.2	110 121 336
<b>Promotion of and respect for the provisions of the basic conventions of the International Labor Organization on</b>		
Respect for the freedom of association and the right to collective negotiation	D.3.6.1 D.3.6.2 D.3.6.5	121 121 123
Eliminating discrimination at work	D.3.2.4 D.3.6.1 D.4.2.2	110 121 137
Eliminating forced labor	D.3.2.4 D.3.6.1 D.4.2.2 D.4.2.2.4	110 121 137 138
Eliminating child labor	D.3.2.4 D.3.6.1 D.4.2.2 D.4.2.2.4	110 121 137 138



article R. 225-105-1 of the French Commercial Code	Reference Document	
	Paragraphs	Pages
<b>Information on societal commitments and commitments to sustainable development</b>		
Regional, economic and social impact of the business of the Company in terms of employment and regional development, on nearby or local populations	D.1.1.4	79
	D.4.2.4	141
	D.4.3	143
Relations with individuals and organizations interested by the Company's business (job placement associations, educational establishments, environmental protection associations, etc.), process relating to the dialogue with those persons or organizations and partnership and sponsorship actions.	D.1.1.3	77
	D.1.2	92
	D.4.2.4	141
	D.5.3.7	154
Sub-contractors and suppliers: social responsibility. Taking social and environmental issues into account in the purchasing policy. Importance of sub-contracting. Taking suppliers' and sub-contractors' social and environmental responsibility into account in relations with them	D.4.2	136
	D.4.3	143
Good citizen practices (actions to prevent corruption and measures to protect the health and safety of consumers) and other measures to support human rights	D.3.6.1	121
	D.4.1	130
	D.4.3	143
<b>General policy on environmental issues</b>		
Amount of provisions and guarantees for environmental risks		
Organizing the Company to take into account environmental issues. If need be, environmental assessment or certification processes	D.5.1.2	145
	D.5.1.3	145
	D.5.2	146
	D.5.5	156
Employee training and information actions regarding environmental protection	D.5.3.7	154
Resources devoted to the prevention of environmental risks and pollution	D.5.2.4	147
<b>Pollution</b>		
Measures for preventing, reducing or curing releases to the air, water and soil which would harm the environment	D.5.2.3	146
	D.5.3	148
Consideration of noise pollution		
<b>Circular economy</b>		
Prevention and waste management:		
<ul style="list-style-type: none"> <li>● measures for prevention, recycling, reutilisation, any other form of waste recovery and disposal</li> </ul>	D.5.3.3.2	151
	D.5.3.4.2	152
	D.5.3.5.1	153
	D.5.3.5.2	153
	D.5.5	156
<ul style="list-style-type: none"> <li>● actions against food waste</li> </ul>	D.5.3.3.2	151
Sustainable use of resources:		
<ul style="list-style-type: none"> <li>● water consumption and water supply in accordance with local constraints</li> </ul>	D.5.3.3.3	151
	D.5.3.4.3	152
<ul style="list-style-type: none"> <li>● raw materials consumption</li> </ul>	D.5.3.5.1	153
	D.5.3.5.2	153
	D.5.5	156
<ul style="list-style-type: none"> <li>● measures taken to improve the efficiency of the use of raw materials</li> </ul>	D.5.3.4.1	152
	D.5.3.5.1	152
	D.5.3.5.2	153
<ul style="list-style-type: none"> <li>● energy consumption</li> </ul>	D.5.3.2	150
	D.5.5	156
<ul style="list-style-type: none"> <li>● measures taken to improve energy efficiency and the use of renewable energy</li> </ul>	D.5.3.2	150
	D.5.3.3.1	151
	D.5.3.4.1	152
	D.5.3.6	154
	D.5.5	156
<ul style="list-style-type: none"> <li>● Land use</li> </ul>		



## Appendix

### Cross-reference tables

article R. 225-105-1 of the French Commercial Code	Reference Document	
	Paragraphs	Pages
<b>Climate change</b>		
Significant items of issuance of greenhouse gaz due to the Company's activity, notably by reason of the usage of its production of goods and services	D.5.3.1	148
	D.5.5	156
Adaptation to the consequences of climate change	D.5.1.1	144
	D.5.1.2	145
	D.5.2.4	147
<b>Biodiversity protection</b>		
Biodiversity protection	D.5.3.3.4	151
<b>Information not published due to lack of relevancy</b>		
		<b>Explanation</b>
Amount of provisions and guarantees for environmental risks	The amount of provisions and guarantees for environmental risks is only relevant if such risks constitute a serious cause for damages for the company: this information is therefore not relevant for Worldline given its sector of activity.	
Consideration of noise pollution	The sector of activity of Worldline is not affected by noise pollution: this information is therefore not relevant.	
Land use	As a company acting in the digital sector, Worldline is not affected by any unreasonable land use.	

## H.3 Contacts

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## H.4 Locations

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Worldline is present in main European cities to support customers. The addresses and phone numbers of the Group main offices can be found on the Locations page on website Worldline.com. Details of current job opportunities can be found in Careers pages. An email address for general questions and comments about the Worldline's Internet site can be found at the bottom of the page.

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