

# Axway

## Combined General Shareholders' Meeting 6 June 2017

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# Introduction

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Pierre PASQUIER

*Chairman of the Board of Directors*

Ladies and Gentleman, welcome to this Axway General Meeting. First of all I must inform you that some of the people present in the room are not Axway shareholders. This fact makes our General Meeting a public meeting. Any questions and discussions shall focus exclusively on the agenda submitted for your consideration at the General Meeting. I therefore declare the AXWAY General Meeting open, which meeting I shall chair in my capacity as Chairman of the Board of Directors. Jean-Marc Lazzari, Chief Executive Officer, is present alongside me. Messrs. Bruno Pouget from Mazars and Olivier Juramie from Aca Nexia are also alongside me.

The shareholders have designated the officers of this meeting. I suggest appointing as scrutineers for this meeting the two members of the General Meeting having the greatest number of votes, Mr. Christophe Bastelica for Sopra Steria, AXWAY's largest shareholder, and Mr. François Odin for Sopra GMT on condition that everybody agrees to this appointment. If there are no objections, I would like to invite them to join us on the platform.

I now propose that the officers thus constituted designate Mr. Patrick Gouffran, Secretary of the AXWAY Board of Directors, as secretary for this General Meeting.

The quorum needed for the Ordinary General Meeting is 4,230,416 million shares. For an Extraordinary General Meeting to be held there need to be 5,288,019 million shares. These figures have clearly been attained. Patrick Gouffran will provide us with the actual number of shareholders present at the end of the meeting.

All the documents needed to hold the Meeting have been filed with the officers, in particular the Company's current Articles of Association, the attendance sheet for the Meeting, the powers of the shareholders represented by the proxies, and the postal voting forms, the copy of the notice of meeting, a copy of the journal of legal notices containing the notice, the notices of meeting published in the BALO, the 2016 parent Company financial statements, the 2016 consolidated accounts and the other documents required by law - the statement of financial results for the last five financial years, the reports of the Board of Directors to the General Meeting, the report of the Chairman of the Board on corporate governance, on the internal audit and risk management procedures, the Statutory Auditors' reports, as well as the text of the resolutions put forward at the Meeting.

I would further inform you that the parent Company financial statements and the consolidated accounts, the reports of the Board of Directors and its Chairman, the Statutory Auditors' reports, the list of shareholders, the text of the resolutions put forward as well as all the documents required by law and the regulations were made available to the shareholders at the head office with effect from the date the General Meeting was convened.

I would also inform the Meeting that the Company has received no request for items or proposed resolutions to be included on the agenda and that it has received no written questions.

# Presentation of the Agenda

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Patrick GOUFFRAN

*General Secretary*

## Slide 3

The agenda comprises 23 resolutions, 11 resolutions falling within the remit of the Ordinary General Meeting and 12 resolutions within the authority of an Extraordinary General Meeting. The full texts of these resolutions are included in the notice of meeting sent to all shareholders. The following are the eleven resolutions under the Ordinary General Meeting:

- **Resolution number 1** concerns the approval of the Company annual financial statements and of the non-tax deductible expenses and charges
- **Resolution number 2** concerns the discharge of Members
- **Resolution number 3** concerns the approval of the consolidated financial statements
- **Resolution number 4** concerns the appropriation of earnings
- **Resolution number 5** concerns the renewal of Mr. Michael Gollner's term of office as a director
- **Resolution number 6** concerns the appointment of Ms. Nicole-Claude Duplessix as a director
- **Resolution number 7** concerns the approval of the conclusions of the Statutory Auditors' special report on related-party agreements and commitments
- **Resolution number 8** concerns the determination of the directors' fees allocated to members of the Board of Directors for the 2017 fiscal year

## Slide 4

- **Resolution number 9** concerns the approval of the principles and criteria for the determination, distribution and allocation of the components comprising the total compensation of Mr. Pierre Pasquier as Chairman of the Board of the Company for the year ending 31 December 2017
- **Resolution number 10** concerns the approval of the principles and criteria for the determination, distribution and allocation of the components comprising the total compensation of Mr. Jean-Marc Lazzari in his capacity as Chief Executive Officer of the Company for the year ending 31 December 2017
- **Resolution number 11** concerns the authorization to be granted to the Board of Directors to implement the share buyback program of Company

## Slide 5

**Patrick GOUFFRAN**

The following are the resolutions falling within the remit of the Extraordinary General Meeting:

- **Resolution number 12** concerns the authorization granted to the Board of Directors to cancel the shares acquired by the Company through the share buyback program; related reduction in the share capital; powers conferred on the Board of Directors

- **Resolution number 13** concerns the delegation of authority granted to the Board of Directors to increase the share capital through the capitalization of reserves, profits, share premiums or other items
- **Resolution number 14** concerns the delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities giving access to ordinary shares with maintenance of preferential subscription rights and/or securities giving entitlement to the allocation of debt securities
- **Resolution number 15** concerns the delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities giving access to ordinary shares, with cancellation of preferential subscription rights and/or securities giving entitlement to the allocation of debt securities, through private placement
- **Resolution number 16** concerns the delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities giving access to ordinary shares with cancellation of preferential subscription rights and/or securities giving entitlement to the allocation of debt securities within the context of a public tender offer

#### Slide 6

- **Resolution number 17** concerns the authorization granted to the Board of Directors to increase the size of initial issue in the event of the issuance of ordinary shares, or securities giving access to ordinary shares with maintenance or with cancellation of preferential subscription rights, decided upon pursuant to resolutions nos. 14, 15 and 16
- **Resolution number 18** concerns the delegation of authority granted to the Board of Directors to issue ordinary shares and/or securities giving access to ordinary shares to compensate contributions in kind made to the Company and comprising equity securities or securities giving access to the capital, outside public exchange offers
- **Resolution number 19** concerns the authorization granted to the Board of Directors to set the issue price and/or any securities giving access to ordinary shares in the event of the cancellation of preferential subscription rights up to the limit of 10% of the capital per 12-month period

#### Slide 7

- **Resolution number 20** concerns the overall limit of the share capital issue authorizations with remaining or with cancellation of preferential subscription rights
- **Resolution number 21** concerns the authorization given to the Board of Directors to proceed, in favor of employees and Company officers of the Company or of the AXWAY Group, with the issue of warrants for the subscription and/or acquisition of redeemable shares (BSAAR) without preferential shareholder subscription rights
- **Resolution number 22** concerns the authorization granted to the Board of Directors to increase the share capital by issuing ordinary shares reserved for Axway Group employees who are members of a company saving plan
- **Resolution number 23** concerns powers to perform legal formalities

# Report of the Board of Directors

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## **Pierre PAQUIER**

I suggest, if everybody is in agreement, to not read out this management report, but that the Chief Executive Officer should present a review of its contents. You may ask further questions if you consider that they have not already been answered.

## **Slide 9**

## **Jean-Marc LAZZARI**

Ladies and Gentlemen, hello. I will indeed talk to you about the key events and a certain number of figures for the year 2016. First of all, in terms of key events, 2016 falls within the transformation plan drawn up over a slightly longer period of three or four years. In the same way as 2017, it is one of the significant years in so far as concerns transformation and continuity in internal and external transformations - changes made to organization, research and development and management. It was also a year of transition in which business evolved, moving from the traditional software model of licenses to a cloud and subscription model, and a market that was changing as a result of traditional AXWAY offers - foundation zones including MFT - to digital, and more recent offers, focused on digital technology, with the acquisition of Appcelerator in 2016, to complement the portfolio.

A very significant share of this transformation is the change in the positioning of the Company towards a more digital position, a new approach in terms of brand and image. The Company has changed its logo. Our presence on social networks and the website changed considerably over 2016. These changes will be extended over the course of the 2017 financial year.

In so far as concerns employees and the visibility of the Company, we have moved out of certain premises in France, notably from Puteaux, where we had been for 15 years, to La Défense. The Paris teams have been gathered together in a single building in France. We have implemented the same relocation policy in Australia and Singapore. We have also consolidated our presence in Silicon Valley in the USA.

A further significant element was the launch of our Amplify platform that I will explain subsequently. This is a key event that embodies the new "consumer" type demand rather than a demand for perpetual buying. It embodies the transformation of our portfolio in the direction of this new market demand.

## **Slide 10**

At the start of 2017 we announced the acquisition of Syncplicity, based in San José in the USA, as a result of which we have been able to combine the Appcelerator and Syncplicity teams. We employ 100 people in Silicon Valley, in premises that are now unified. We are continuing to transform our portfolio from the foundation to the digital world. Syncplicity has developed a transfer tool for high-security files and person-to-person synchronization, that you do by attaching documents to an email or when you send photos or documents via a network. We have made it compatible via the AMPLIFY platform with our traditional system-to-system transfer products. With Digital MFT we will be offering the possibility of using the Syncplicity and AXWAY products to transfer traditional files. Thus, an acquisition in 2017 that will lead to integration over the course of the financial year.

### Slide 11

2016 witnessed growth of 5.8% and organic growth of 4.4%. With revenue on the increase and a significant improvement in operating results for past activities to 16.9% versus 15.6% last year and net income to 10.5% versus 9.8% in 2015. 2016 saw significant acquisitions and an improvement in the margin linked to growth and good cost control, as well as improved control of investments.

### Slide 12

We will now look at four major indicators - in 2016, revenue was spread over licenses, maintenance and services, with the latter including Cloud revenue. All revenue lines grew. License growth was modest at 1.8%. Growth in maintenance stood at 4.7%, and that of services at 6.7%. The organic growth rate was 4.4%.

The different AXWAY reports will from now on distinguish between traditional integration type services and Cloud type services. Appcelerator and Syncplicity are companies that were acquired whose revenue is exclusively related to Cloud type subscriptions. We are expecting significant subscription revenues that will be carried forward independently.

### Slide 13

Another significant element is the breakdown of revenues by geographic region. USA presence grew 6%. This territory is now Axway's main business. Revenue is stable in France, with a business that is experiencing major changes. All revenue comes from the digital sector. The rest of Europe and Asia Pacific offer significant growth, which contributed to organic growth of 4.4% in 2016.

It is important however to take a step back. The USA represents 41% of revenue versus 36 % a year ago. France was unchanged.

### Slide 14

All revenue lines growing, as are the geographic regions. The bar of 50% of recurring revenue was crossed. Each customer subscribes to our maintenance service in order to benefit from our software support. This trend is now offset by a significant share of recurring revenue in the form of the cloud and subscription. The share of recurring revenue increased by 10% over last year.

The share linked to the product, license, maintenance and cloud, represents 80.8% of revenue, up by 7% over 2015. Finally, the part linked to software, the cloud and licenses, is up by 11.2% and now represents one third of revenue.

The geographic regions are growing, and the expected move to digital and the cloud took place in 2016. The essential part of the growth in the workforce relates to the acquisition of Appcelerator in the course of this financial year.

### Slide 15

We have maintained a relatively balanced workforce between France and the USA, in which the majority of the workforce are located. The organic growth rate was 4.4 %. Cash stood at €51.7 million, which provides the Company with financial stability. Profit from operations was 16.9% despite the acquisition of Appcelerator.

### Slide 16

The portfolio has evolved over the years. It is important to know why a platform type response is the best response to an evolving market. I propose providing you with an example of the strong trend towards the digital transformation of companies that AXWAY intends supporting. Over the course of 2016, companies were essentially preoccupied by the exposure of their traditional IT outside the Company, by the increase in mobile

peripherals, tablets, connected objects, artificial intelligence and big data. This trend is evident with companies that are seeking to open up their IT to the outside. There is a new trend in place relating to the fact that once you are able to access the information that you are interested in via your mobile phone, companies take an interest in the network of suppliers available to them in the form of applications.

#### Slide 17

This trend will lead to a major transformation of digital uses. For example, we have carried out work at the request of the National Australia Bank which is keen to have preferential access to one of its customers. The bank has developed applications, in particular via the AXWAY tools - API, MFT -, with a view to offering its customers the ability to check their accounts or to carry out a transfer from their tablet or computer. We have created ecosystems that allow each application, each vertical offer to work together. All this is made possible by sharing a joint platform. We have seen the emergence of greater capacity for growth than generation 1. Currently, by associating myself with other suppliers some of which may be competitors, I am able to generate new opportunities for growth.

For example, John Deere, a producer of agricultural equipment, in particular tractors, joined forces with the National Australia Bank using the tools provided by AXWAY, to create an ecosystem in which the farmer, John Deere's customer, is connected. He manages his tractor's consumption. Plantations and livestock farming are automated via connected tools and sensors. John Deere joined forces with National Australia Bank so that farmers can move between their IT environments in a preferred ecosystem. This virtuous circle of association via highly connected networks generates new opportunities.

#### Slide 19

Creating the platforms aims to evolve from a vertical model of dedicated products offering all functionalities, towards a model that makes selective integrated functionalities available in order to deliver a totally coherent user experience. The Amplify platform launched in 2016 has become the main driver of digital technology by allowing all our customers to take advantage of "exposed" and mobile services via this platform. This platform provides the basis for great expectations in respect of architecture. It is our aim in 2017 to make all our products compatible and accessible via the Amplify platform.

All these points were provided when the full results were presented. We are continuing to pursue our strategic ambition. In 2016, improving margins remains a major objective despite the acquisitions. We are keen to maintain a high result rate. We must retain the cornerstone of the construction of AXWAY, our presence in France - we must stabilize our revenue there by changing its nature in order to evolve from the Foundation to Digital.

#### Slide 20

Strong growth is expected in the USA. We must maintain our presence in this market that represents more than 60% of our global capacity. We must achieve average annual growth of 30% for digital revenue via products such as Analytics. We must mix products delivered by the AMPLIFY platform. Finally, we always pay attention to market developments and possible acquisitions. This is what I wanted to say very briefly on the key events of 2016.

#### **Pierre PASQUIER**

Thank you Jean-Marc Lazzari.

# Statutory Auditors' Report

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## Slide 22

### **Pierre PASQUIER**

We now give the floor to the Statutory Auditors who will present their assessment of the consolidated accounts and the annual accounts, regulated agreements and regulated commitments.

### **Bruno POUGET**

Thank you Mr. Chairman. In so far as concerns the report on the consolidated accounts made available to you, you will see that the first part deals purely and simply with the certification of the consolidated accounts. In its second part the report describes the information used to justify the assessments of the board of auditors relating to the recognition of deferred assets, commitments in respect of pensions and depreciation of goodwill.

Finally, it describes specific verifications carried out on the information relating to the group accounts shown in the management report. We have nothing to say in this respect.

As for our report on individual accounts, we purely and simply certify these accounts. We would draw your attention to the information given in the appendix on the subject of change in regulations in the technical domain, the justification of the assessments on this point, the pension commitments and the equity investments booked as assets of your Company.

The last part of the report is devoted to verifications and specific information. Here again, we have nothing in particular to say.

### **Olivier JURAMIE**

Hello. For my part, I will read some of the report on regulated agreements and regulated commitments. The special Statutory Auditors' report deals with the agreements reached by the Company and associated directors. There was no agreement reached over the financial year. On the other hand, over the course of the financial year three previously approved agreements were extended, namely the compensation owed or liable to be owed to the Chief Executive Officer Mr. Lazzari in very specific conditions, an agreement to make presences available between AXWAY Software, AXWAY and Sopra Steria Group as part of a tripartite agreement, and finally a third agreement reached with Sopra GMT, that is also extended over the course of this financial year. That is all regarding this special report.

The other reports are purely technical - they relate to resolutions nos. 12, 14 to 20, 21 and 22. They will be covered by additional reports in the event these provisions are used. Thank you.



# Presentation of resolutions

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## **Pierre PASQUIER**

Now, Patrick Gouffran will provide information on the resolutions that will be asked to vote on.

### **Slide 25**

## **Patrick GOUFFRAN**

The resolutions that I will read out are presented in pages 221 and subsequent of the AXWAY 2016 registration Document. For a year now Axway has no longer been distributing a hard copy of the 2016 Registration Document, in a digital dematerialization approach in order to limit our impact on the environment. 40% of the individual AXWAY shareholders have agreed this year to give their e-mail address to receive documents and to vote if necessary via the Internet.

The Ordinary General Meeting may validly be held. The quorum corresponds to one fifth of the shares. To be adopted a resolution of the General Meeting requires a simple majority, i.e. half of the votes of the shareholders present or represented. For the 12 resolutions of the Extraordinary General Meeting, the quorum is set at one quarter of the voting shares and a two-thirds majority. The 12th and 13th resolutions of the Extraordinary General Meeting require only a simple majority.

### **Slide 26**

The first and third resolutions have been grouped together, as they concern the approval of the parent annual financial statements for the first resolution and the consolidated accounts for the third resolution. These accounts show a profit of €10,881,106.02 the consolidated accounts state a net profit of €31,476,576.

### **Slide 27**

Resolution number 2 concerns the discharge given to the members of the Board of Directors. This discharge must be given without reserve for the execution of their term of office for the financial year 2016.

Resolution number 4 concerns the appropriation of the earnings of €31 million, leading to a proposed dividend of €0.40 per share, an amount that has remained the same since 2013, corresponding to approximately 26% of earnings. The ex-coupon date is set for 13 June 2017. The coupon payment processing date is set for 15 June 2017.

### **Slide 28**

Resolution number 5 concerns the renewal of the term of office of director of Mr. Michael Gollner for a period of four years, the statutory duration of the AXWAY Board of Directors, which will expire at the end of the General Meeting called to approve the financial statements for the fiscal year ending 31 December 2020. Michael Gollner is Managing Partner of Operating Capital Partners which he founded in 2008. Prior to that he worked within the Investment Banking Department of Marine Midland Bank from 1985 to 1987 before joining Goldman Sachs where he worked from 1989 to 1994. He then worked at Lehman Brothers and subsequently for Citigroup Venture Capital. Mr. Gollner is a graduate of Tulane University in New Orleans, and the Wharton School and the University of Pennsylvania. Mr. Gollner's experience and knowledge in the area of finance are an undeniable asset amid the different qualifications represented on the Board of Directors. By

this resolution, it is proposed to renew his term of office for a period of four years which will expire at the end of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31 December 2020.

#### Slide 29

Resolution number 6 concerns the appointment as director of Ms. Nicole-Claude Duplessix for a period of four years that will expire at the end of the General Meeting called to rule on the accounts of the financial year ended 31 December 2020. Ms Duplessix has extensive experience in the IT sector. She started her career with the leading human resources software publisher in France, ADP GSI, before joining the Sopra Steria Group. Her early work there was in HR consulting, after which she worked with key accounts. For six years she has been working on the security of critical projects in an international and multicultural environment, as well as the integration of new companies acquired by the Group. This appointment allows the Board of Directors to strengthen its technical know-how in services in order to take into account the customer issues encountered by the Group on a daily basis. By this resolution, it is proposed to appoint Ms. Duplessix as a director on the Board of Directors.

#### Slide 30

Resolution number 7 concerns the approval of the conclusions of the Statutory Auditors' special report on the regulated agreements and commitments. The Board of Auditors presented this special report. It should be noted that no new regulated agreement was signed over the course of the financial year ended last year. The conclusions of the special report presented by the board auditor's concern only agreements already approved during previous financial years, and which continued to be implemented.

#### Slide 31

Resolution number 8 concerns setting the amount of the directors' fees for the members of the Board of Directors in respect of the 2017 financial year. It is proposed by this resolution to set this amount at €302,000. This amount is to be shared between the members of the Board of Directors based on their presence at the meetings of the Board of Directors and the different committees. This amount of €302,000 corresponds to an increase of 15% relative to the amount of the directors' fees paid in respect of the previous financial years, due to the fact it has not been re-assessed since the flotation of AXWAY in June 2011, and the increase in the number of directors.

#### Slide 32

Resolution number 9 concerns the approval of the principles and criteria of determination, distribution and allocation of the components comprising the total compensation of Mr. Pierre Pasquier in his capacity as Chairman of the Board of the Company in respect of the financial year ended 31 December 2017. It is pointed out that the compensation of the Chairman is first reviewed and analyzed by the compensation Committee, then validated by the Board of Directors. For 2017 the Chairman of the Board of Directors will receive a fixed compensation of €138,000 versus a gross amount of €120,000 for the previous financial years. This compensation had not changed since the flotation of AXWAY in 2011. The Chairman of the Board of Directors does not receive any variable compensation. The directors' fees are paid in accordance with the rule evoked of participation in the meetings of the Board of Directors and the committees.

#### Slide 33

Resolution number 10 concerns the approval of the principles and criteria for the determination, distribution and allocation of the components comprising the total compensation of Mr. Jean-Marc Lazzari in his capacity as Chief Executive Officer of the Company in respect of the financial year ended 31 December 2017. The Chief Executive

Officer receives a fixed compensation, a variable compensation and benefits in kind. Severance payments were put in place for him. Fixed compensation is set at a gross amount of \$625,000. This amount is identical to 2016. The maximum variable compensation would amount to 100% of the fixed compensation, i.e. a gross amount of \$625,000 a year, distributed for 40% based on the organic growth of the revenue of the licenses and the cloud, 40% based on the profit from operations, and 20% based on extra financial quantitative criteria. The compensation of the Chief Executive Officer includes benefits in kind including the coverage of rental costs as well as of other running costs linked to his expatriation for US\$224,000, the same amount as in 2016. Severance payment amounts to US\$500,000. These payments were put in place in accordance with the laws and regulations in force.

#### Slide 36

Resolution number 11 concerns the authorization to be given to the Board of Directors to buy Company shares for a period of 18 months, a maximum purchase price of €47 exc. acquisition costs, an upper limit of a 10% holding and the impossibility of using this resolution in the event of a takeover bid for the Company.

#### Slide 37

We will now deal with the twelve resolutions of the Extraordinary General Meeting that are quite technical. Most of these resolutions have never been implemented by the Company.

#### Slide 38

Resolution number 12 concerns the authorization given to the Board of Directors to cancel the shares purchased as part of the share buyback program for a maximum period of 24 months and an upper limit of 10%.

#### Slide 39

Resolution number 13 concerns the delegation of authority granted to the Board of Directors in order to increase the share capital by incorporation of reserves, profits, bonuses or other, for a maximum duration of 16 months, a maximum nominal amount that shall not exceed €20 million. A limiting resolution limits the maximum amount mobilizable by each resolution individually - namely resolution number 20.

#### Slide 40

Resolution number 14 concerns the delegation of authority granted to the Board of Directors with a view to increasing share capital by issuing ordinary shares and/or securities giving access to ordinary shares with remaining preferential subscription rights and/or securities giving entitlement to the allocation of debt securities, for a maximum period of 26 months. The maximum nominal amount is set at €20 million and €200 million for the debt securities issued. The limiting resolution limits the simultaneous use of more than one resolution.

#### Slide 41

Resolutions number 15 and number 16 are based on the same principle. They concern the delegation of authority granted to the Board of Directors with a view to increasing share capital by issuing ordinary shares and/or securities giving access to ordinary shares with maintenance of preferential subscription rights and/or securities giving entitlement to the allocation of debt securities, the fifteenth resolution by private placing, the 16<sup>th</sup> as part of a public offer, for a maximum period of 26 months. These resolutions are "limited" by resolution 20 which limits the simultaneous use of all these resolutions.

**Slide 42**

Resolution number 17 concerns the authorization granted to the Board of Directors with a view to increasing the amount of the initial issue, in the event of the issue of ordinary shares or securities giving access to ordinary shares with maintenance or cancellation of the preferential subscription rights decided in application of resolutions nos. 14, 15 and 16. This resolution is planned for a period of 26 months and offers an ability to subdelegate granted to the Board of Directors.

**Slide 43**

Resolution number 18 concerns the delegation of authority granted to the Board of Directors with the effect of issuing ordinary shares and/or securities giving access to ordinary shares to remunerate agreements in kind granted to the Company and constitute capital securities or securities giving access to the capital, exc. public exchange offer. This resolution planned for a period of 26 months offers an ability to subdelegate granted to the Board of Directors. Resolution number 20 fixes a general limit to each of these resolutions.

**Slide 44**

Resolution number 19 concerns the authorization granted to the Board of Directors with a view to setting the issue price and/or any securities giving access to ordinary shares in the event of cancellation of the preferential subscription rights up to a ceiling of 10% of the capital per year. Resolution number 20 fixes an overall limit

**Slide 45**

Resolution number 20 states that the activation of resolutions nos. 16, 17, 18, 19, 20 and 21 can only be done if all these activations take place up to a limit of €20 million. I would point out that these technical resolutions have not been implemented since flotation on the stock market in June 2011.

**Slide 46**

Resolution number 21 concerns the delegation of authority to the Board of Directors in order to proceed, to the benefit of the employees and Company officers or officers of the AXWAY group, with the issuing of warrants for the subscription and/or acquisition of redeemable shares with no preferential subscription rights of the shareholders. Resolution number 20 fixes an overall upper limit to the implementation of this resolution.

**Slide 47**

Resolution number 22 concerns the authorization granted to the Board of Directors with a view to increasing share capital by issuing ordinary shares reserved for the Axway employees participating in a Company savings plan. This resolution planned for a period of 26 months offers an ability to subdelegate granted to the Board of Directors.

**Slide 48**

Resolution number 23 traditionally concerns powers to perform legal formalities.

## Shareholders' questions and answers

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### Slide 50

#### **Pierre PASQUIER**

I now propose moving on to the question and answer session. The hostesses have microphones available for you to ask questions.

#### **From the room**

Individual shareholder:

The dividend is unchanged. Why has the Company not made an effort to improve the compensation of its shareholders? Thank you for your answer.

#### **Pierre PASQUIER**

We have stayed at the same level, due to the fact that this year, as Jean-Marc pointed out, we have acquired a new Company. We needed cash. We have served the shareholders as in the past, at the level of 26% of earnings. The explanation is simple, we need more cash. Are there any other questions? I will not dwell on this point if there are no more questions. We will vote on the resolutions.

## Voting on the resolutions

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### **Pierre PASQUIER**

Mr. Gouffran, you are organizing the vote.

### **Slide 51**

### **Patrick GOUFFRAN**

I would remind the meeting that this Ordinary General Meeting concerns resolutions nos. 1 to 11, and 23. The quorum for the Extraordinary General Meeting applies to resolutions nos. 12 to 22. 112 AXWAY shareholders are present or represented. The number of securities forming the Company's capital is 21,164,076. The number of securities having voting rights is 21,154,567. The quorum needed to hold the Ordinary General Meeting is 4,230,914, the quorum needed to hold Extraordinary General Meeting is 5,288,642.

### **Slide 52**

The number of votes represented at this stage is 17,658,000 shares. The resolutions of the Ordinary General Meeting must be adopted by at least 15,128,892 votes. The enhanced majority is set at 20,171,155 votes, two thirds, for resolutions of the Extraordinary General Meeting.

You received voting handsets on entering.

*Patrick GOUFFRAN explained the operating principle of the voting handsets.*

### **Slide 55 to 79**

#### **Resolution number 1 concerns the approval of the Company annual financial statements**

*Resolution number 1 is adopted.*

#### **Resolution number 2 concerns discharge of members of the Board of Directors**

*Resolution number 2 is adopted.*

#### **Resolution number 3 concerns the approval of the consolidated financial statements**

*Resolution number 3 is adopted.*

#### **Resolution number 4 concerns the appropriation of earnings**

*Resolution number 4 is adopted.*

#### **Resolution number 5 concerns the renewal of Mr. Michael Gollner's term of office as a director**

*Resolution number 5 is adopted.*

#### **Resolution number 6 concerns the appointment of Ms. Nicole-Claude Duplessix as a director**

*Resolution number 6 is adopted.*

**Resolution number 7 concerns the approval of the conclusions of the special Statutory Auditors' report on the related-party agreements and commitments**

*Resolution number 7 is adopted.*

**Resolution number 8 concerns determination of the directors' fees to be allocated to members of the Board of Directors for 2017 fiscal year.**

*Resolution number 8 is adopted.*

**Resolution number 9 concerns the approval of the principles and criteria for the determination, distribution and allocation of the components comprising the total compensation of Mr. Pierre Pasquier in his capacity as Chairman of the Board of the Company for the year ending 31 December 2017.**

*Resolution number 9 is adopted.*

**Resolution number 10 concerns the approval of the principles and criteria for the determination, distribution and allocation of the components comprising the total compensation of Mr. Jean-Marc Lazzari in his capacity as Chief Executive Officer of the Company for the year ending 31 December 2017.**

*Resolution number 10 is adopted.*

**Resolution number 11 concerns the authorization to be granted to the Board of Directors to implement the share buyback program of the Company.**

*Resolution number 11 is adopted.*

**Patrick GOUFFRAN**

We will now vote on the resolutions of the Extraordinary General Meeting.

**Resolution number 12 concerns the authorization granted to the Board of Directors to cancel the shares acquired by the Company in the context of the share buyback program**

*Resolution number 12 is adopted.*

**Resolution number 13 concerns the delegation of authority granted to increase the share capital through capitalization of reserves, profits, share premiums or others items**

*Resolution number 13 is adopted.*

**Resolution number 14 concerns the delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities giving access to ordinary shares with remaining preferential subscription rights and/or securities giving entitlement to the allocation of debt securities**

*Resolution number 14 is adopted.*

**Resolution number 15 concerns the delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities giving access to ordinary shares with cancellation of the preferential subscription rights and/or securities giving entitlement to the allocation of debt securities, by private placement**

*Resolution number 15 is adopted.*

**Resolution number 16 concerns the delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities giving access to ordinary shares with cancellation of the preferential subscription rights and/or securities giving entitlement to the allocation of debt securities, within the context of a public tender offer**

*Resolution number 16 is adopted.*

**Resolution number 17 concerns the authorization granted to the Board of Directors to increase the size of the initial issue, in the event of the issuance of ordinary shares or securities giving access to ordinary shares, with maintenance or with cancellation of preferential subscription rights, decided upon pursuant to resolutions nos. 14, 15 and 16**

*Resolution number 17 is adopted.*

**Resolution number 18 concerns the delegation of authority granted to the Board of Directors to issue ordinary shares and/or securities giving access to ordinary shares to compensate contributions in kind made to the Company and comprising equity securities or securities giving access to the capital, outside public exchange offers**

*Resolution number 18 is adopted.*

**Resolution number 19 concerns the authorization granted to the Board of Directors to set the issue price of ordinary shares and/or any securities giving access to ordinary shares, in the event of cancellation of the preferential subscription rights up to the limit of 10% of the capital per 12-month period**

*Resolution number 19 is adopted.*

**Resolution number 20 concerns the overall limit of the issue authorizations with maintenance or with cancellation of the preferential subscription rights**

*Resolution number 20 is adopted.*

**Resolution number 21 concerns the authorization given to the Board of Directors to proceed, in favor of employees and company officers of the Company or of the AXWAY group, with the issue of warrants for the subscription and/or acquisition of ordinary redeemable shares (BSAAR) without preferential shareholder subscription rights**

*Resolution number 21 is adopted.*

**Resolution number 22 concerns the authorization granted to the Board of Directors to increase the share capital by issuing ordinary shares reserved for Axway Group employees who are members of a company savings plan**

*Resolution number 22 is adopted.*

**Resolution number 23 concerns powers to perform legal formalities**

*Resolution number 23 is adopted.*

**Pierre PASQUIER**

There being no more items on the agenda, I declare the meeting closed and invite you to partake of the refreshments organized for you.

*Time of close of the General Meeting 3.35pm.*