2015

REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

Website: **www.investors.axway.com/en**

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The information required in the Annual Financial Report is identified in the contents table by the sigle AFR

REGISTRATION DOCUMENT 2015

ANNUAL FINANCIAL REPORT

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

The original French-language version of this Registration Document was registered with the Autorité des Marchés Financiers (AMF) on 25 April 2016 under no. D16-0393 of its General Regulations. The French-language original may be used as a basis for a fi nancial transaction if it is supplemented by a prospectus authorised by the AMF. This document was prepared by the issuer whose authorised signatories alone assume responsibility for its content.

The registration, in accordance with the provisions of Article L. 621-8-1 of the French Monetary and Financial Code, was made after the AMF had verifi ed that the document is complete and comprehensible and that the information it contains is consistent. This does not mean that the AMF has certifi ed the fi nancial and accounting information presented in the document.

Copies of this Registration Document are available free of charge from Axway Software SA, Direction de la Communication Financière, 26 rue des Pavillons, 92800 Puteaux, France, or from the website www.axway.com or the AMF website www.amf-france.org.

MESSAGES FROM THE CHAIRMAN AND THE CEO

PIERRE PASQUIER
Chairman of the Board of Directors of Axway

« The stock market introduction of Axway – worldwide publisher of middleware software programs, independent and a trusted partner of major corporations – originated in 2011 from the desire by the shareholders of the Sopra Group, which has since become Sopra Steria, to give the resources to this entity to manage its development over the long term.

This introduction is part of a project whose roots are historical and whose principal stages were the decision to develop, within Sopra, software activities in the 1980s and the transfer of these activities into subsidiary in 2001, as well as the completion of a dozen successive acquisitions on the US and European markets. All of this made the stock market introduction of Axway in June 2011 possible.

The recognition, in 2015, of a middleware market undergoing a profound change and a digital revolution which is transforming the majority of the client companies, is changing the landscape and led me to request that a strategic review be carried out in order to formalize a new development plan which incorporates an analysis of the positioning and usage of the Axway offering on the market for digital integration software.

As part of this, Jean-Marc Lazzari joined Axway as Chief Executive Officer and provided it with his solid experience as a "Corporate Entrepreneur". He quickly took in hand the definition and execution of a new strategy for Axway and has already changed the operational units and the vectors for development. He has my full confidence and that of the Board of Directors to manage this new stage of the Company's development.

I am naturally counting on the support of all those who have accompanied us during recent years and then persuaded that we will join those who, like me, are convinced of the importance of the digital revolution in our societies' economies. »

JEAN-MARC LAZZARI
Chief Executive Officer of Axway

« It is with great enthusiasm that I joined Axway in June 2015 to manage the business and to formalize and implement the new strategic plan.

For me, Axway was already one of the best companies in the software sector. Getting involved with the teams and proposing new working methods, making decisions, and building a new offering to help companies to develop their digital business have confirmed my intuition; Axway has real potential, based on its recognized offerings and its commitment to innovation.

In 2015, we completed a diagnosis of the situation and immediately launched the transformation of the business. An Executive Vice President joined us as head of Global Products and Solutions. We have reinforced the commercial sales activities unit in the United States and have confirmed America as the primary strategic market for Axway. We have combined the R&D platforms to strengthen our development capacity. All that was able to be carried out whilst maintaining a good financial performance.

In January 2016, the teams of the Californian company Appcelerator joined us, contributing their expertise in mobile integration; a major asset in the digital field.

Our vision for the development of Axway is clear: we want to be a leading partner enabling businesses to succeed in their digital transformation.

Building on a history rich with success, Axway's adventure is continuing on a market for technologies in the middle of a digital revolution which is changing our lives, our processes and our organizations. We are playing a major role in this. »

AXWAY: **DIGITAL BUSINESS** ENABLEMENT

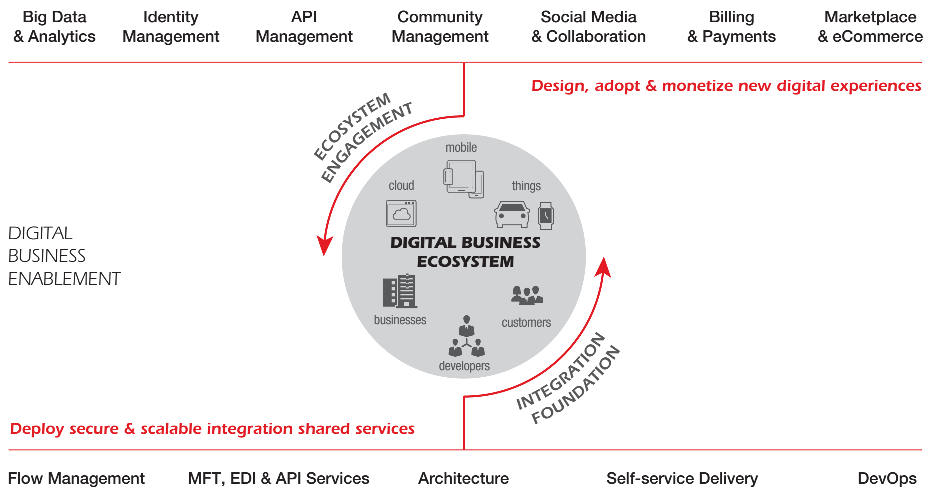
Digital offers continuous opportunities for growth, innovation and differentiation, with new business models and an improved client experience. It transforms the frontier of the information system into a system of commitment open to the business's entire ecosystem.

Based on its wide experience in governing the flow of data and its acknowledged position in middleware technology, Axway accompanies its clients in their digital transformation by connecting people, processes and things within their business ecosystem.

BUSINESS SEGMENT

Axway (Euronext: AXW.PA) empowers more than 11,000 customers worldwide to collaborate smarter, innovate faster and engage better with their partners, developers and customers. From integration technology that securely connects people, processes and things to an engagement platform that enables API management, identity management, mobile app development and analytics, Axway solutions are enabling digital business. Axway is registered in France with headquarters in the United States.

« Data flows are the foundation of the digital economy. »



« To stay competitive, every enterprise needs to deploy a digital strategy. Now more than ever, it is essential to provide an optimal customer experience and to innovate constantly while improving operational efficiency. »

AXWAY'S OFFER

BI-MODAL APPROACH

Integration Foundation

- API Integration for IoT
- API Integration for Mobile
- API and EDI Integration for B2B
- Cloud Service Integration
- Managed File Transfer
- XML & SOA Services

Ecosystem Engagement

- Analytics
- API Management
- Community Management
- Identity Federation
- Identity Validation
- Mobile App Development

This information is detailed in various chapters of the Registration Document.

PRESENCE

11,000 customers

100 countries

1,884 employees *(31/12/2015)*

STRATEGIC PILLARS

- INNOVATION TO ENABLE ITS CUSTOMERS TO BUILD AND GROW THEIR DIGITAL BUSINESS
- ORGANIC GROWTH AND TARGETED ACQUISITIONS
- DRIVEN BY A ROBUST CORPORATE CULTURE

“Enabling the digital business of our customers by connecting people, processes, and things while governing data flows throughout their ecosystem.”

MAIN AREAS OF APPLICATION

- BANKING AND FINANCIAL SERVICES
- HEALTHCARE SUPPLY CHAIN
- AUTOMOTIVE SUPPLY CHAIN
- PUBLIC SECTOR
- MANUFACTURING AND RETAIL
- TELECOMMUNICATIONS

This information is detailed in various chapters of the Registration Document.

HISTORY

January 2016
Acquisition of **Appcelerator**, United States, mobile integration platform

April 2014
Acquisition of **Systar,** provider of operational performance management software

January 2014
Acquisition of the assets of **Information Gateway** in Australia

September 2013
Acquisition of **SCI** in Brazil

February 2013
Creation of the Axway 5 Suite global offer

November 2012
Acquisition of **Vordel** (Ireland) and **API** solutions

June 2011
IPO on the Euronext market in Paris

September 2008
Acquisition of **Tumbleweed** in the North-American market

September 2007
Development of the **Synchrony™** offer, a comprehensive B2B management platform

February 2007
Acquisition of **Atos** B2B software business (Germany)

January 2006
Acquisition of **Cyclone Commerce** in the United States. Relocation of Executive Management to Phoenix AZ

April 2002
Acquisition of **Viewlocity** (United States)

January 2001
Creation of Sopra’s software infrastructure subsidiary, Axway

Sopra (Rules of the Game, CFT, Interpel)

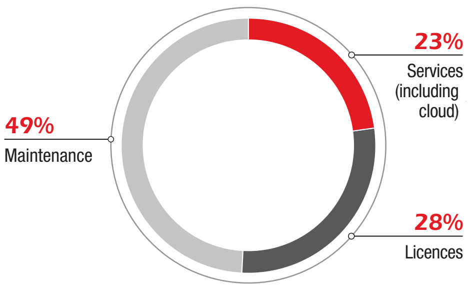
KEY FIGURES

A business model with a balance between licence, maintenance and services revenue, and geographical areas.

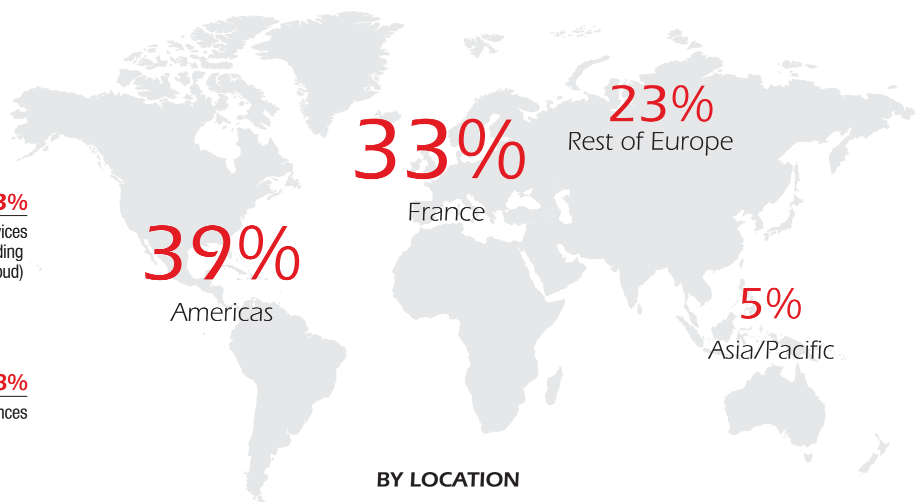
REVENUE

€237.5 MILLION	€261.6 MILLION	€284.6 MILLION
(+5.9%)	(+10.1%)	(+8.8%)
2013 REVENUE	2014 REVENUE	2015 REVENUE

BREAKDOWN OF REVENUE

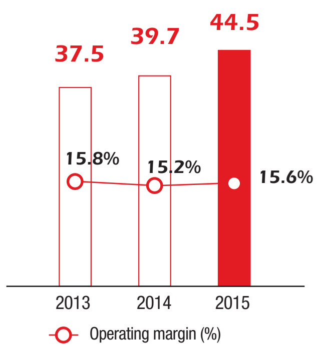


BY ACTIVITY

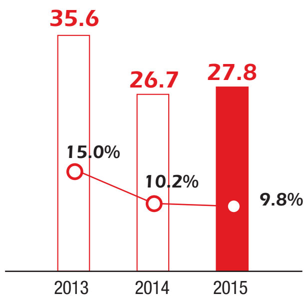


BY LOCATION

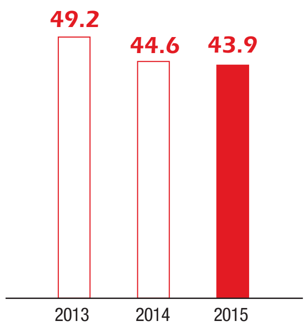
OPERATING PROFIT ON BUSINESS ACTIVITY
(in millions of euros)



NET PROFIT
(in millions of euros)



CASH
(in millions of euros)



This information is detailed in various chapters of the Registration Document.

BASIC EARNINGS PER SHARE

(in euros)

2015	1.35
2014	1.29
2013	1.75

NET DIVIDEND PER SHARE

(in euros)

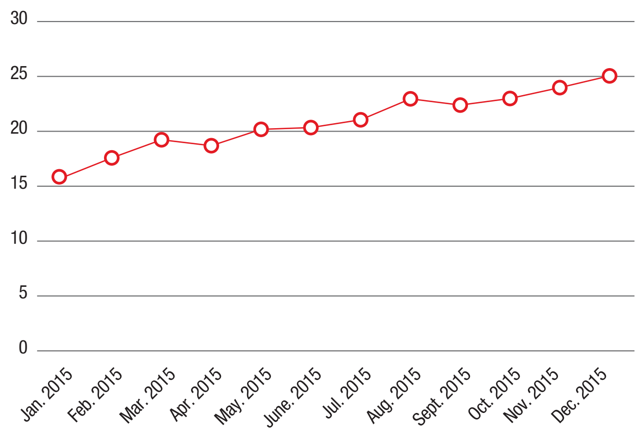
2015	0.40*
2014	0.40
2013	0.40

** Proposal*

STOCK MARKET

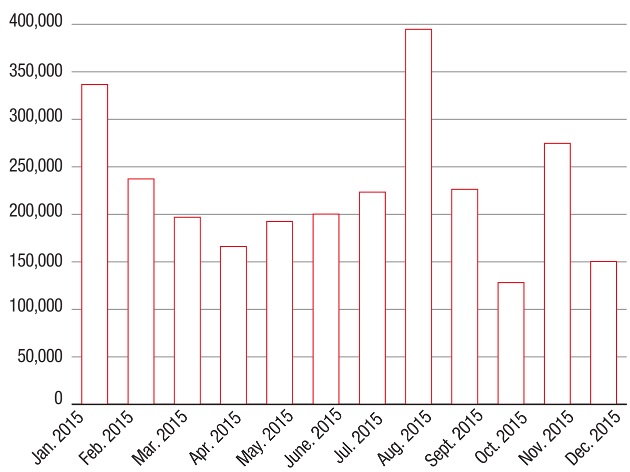
Axway has been listed on Compartment B of Paris Euronext since June 2011.

SHARE PRICE



Average closing price (in euros)

MONTHLY TRADING VOLUME



(by volume)

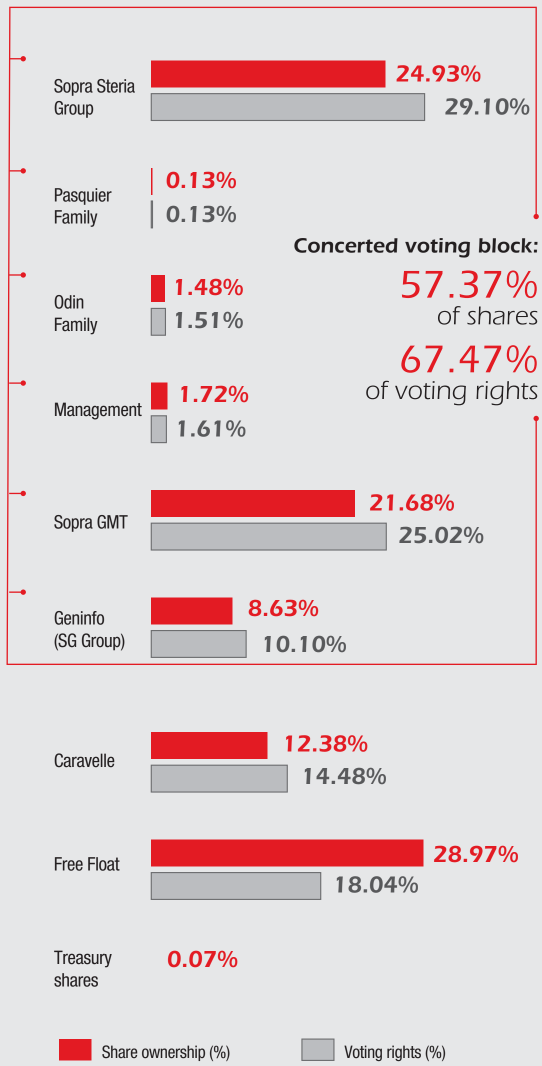
This information is detailed in various chapters of the Registration Document.

OWNERSHIP STRUCTURE

BREAKDOWN OF SHARE CAPITAL at 31 December 2015

20,773,916 shares owned

35,538,163 voting rights



GOVERNANCE BASED ON **BEST PRACTICES**

Axway follows the Middlenext Code of Corporate Governance. It has chosen for its governance structure to separate the offices of Chairman of the Board of Directors and CEO.

BOARD OF DIRECTORS

(Pdt)
Hervé Saint-Sauveur
Director

Pierre-Yves Commanay
Director

(Pdt)
Pierre Pasquier
Chairman

(Pdt)
Kathleen Clark Bracco
Deputy Chairman

Michael Gollner
Director

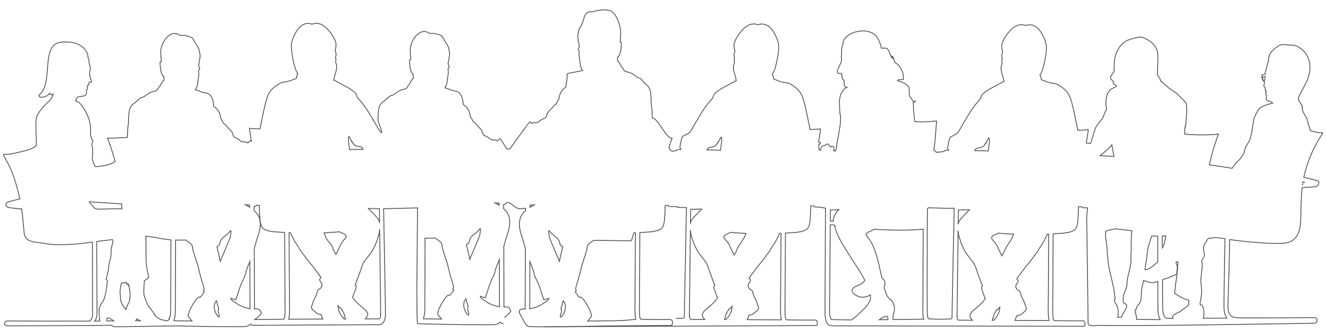
Véronique de la Bachelerie
Director

Yves de Talhouët
Director

Yann Metz-Pasquier
Observer

Hervé Déchelette
Director

(Pdt)
Pascal Imbert
Director



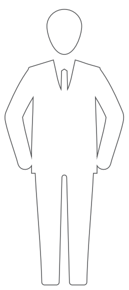
Independent director

Member of the Audit Committee (Chair for the Chairman)

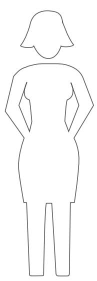
Member of the Selection, Ethics and Governance Committee (Chair for the Chairman)

Member of the Remuneration Committee (Chair for the Chairman)

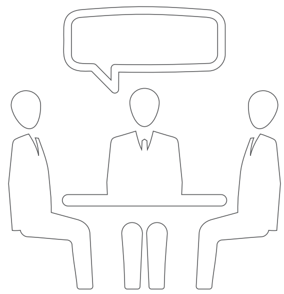
2016 General Meeting: proposed appointment of two new directors.



56%
independent directors



22%
women



6
meetings in 2015

96%
attendance rate

This information is detailed in various chapters of the Registration Document.

AUDIT COMMITTEE

- Four members with in-depth knowledge of economics and of Axway's industry
- Audits the annual and half-yearly financial statements
- Supervises the internal control and management system
- Monitors the Statutory Auditors' statutory audit

4
meetings in 2015

SELECTION, ETHICS AND GOVERNANCE COMMITTEE

- Makes proposals for the appointment of directors and corporate officers
- Assesses the Board of Directors and the operation of corporate governance
- Verifies the application of good governance rules

3
meetings in 2015

REMUNERATION COMMITTEE

- Proposes fixed and variable compensation
- Verifies the application of compensation rules
- Checks information quality

5
meetings in 2015

This information is detailed in various chapters of the Registration Document.

CHAIRMAN OF THE BOARD OF DIRECTORS

Pierre Pasquier has been Chairman of Axway's Board of Directors since December 2001.

In 1968 he co-founded Sopra Group SA, the Company that created Axway, which is now one of France's leading consulting and systems and solutions integration companies and which became Sopra Steria in 2014. He is a graduate of the University of Rennes (Mathematics, 1962).

CHIEF EXECUTIVE OFFICER

Jean-Marc Lazzari, joined Axway in June 2015 as Chief Executive Officer.

Aged 54, he has held the positions of Deputy Chairman of IBM Business Consulting Services EMEA West Region (1995-2005), General Manager of Unisys (2005-2008), Chairman of CGI/Logica France (2008-2013), Executive Vice-President of SFR (2013-2014) and adviser to the Chairman of Sopra GMT. Between 1986 and 1995, he managed LPL, an auditing and consulting firm working with major international companies, and co-founded VIG IT, a software company operating in the middleware segment.

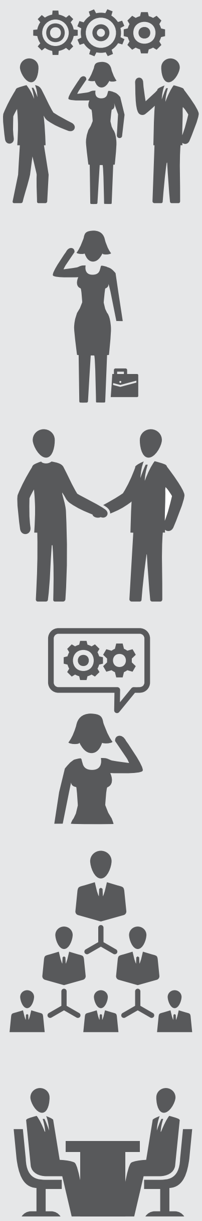
He is assisted by Axway's 10-person Executive Committee, which manages operational and functional activity.

axway
business. in motion.

A GLOBAL **CORPORATE CULTURE** FOCUSED ON VALUES AND STRIVING FOR EXCELLENCE

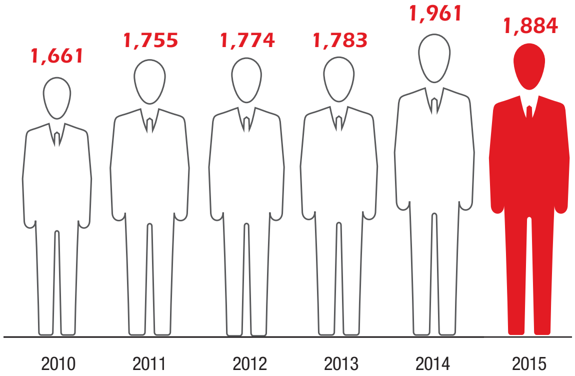
Innovative, Axway's strength resides in its capacity to innovate, listen to its clients and respect its values, as they are embodied by its employees.

WE ARE AXWAY



- **TEAM FOCUS**
- **INTEGRITY**
- **PASSION FOR THE CUSTOMER EXPERIENCE**
- **EXPERTISE AND EXCELLENCE**
- **EMPOWERMENT AND ACCOUNTABILITY**
- **INDIVIDUAL ANNUAL APPRAISAL MEETINGS FOR ALL EMPLOYEES**

CHANGES TO WORKFORCE

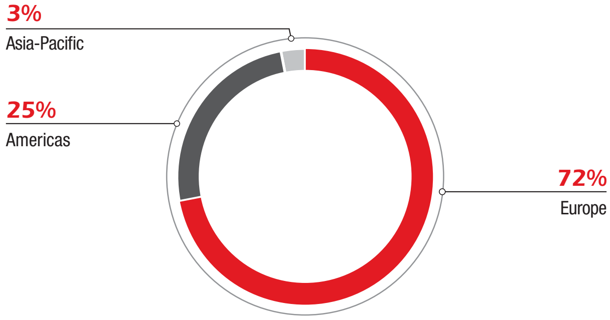


41 years old on average

25% women

273 new employees (57% Europe - 35% North America)

BREAKDOWN OF WORKFORCE BY LOCATION



This information is detailed in various chapters of the Registration Document.

AXWAY UNIVERSITY

This component of the training service implements plans to develop skills and share knowledge, notably to:

- assist employees with changes in Axway's offering by improving sales and technical training;
- promote the motivation of employees in the areas of management and personal development;
- improve the way teams based in different locations and operating in an intercultural context work within a matrix organisation;
- develop the transfer of expertise and encourage the taking-on of new responsibilities.

« Maintain and transmit expertise »

15,000
hours of training

90%
of employees trained

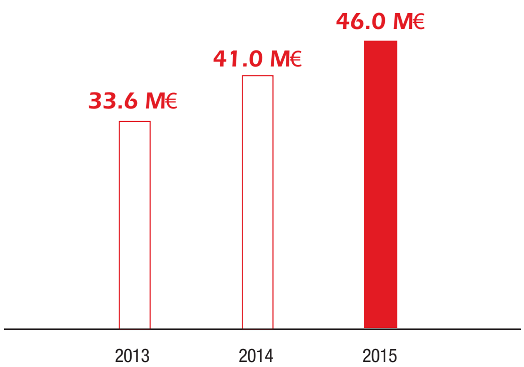
1,884
employees worldwide

Close partnerships with universities and engineering schools

Social commitment and involvement through actions in several of the countries where Axway operates

Multicultural teams at work, with 17 countries represented

REGULAR EFFORTS IN RESEARCH AND DEVELOPMENT ACROSS THE ENTIRE SOFTWARE PORTFOLIO



16.6%
of revenue

88 patents filed

and

14 in the filing process

CORPORATE SOCIAL RESPONSIBILITY

90%
virtual serverss

- Virtualisation of IT infrastructure
- Rigorous management of the "physical" server fleet to minimise energy consumption
- Optimisation of hardware life and recycling at end of life
- Videoconferencing and preference for less polluting means of transport
- Employee awareness-raising through the guide to eco-friendly behaviours, published and distributed in 2009
- Switch to paperless documents
- One e-mail = e-mail. Axway asks registered shareholders to provide their email address so as to allow General Meeting documents to be sent by e-mail. In exchange, Axway helps plant a tree for each e-mail address provided.
- The courage of employees' societal initiatives: within the Group's teams, 50 employees took part in responsible initiatives in 2015.
- Axway has decided to reinforce its eco-responsible approach for its suppliers and subcontractors by taking part in and endorsing the EcoVadis label.

This information is detailed in various chapters of the Registration Document.

GENERAL REMARKS

This Registration Document also includes:

- the annual financial report, which must be prepared and published by all listed companies within four months of the end of each financial year, pursuant to Article L. 452-1-2 of the French Monetary and Financial Code and Article 222-3 of the General Regulation of the AMF; and
- the Board of Directors' annual management report, which must be presented to the General Shareholders' Meeting; held to approve the financial statements for each financial year ended, pursuant to Articles L. 225-100 *et seq.* of the French Commercial Code.

INFORMATION INCLUDED IN THE REGISTRATION DOCUMENT

Pursuant to Article 28 of Commission Regulation (EC) No. 809/2004 of 29 April 2004, the following information is included with respect to this Registration Document:

1. for financial year 2013:
   - the consolidated financial statements of Axway for 2013 and the Statutory Auditors' report on the consolidated financial statements that formed part of the prospectus filed on 24 April 2014 under No. R. 14-019 (on pages 107 to 152 and 153 respectively);
   - the financial statements of Axway Software for 2013 and the Statutory Auditors' report on the financial statements that formed part of the Registration Document filed on 24 April 2014 under No. R. 14-019 (on pages 155 to 174 and 175 respectively);
2. for financial year 2014:
   - the consolidated financial statements of Axway for 2014 and the Statutory Auditors' report on the consolidated financial statements that formed part of the Registration Document filed on 23 April 2015 under No. D. 215-0391 (on pages 119 to 164 and 165 respectively);
   - the financial statements of Axway Software for 2014 and the Statutory Auditors' report on the financial statements that formed part of the Registration Document filed on 23 April 2015 under No. D. 15-0391 (on pages 167 to 186 and 187 respectively).

DEFINITIONS

Unless indicated otherwise, in this Registration Document:

- the "Company" and "Axway Software" refer to Axway Software SA;
- the terms "Group", "Axway" and "Axway Group" refer to the Company and its subsidiaries;
- the terms "Sopra" or "Sopra Steria" refer to "Sopra Group" since 3 September 2014. The change in company name was approved as a result of the successful public exchange offer by Sopra Group for Steria Group's shares.

MARKET INFORMATION

This Registration Document also contains information relating to the markets and market share of the Company and its competitors, as well as its competitive position, mainly in Sections 1 and 3 of Chapter 1. Most of this information is derived from research conducted by third parties. Moreover, information in the public domain, 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 for the collection and analysis of such data or for calculations made using such data, would obtain the same results. The Company and its direct or indirect shareholders cannot undertake any obligations nor provide any guarantees as to the accuracy of this information.

FORWARD-LOOKING INFORMATION

This Registration Document contains forward-looking statements and information about the Axway Group's objectives, notably in Sections 1 and 3 of Chapter 1, and Section 3 of Chapter 3, which are sometimes identified by the use of verbs in the future or conditional tenses, such as "should" or "could" or by verbs such as "estimate", "consider", "target", "project", "expect" or "aim". These statements and information are based on data, assumptions and estimates deemed to be reasonable by the Company. The forward-looking statements and objectives contained in this Registration Document may be affected by known or unknown risks, uncertainties relating to the regulatory, economic, financial and competitive environments, and other factors that may lead the Company's future results, performances and transactions to vary significantly from its objectives or indications. In particular, these factors may include the factors described in this Registration Document.

The forward-looking statements set out in this Registration Document are valid only as of the date of publication. The Group operates in a competitive, constantly-changing business environment. It cannot therefore anticipate all of the risks, uncertainties or other factors likely to affect its business activities, nor is it always able to measure the potential impact on its business or assess to what extent the occurrence of a particular risk or combination of risks might cause actual results to differ significantly from those set out in any forward looking statement, given that forward-looking statements do not constitute guarantees of future performance.

RISK FACTORS

Investors are urged to make careful consideration of the risk factors described in Section 5 of Chapter 3 of this Registration Document before making any investment decisions. The occurrence of one or more of these risks may have a negative impact on the business activities, financial position or results of the Company or its objectives. Moreover, other risks, which have not yet been identified or are not deemed significant by the Company, may also have a negative impact and investors could lose all or part of their investment.

1

THE AXWAY GROUP AND ITS BUSINESS ACTIVITIES

This chapter describes changes in the enterprise software marketing, including how the digital economy is affecting the middleware sub-segment. Adoption of mobile devices, cloud computing, the Internet of Things (IoT) and in addition, new behaviors alter the market landscape in which Axway and its customers operate.

Through innovation, transformation and acquisitions, Axway will offer solutions that enable its customers to build and grow their digital business.

1.1 GENERAL SITUATION IN THE SOFTWARE PUBLISHING INDUSTRY

1.1.1 Software publishing industry

Enterprise software is typically packaged for sale to enterprises to install on premise or increasingly, is delivered remotely "as a service" by a third party provider. The Enterprise Software market is segmented into two major categories:

- application software;
- infrastructure software or middleware.

Gartner estimates "global spending on application and infrastructure software in 2016 will reach almost $356.7 billion, growing 5.9% from 2015"[(1)]. Axway competes in sub-segments of the "infrastructure software" category, including application development, application infrastructure and middleware, data integration and data quality tools, IT operations, security and other infrastructure middleware. Axway calculates that these sub-segments will account for 52% of the infrastructure software segment in 2016, for a total of approximately $103 billion. Gartner anticipates a compound annual growth rate (CAGR) of 4.7% over the 2015-2020 period for the enterprise infrastructure software segment.

Gartner also estimates the "Cloud Application Infrastructure Services" software market[(2)], for the application development, application infrastructure and middleware, and business intelligence platform sub-segments is estimated to reach $5.2 billion in 2016, representing 22% growth from 2015, according to Axway calculation.

Axway operates in the Infrastructure Software or Middleware category and as a global player, Axway is affected by regional market conditions. According to the joint IDC – Syntec Numérique study[(3)], the global software and IT services market grew 4.4% worldwide in 2015 (US growth: 4.1%; APAC growth: 5.6%; Western Europe growth: 3.1%, in which France growth was 2.3%). The same study reports a forecasted worldwide growth of 4.8% in 2016 (US growth 4.7%; Western Europe: 3.1%, in which France growth would be 2.6%).

1.1.2 Market drivers

The most pervasive trend in business today and for the foreseeable future is the continuing growth in "Digital Business". Enterprises are facing an uncertain future as they struggle to adapt under significant industry pressures. CEOs and Boards of Directors see disruption coming from many directions, including changes in regulation, competition, customer behaviors and distribution channels. To survive and remain relevant, enterprises are turning to digital technologies to help reshape their business models, improving compliance, innovation, time to market, and competitive differentiation.

(1) *"Gartner Forecast: Enterprise Software Markets, Worldwide, 2013-2020, 1Q16 Update", 17 March 2016.*

(2) *"Gartner Forecast: Public Cloud Services, Worldwide, 2014-2020, 1Q16 update", 01 April 2016.*
The Gartner Report(s) described herein, (the "Gartner Report(s)") represent(s) research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and are not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this Prospectus) and the opinions expressed in the Gartner Report(s) are subject to change without notice.

(3) *http://www.syntec-numerique.fr/publication/conjoncture-perspectives-2015-2016.*

Companies and governments alike either are proactively pursuing the new opportunities that are enabled by the continued development and deployment of digital technologies, or they are being pulled more deeply into the digital world by their customers or other members of their ecosystem. Large companies expect to generate 28% of total revenues from digital technologies, products and services in the next three years, up from 16% today. CIOs say digital technologies – mobile, big data/analytics, cybersecurity, the Internet of Things (IoT), social media and cloud computing – will have the most impact on their businesses over the next two years. Although research shows that 74% of business executives say they have a "digital strategy," only 19% believe they have the right technologies to enable their digital strategy.

Although there are many drivers contributing to the need for digital transformation, there are three primary technology drivers:

1. Cloud – CMSwire[2] projects that the Global Public Cloud Market (IaaS, PaaS, SaaS, BPaaS) will reach $159.28 billion by 2020. Increasingly business leaders and IT leaders are looking to the cloud not only as a delivery mechanism for the solutions they have or wish to deploy, but as a source of new, highly scalable, highly elastic services that they can incorporate quickly into their business to drive both operating efficiency and new business opportunities for them. Many of the new services are only of value because they are delivered in the cloud, taking advantage of the network of companies within an industry ecosystem sharing data flows to enable business processes;
2. Mobile – According to a Cisco study, mobile data traffic in 2014 was 30x the size of the entire global internet in 2000.Mobile is becoming ubiquitous. Access end points for exposing and consuming data and services are moving, meaning that any participant in the ecosystem can be "productive" from anywhere at any time. Customers want to place orders, suppliers want to adjust shipments, logistics providers want to re-schedule transportation, consumers want to track their purchases, service personnel want to check their next stop in real-time, etc.;
3. Internet of Things – Machina Research[3] projects that there will be 27 billion connected things by 2024. – Not only the number of connected "Things" will increase over time, but the scope of what can be accomplished through this connectivity is also increasing. There is a continuum of capability from monitoring through control. Initially "things" such as cars, industrial equipment, healthcare devices, smart cities will be monitored, primarily capturing and transferring data to be used by a person or within a specific business process. However, the increasing sophistication of sensors and controllers, along with their reducing costs, have enabled an increasing capability to control and make changes at the "thing" based on the context and the activity that is happening in real-time, bringing together information technology and operational technology.

As a result, digital business interactions are exploding, putting tremendous pressure on businesses to respond in order to take advantage of the opportunities or be left behind.The primary challenges and opportunities for business and their information technology capabilities driven by these trends are:

- expectations of customers, employees, suppliers, and partners for increased digital interactions and omni-channel experiences;
- new opportunities to "expose" and "consume" new data flows and services across the ecosystem in order to decrease time to market for new services and improve customer experience;
- interactions within the ecosystem will become increasingly agile/flexible and collaborative, allowing more real-time engagement and agility in managing lifecycle of participants (partners, things, services, etc.) in ecosystem;
- application strategy and resulting integration strategy have to effectively run at two-speeds to meet agility requirements while maintaining solid information technology foundation (Security, data access, core application systems, etc.);
- increasing volume and variety of data flows and channels (mobile, web, connected objects, etc.) drives an increasing need for a unified approach to governing the data flows, omni-channel solution paradigm, processes, and information system.

A new generation of fast-growing technology companies is rewiring the flow of communication, collaboration and commerce. They are discovering innovative ways to monetize social, location, sensor and public data exposed through APIs and generated by connected things. Tech entrepreneurs are designing new services and delivering them as beautiful, user-friendly apps, and in the process, disrupting entire industries. The disruptions championed by start-ups is a threat for their larger peers. On the other hand, they also illustrate the massive

(1) Source: Axway Analysis

(2) CMSwire: www.cmswire.com/cms/information-management/forrester-predicts-saas-will-own-all-other-cloud-segments-011005.php

(3) Machina Research: machinaresearch.com/news/global-m2m-market-to-grow-to-27-billion-devices-generating-usd16-trillion-revenue-in-2024

market opportunity for agile and innovative enterprises who can successfully transform into digital businesses:

- AirBnB is disrupting the $500 billion global hotel industry with an app that lets people rent short-term stays at private residential locations in over 190 countries. In the summer of 2010, there were 47,000[(1)] AirBnB guests. In the summer of 2015, almost 17 million people were AirBnB guests;
- Uber is reinventing the $16 billion US taxi and limousine services industry with an app that allows anyone to use an independent driver to be transported anywhere on demand. Since 2014, Uber use grew from 9% to 29% versus taxi use shrinking from 52%[(2)] to 35%;
- Yard Club is revolutionizing the $40 billion construction equipment industry with an app that helps contractors rent idle equipment directly from each other without the typical large, upfront capital cost of paying for their own machines. Caterpillar, a 90[(3)]-year old manufacturer of construction and mining equipment, has provided an equity investment to Yard Club and collaborated with them to expand rental access to Caterpillar and non-Caterpillar inventory on the platform;
- Wealthfront is democratizing the $750 billion wealth management services industry with an app that removes the financial advisor middleman and automates the end to end process[(4)] for consumers. It took Charles Schwab six years to reach its first $1 billion in assets. Wealthfront reached that milestone in less than half the time.

In response, almost 80% of firms say they are practicing some level of open innovation, attempting to improve their competitiveness through the combined ideas and technology of internal resources[(5)] and ISVs, entrepreneurs and universities.

To summarize what this means: **All Businesses Must Become Digital Businesses** (at least to some extent) and therefore, **all business must increasingly become software businesses**, unlocking access to data, exposing APIs to their ecosystems and developing “apps” to create unique customer and business models.

1.2 HISTORY OF AXWAY

Significant events

Date	Event
January 2001	Sopra’s software infrastructure business hived off to Axway
April 2002	Acquisition of Viewlocity (Sweden)
January 2006	Acquisition of Cyclone Commerce (United States)
February 2007	Acquisition of the B2B software business of Atos (Germany)
September 2008	Acquisition of Tumbleweed (United States)
June 2011	Flotation on the NYSE Euronext market in Paris
November 2012	Acquisition of Vordel (Ireland)
September 2013	Acquisition of the assets of SCI (Brazil)
January 2014	Acquisition of the assets of Information Gateway (Australia)
April 2014	Acquisition of Systar (France)
January 2016	Acquisition of Appcelerator (United States)

(1) Reference: http://www.businessinsider.com/airbnbs-summer-reach-has-grown-by-353-times-in-5-years-2015-9

(2) Reference: http://www.businessofapps.com/uber-usage-statistics-and-revenue/

(3) Reference: http://www.cnbc.com/2015/05/26/

(4) Reference: https://www.wealthfront.com/two-billion#commission-free

(5) Reference: “Managing Open Innovation in Large Firms,” H. Chesbrough, UC Berkeley; S. Brunswicker, Fraunhofer Institute

2001-2010: Axway, a subsidiary of Sopra spin-off

Spin-off and European development

The name Axway, emerged in January 2001 with the spinoff of the software infrastructure division of Sopra: the goal was to bring together, under the same company, the Group's infrastructure software (notably the "Rules of the Game" software and the CFT and InterPel Managed File Transfer tools) – setting them apart from the application software (banking, real estate and HR sectors) retained by Sopra. This separation remains a current practice in the software market. During this period, there were two main objectives which are the following: industrializing software development activities and attaining a significant market position in Europe. Axway doubled its client numbers between 2001 and 2005, from 3,100 to 6,000.

With the acquisition of Viewlocity in 2002, Axway stepped up its globalization. By the end of 2005, it was present in most European countries and even had its first premises in the US and Asia.

North American development and market leadership

The second stage in Axway's development was aimed at aligning the Company's geographical spread with the market, notably by significantly developing its business activities and presence in the US (accounting for over half of the market, while the share of Axway's revenue from the US was only 4% in 2005). Another ambition during this period was for Axway to move into a leading position in certain specific market segments: those of Managed File Transfer (MFT) and Business-to-Business (B2B) integration. This objective was achieved as of 2009, with Axway in a leading position in these segments with the main market analysts.

This development and leading position were achieved through: the strategy based on Synchrony™ a comprehensive business interaction management platform; acquisitions:

- Cyclone Commerce in 2006: Axway's Executive Management was transferred to the USA, and English became the Group's working language;
- the B2B software activities of Atos Origin in Germany in 2007, boosting Axway into a leading position in the automobile sector;
- Tumbleweed in 2008: this acquisition consolidated Axway's position on the North American market, giving it the green card it needed in order to be accepted by the major firms in the region. Following this cycle of acquisitions, the US share of the Company's global revenue increased from 4% in 2005 to 30% in 2009. Along with this growth in revenue, there was a sharp increase in the Company's customer base (+300 new customers with Cyclone Commerce and +2,200 with Tumbleweed), including significant accounts in certain key sectors (banking and the main supply chain users such as manufacturing, retail, logistics, etc.), federal government and in particular the Department of Defense and tax authorities.

Since 2011: Axway, a global independent software vendor

Having operated with a large degree of autonomy for several years, Axway acquired its own essential functions and resources to enable independant growth from Sopra: in terms of operational governance, the coordination and control of Axway's business is now under the supervision of specialized committees (Executive Committee, Distribution Monitoring Committee, Development Monitoring Committee, Functional Oversight Committee); Axway has its own business functions: Human Resources Department (with a core competency reference guide suited to the operations of a software developer); Finance and Administration Department (accounting, consolidation, management audit); Support departments (Legal Department, Quality Assurance Department, Internal IT Resources and Systems Department).

2011 marked an important phase in the projects to consolidate Axway's positioning as a software developer: the culmination of the plan to separate the activities of Axway Software from the traditional activities of Sopra was approved at the General Meeting of 8 June 2011, with Sopra retaining 26.27% of Axway; Axway's shares were listed on Euronext Paris on 14 June 2011 (ticker: AXW. PA); Axway gained full financial autonomy with respect to Sopra Group SA following the capital increase.

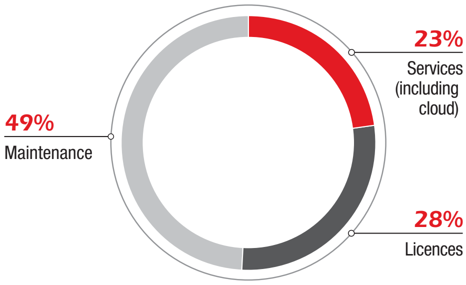
1.3 STRATEGY AND ACTIVITIES

1.3.1 General information

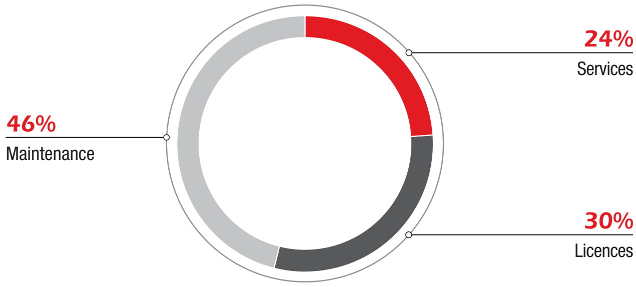
Axway is a publisher of enterprise software for Digital Business Enablement, facilitating interactions within the value chains of medium and large commercial enterprises or governments. With revenue of €284.6 million at 31 December 2015, 1,884 employees, a leadership position in France, a competitive presence in the United States and Europe, and more than 11,000 customers in over 100 countries, Axway is one of the foremost suppliers of integrated solutions for Digital Business Enablement.

ANALYSIS BY TYPE OF ACTIVITY

Revenue in 2015: €284.6 million

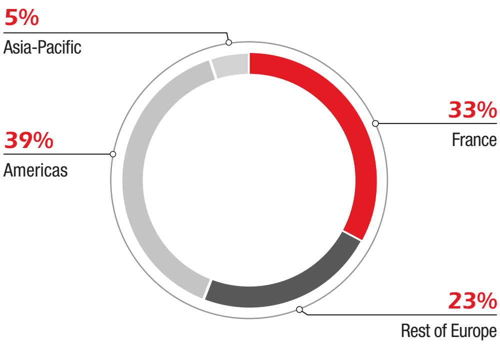


Revenue in 2014: €261.6 million

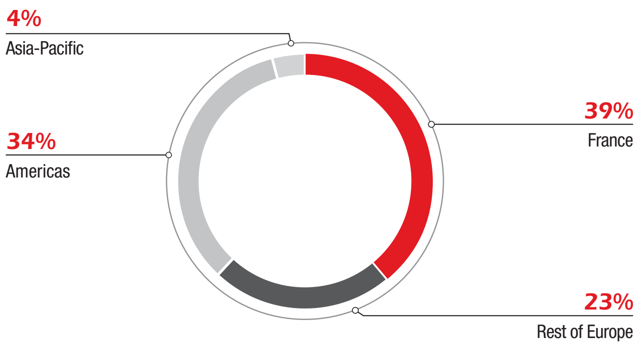


ANALYSIS BY LOCATION

Revenue in 2015: €284.6 million



Revenue in 2014: €261.6 million



1.3.2 Group strategy: digital business enablement

Building on its historical strength in governing data flows and market leadership in core technologies in both the integration foundation layer (API, MFT, EDI gateways) and the ecosystem engagement layer (API management, Operational Intelligence), Axway is positioned as a key enabler of Digital Business. The positioning is:

“ Enabling your digital business by connecting people, processes, and things while governing data flows throughout your ecosystem.”

Over recent years, Axway has been investing in the creation of a comprehensive offering, the Axway 5 Suite, in readiness for the maturing of the market in all of these new uses. The acquisition of Vordel in 2012 was a strategic lever to support this positioning, rebranded as Axway API Management. APIs are at the heart of cloud and mobile integration as well as B2B. According to Gartner, "by 2018, 50% of B2B[1] collaboration will take place through Web APIs". The evolution of APIs – combined with the decentralization of corporate IT which is shifting the buyer’s influence to line of business – is creating a community of “citizen” developers and integrators, who are no longer technicians but creators of business and mobile applications in a new economic model of monetized services and income sharing. Meanwhile, integration with back-end systems in support of this new style of applications is still required which is Axway’s core expertise.

Axway API Management is acknowledged as a leading solution by the market. In the most recent Gartner Magic Quadrant[2] for Application Services Governance, Axway is positioned in the Leaders quadrant.

In 2014 Axway acquired Systar which provides a unique value-add and competitive advantage by adding enhanced analytics and operational intelligence to the Axway 5 Suite.

In January 2016, Axway acquired Appcelerator, a US company helping organizations build their mobile business with a leading mobile engagement platform to drive impressive mobile app experiences. With the acquisition of Appcelerator, Axway expands its ecosystem engagement capabilities to help enterprises achieve success at every step in their digital transformation journey. The combination of Axway 5 suite and the Appcelerator Platform allows anyone to quickly create great mobile apps, easily integrate them to existing systems using APIs, manage backend services at scale, and optimize performance with comprehensive analytics.

Appcelerator was founded in 2006 with the introduction of its popular Titanium SDK, widely used in 185 countries for building cross-platform mobile applications. The Appcelerator Platform, positioned as a Strong Performer in The Forrester Wave™:Mobile Infrastructure Services, Q3 2015[3], is purpose-built for digital business, handling over 2 billion cloud API calls per month and powering mobile apps running on over 350 million devices.

« Mobile applications developed using Appcelerator Titanium SDK have already been installed on more than 350 million devices. »

* *API: Application programming Interface*

(1) *Gartner, Hype Cycle for Application Architecture, 2015, Anne Thomas, 29 July 2015.*
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(2) *Gartner, Magic Quadrant for Application Services Governance, Paolo Malinverno, 9 April 2015.*
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(3) *Forrester Wave The Forrester Wave™ : Mobile Infrastructure Services, Q3 2015, Forrester Research, Inc., September 15, 2015.*
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The growth of mobile app development is also increasing the influence of developers in enterprise IT decisions. They play a major role in selecting new platforms and frameworks, and are instrumental in bringing digital technologies into their enterprises, both large and small. Appcelerator has built a vibrant ecosystem of more than 800,000+ developers, 400 independent software vendors (ISV), and 100 solution partners. This acquisition greatly expands Axway's reach and consideration as the preferred provider for our customers' digital business initiatives.

1.3.3 Industry: helping enterprises achieve omnipresence

Digital business transformation for most enterprises is a journey with different business outcomes along way. Axway is helping customers unleash data, expose APIs, and develop apps to deliver what we call **"Omnipresence"**: the ability to rapidly deliver delightful digital experiences connected to any data, on any device, at any time:

1. **unleash data** to improve operational efficiency: Address compliance, consolidation and modernization to reduce costs.
   - remove data silos and facilitate standardized, secure and easy exchange of data with regulators, suppliers, partners and customers,
   - consolidate and manage multiple integration patterns, such as API, MFT and EDI, as a shared service supporting multiple lines of business in the enterprise,
   - bridge data between on premise enterprise services and cloud-based services to streamline end-to-end business processes,
   - implement real-time analytics to rapidly diagnose problems and satisfy service level agreements;
2. **expose APIs** to accelerate business innovation: Build new products, services and business models for competitive advantage:
   - extend access to data in enterprise backend systems for external developers and partners,
   - increase speed and capacity for innovation by empowering independent developer networks to augment internal ideas and resources,
   - create standards-based, "always-on" connections to systems and "Things" to support new digital services and payment models, including pay-per-use and subscriptions,
   - apply advanced analytics to anticipate customer needs and personalize products and services;
3. **develop apps** to reimagine the customer experience: Drive engagement across physical and virtual channels to build satisfaction and loyalty.
   - liberate customers from physical-only experiences, *e.g.* branches, stores, offices, etc. and offer seamless access to services online and offline,
   - conduct business anywhere, anytime with mobile apps connected to any data source,
   - develop a 360° view of the business and the customer from rich user insights,
   - personalize and add context to the customer and buyer journey.

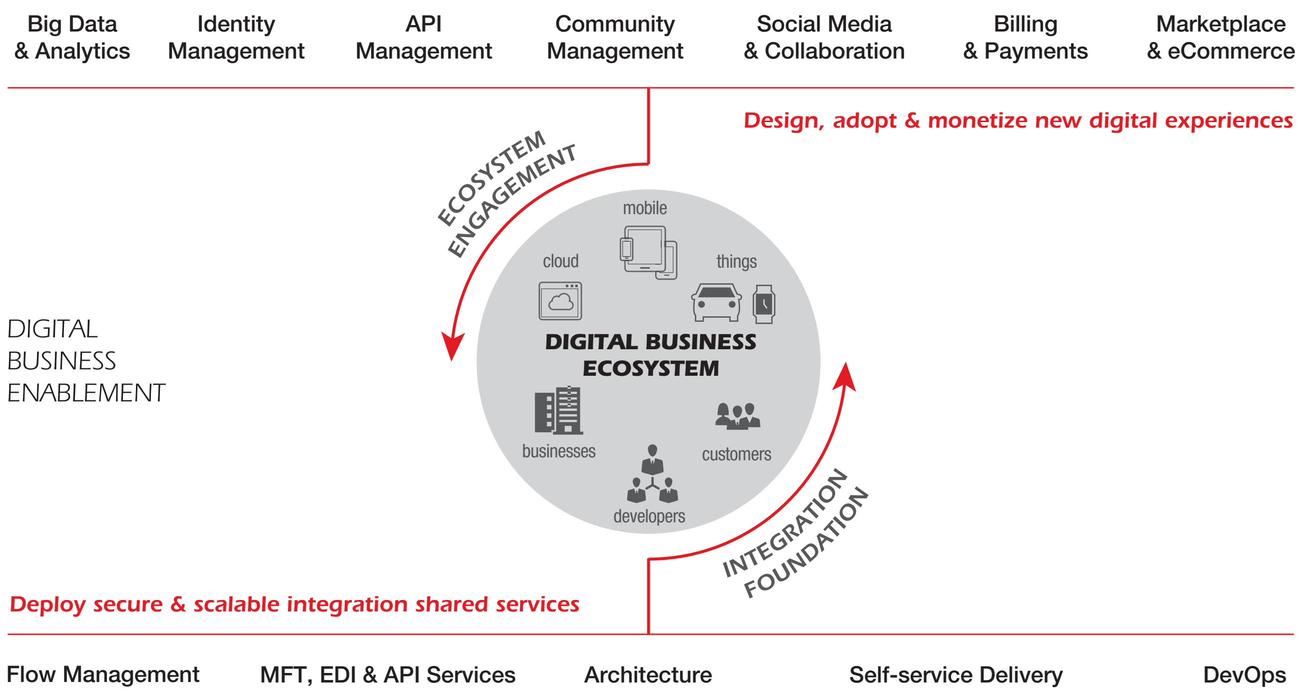
1.3.4. Supporting bi-modal* IT: compliance, efficiency and faster innovation

When embarking on the journey to digital business, enterprises are juggling multiple priorities often driven by different parts of their organizations:

- Central IT departments who are maintaining the reliability and performance of large-scale systems of record that run core business processes;
- Digital leaders and lines of business teams who are seeking new platforms to support rapid levels of change, innovation and engagement in response to market pressures.

A bi-modal approach

Best in class leaders take a bi-modal approach to developing their **Digital Business Enablement** capabilities from design and deployment, to adoption and finally monetization. Supporting this approach will be a technology platform with two fundamental layers: An **Integration Foundation** layer providing secure, high performance connectivity with backend systems, distributed devices, and external entities; and an **Ecosystem Engagement** layer used to collaborate with communities of developers, suppliers and partners to accelerate the design, user adoption and monetization of digital experiences. The deployment of this digital enablement platform will necessarily be "hybrid" (cloud and on-premises) in order to take advantage of the natural strengths of each model and potentially certain services or capabilities that are only viable in a cloud or on premise deployment.



Digital Business Enablement supports bi-modal IT

The primary focus of the **Integration Foundation** is to continue to develop and optimize core business processes while keeping up with new requirements. The primary capabilities within the integration foundation for which Axway intends to offer solutions are:

- integration gateway capabilities with Self-service Delivery supporting a range of patterns, *e.g.* Application Programming Interfaces (API), Managed File Transfer (MFT), Electronic Data Interchange (EDI), etc.;
- flow Management capabilities to govern digital flows generated by applications, devices, and things;
- enterprise architecture, *i.e.* technical guidelines, principles and governance practices that guide the design and development of IT systems, including integration middleware;

* *Bi-modal: companies must continue to optimise their existing systems, constantly improving their performance while optimising costs. They must also adopt technologies more rapidly in order to explore new business models. This requires using two very different approaches.*

- DevOps (Development + Operations), *i.e.* a practice that emphasizes the collaboration among software developers and other IT professionals while automating software delivery.

Ecosystem Engagement acts as an operating model, enabling the IT organization to provide agility and facilitate open innovation for testing, deploying, and adapting new experiences needed to compete in the digital space. The ecosystem engagement layer provides a set of services that enable full life-cycle interactions across the Digital Business Ecosystem (from set-up through execution of the interactions and measurement of the business value). In addition, a comprehensive ecosystem engagement layer expands on the traditional trading partner ecosystem to include developers, ISVs, universities, governments and other entities to provide digital experiences that span virtual and physical interactions, including mobile devices, web applications, cloud services and connected "Things." The primary capabilities of the ecosystem engagement layer which Axway intends to focus are:

- API Management capabilities to expose and extend enterprise business processes as services consumable by an ecosystem of people, organizations, systems, and things;
- Community Management capabilities such as onboarding, campaign management, and lifecycle management, for partners or developer communities, etc.;
- Identity Management capabilities such as authentication, identity federation, and identity federation, etc.;
- Big data, Analytics, and Operational Intelligence capabilities such as machine data capture, storage, analytics and visualization, etc.

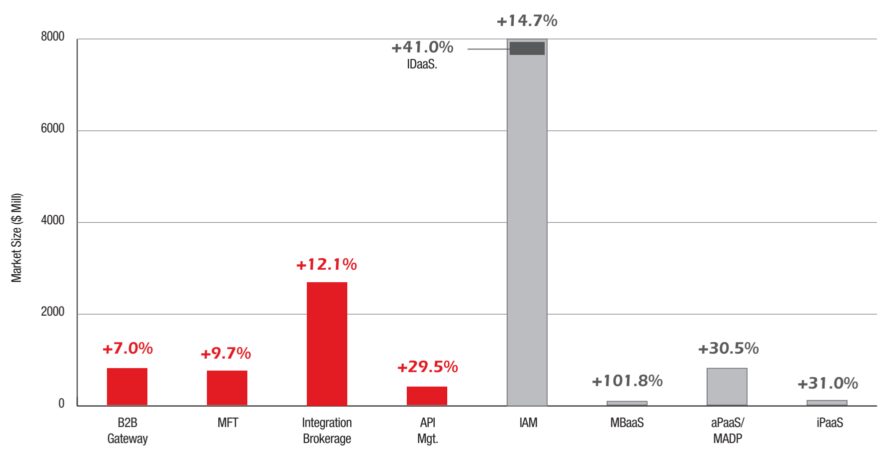
Other technology capabilities required for Ecosystem Engagement for which Axway intends to leverage as needed from partners include:

- collaboration and Social Media capabilities powered by file and content sharing, messaging, personalization, and real-time communications, etc.;
- billing and Payments capabilities to enable flexible revenue models such as pay per use, recurring subscriptions, and other approaches to capture value;
- marketplace and e-commerce capabilities to facilitate the discovery, exchange and settlement of physical and non-physical assets, etc.

The technology markets underlying these capabilities are all growing markets (see chart below). They present opportunities to extend and innovate around Axway's current core businesses in the integration foundation layer, including API, MFT, and EDI gateways (*e.g.* Integration Platform as a Service [iPaaS], IoT Integration Middleware, etc.). They also build on Axway's strength in API Management and Operational Intelligence solutions, positioning the Company to gain market share in ecosystem engagement (*e.g.* Mobile Backend as a Service [MBaaS], Mobile App Development [MADP], Rapid Mobile App Development [RMAD], etc.).In fact, there is high growth in both the integration foundation as well as ecosystem engagement.

In aggregate, the total market for Digital Business Enablement solutions is estimated to be just under $10 billion growing at roughly 16% per year over the next four to five years. The sizes and growth rates of the sub-markets in each of the integration foundation and ecosystem engagement categories vary widely (see chart below – note that the chart only shows selected sub-markets). Based on multiple industry projections, the aggregated market for cloud-based digital enablement solutions is estimated to be approximately $1.8 billion, projected to grow at 38% CAGR.

Digital Business Enablement Markets*



* Does not represent all digital enablement markets. Axway market size and growth rate estimates, based on multiple industry analyst projections and assumptions.

Red represents Axway's current core digital enablement markets. No market sizing estimate for Operational Intelligence.

IAM: Integration Application Management
IDaaS: Identity as a Service
MBaaS : Mobile Back-end as a Service
aPaaS: Application Platform as a Service
iPaaS: Integration Platform as a Service

Source: Internal Axway Analysis.

1.3.5 Customers and target markets

Most Axway products are horizontal and deliver value to enterprises of any industry sector. Some Axway solutions are more targeted to an industry or to a business function within an enterprise leveraging deep industry domain knowledge. In any case, Axway delivers market solutions, combining products and services, and specializes and contextualizes the solution relevant to common business cases in each industry.

Axway enables Digital Business in the **banking & financial services** industry (banking, insurance, securities and capital markets, market infrastructures, regulators and central banks). Axway manages data flows between banking applications (on many computing environments), between banks, between the banks and their customers, between banks and market infrastructures and between banks and regulators. Axway developed more specific payment integration and accounting integration solutions. Regulatory compliance, omni-channel customer service, with the suppression of the channel silos and the development of customer self-service, and infrastructure consolidation are typical drivers that encourage banks to change and improve the way in which they govern their data flows.

Axway enables Digital Business in extended **supply chain** ecosystems. For **logistics service providers**, there cannot be goods flows without data flows. Data flows are even key in the quality of the services delivered to the customers, and connectivity platforms and the Internet of Things will continue to change the way LSP operate. In the **manufacturing industry**, both discrete and process manufacturers face the digital transformation in their core business. For **retailers**, data flows power on time inventory replenishment, secure customer personal data, and enable a new consumer experience which is now twofold: in store and Internet.

Specific supply chain ecosystems wherein Axway has significant industry domain knowledge include:

healthcare supply chain (pharmaceutical and life sciences industries, healthcare providers, health insurance and payers). In the upstream side of this ecosystem (drug manufacturers, laboratories, wholesalers, pharmacies, etc.), regulatory requirements, clinical trials and drug traceability, for example, generate large quantities of data flows: this involves fighting counterfeiting or parallel trafficking and protecting patients, or for the manufacturer, protecting its brand. In the downstream side of this ecosystem (healthcare services, hospitals, public and private health insurance and payers, etc.), it is the exchange or sharing of medical data, or reimbursement of healthcare expenses, which generate many data flows. Health care efficiency, the financial balance of the overall health system, and the fight against fraud, are the main drivers for investments. The evolution of the patient experience, with self-service and access to medical records and services from a mobile, is also a strong driver for investments;

automotive supply chain (car manufacturers, contract manufacturers and first tier suppliers, suppliers' networks, aftermarket or dealership networks). In this ecosystem, Axway equips mostly manufacturers and suppliers. The data flows in this industry are driven by evolving trends such as the green car, the connected car, the electric or hybrid car, the "car as a service", fleet management and car sharing, and by initiatives like telematics, full digital product and process management, international flows and related logistics, supplier collaboration, engineering collaboration, etc.

Axway enables Digital Business in the **public sector**, mostly within and between central or federal administrations. Single window projects, new electronic government central gate services, large public rationalization projects to cut costs, consolidate infrastructures, and the sharing of information amongst public administrations, and digital identity initiatives are typical drivers where Axway plays a key role in the public sector.

For **telecommunication** service providers, data flows are at the heart of the service delivery platforms. This is a sample of examples where Axway helps businesses governing their flows of data.

1.3.6 Geographical markets and main access channels

Axway maintains a global presence in North America, Latin America, Western Europe, and Asia-Pacific. For the most part, Axway makes use of a direct approach in these geographical markets, with an ownership of local presence and an ability to serve customers locally. This allows Axway to support its global customers in their global projects. In 2013 and 2014, Axway increased its presence in Brazil and Australia, by acquiring the business operations of its distributors to better serve its customers and develop these higher growth geographies.

Axway's business model also relies on distributors to address local market needs and high growth emerging economies.

In its strategy to address large projects for multinational customers, Axway develops an alliance strategy with system integrators (SIs), which can vary according to the geography or according to the industry. It is in this area where Axway increased its investment in its global alliances program in 2014, with the goal of expanding relationships with existing SI partners as well as establishing relationships with other global and regional SIs.

1.3.7 Competitive Position

In the digital business enablement market landscape there are essentially three sets of competitors:

1. generalists;
2. providers of integration foundation components;
3. providers of ecosystem engagement components.

There are companies that have solutions in more than one category and/or developing a more complete platform but most companies would fall primarily into one of the categories.

The Generalists have products that cover most if not all of the required capabilities for digital enablement but generally do not position the solutions together as a "ecosystem enablement platform" and don't position their company in this way. The providers of integration foundation components generally include the traditional middleware/integration providers. These players may offer both on-premises as well as some cloud-based middleware capabilities. In addition to the standard middleware players, there are the integration brokerage providers who generally provide B2B managed services. Then there are the emerging players providing only cloud-based integration. Beyond these there are specialists for certain components of the integration foundation such as API Gateway, Identity Services, and IoT middleware. The providers of ecosystem engagement technologies generally focus only on individual capabilities. API Management providers primarily focus on the front-end engagement portion of the API market, although most do also have some rudimentary API Gateway and backend integration capabilities. Increasingly some of the integration foundation players with API Gateways are beginning to offer API management functionality. In addition to the API-based providers, there are a group of companies that offer solutions in a set of overlapping markets, including Application Platform as a Service (aPaaS), Mobile Application Development Platforms (MADP), or Rapid Application Development Platforms (RMAD). This remains a very fragmented space as well and in many cases, Mobile Back-end as a Service (MBaaS) providers also provide some capabilities in this market.

1.3.8 Offer and innovation

Products and services for our customers' digital projects

Foundational to enabling digital business is the ability to design, connect, control and analyze the necessary data flows between the people, systems, companies, and things participating in a particular ecosystem. The basis of this capability is integration middleware technologies that have been around for many years. To be successful, companies must be able to leverage all of their data assets and services, whether they sit in legacy systems of record or they are provided through a new cloud-based service. Axway is uniquely positioned as a vendor which has continually invested in these core integration solutions as well as recognizing and investing in the new forms for engaging with digital assets through APIs.

Axway's assets enabled the Company to provide foundational components for many of our customers' digital initiatives:

- Essent's digital initiatives combining data flows from smart meters, with location services, back-end billing services, work management systems, and other systems to enable customers, partners, and employees through mobile apps to achieve their goals interfacing with Essent;
- The initiative by a major customer to offer a data platform as a service to enable their partners' apps to access their database of financial and credit information;
- data transmission shared services at Experian or used by State of California agencies;
- data acquisition platform for FATCA regulation at IRS in a private Cloud with comparable expected service levels as for a public Cloud.

As described above, Axway's digital business enablement solutions cross both integration foundation and ecosystem engagement. In fact, certain products actually provide capabilities including both the foundation as well as the engagement and are the basis of future products and cloud-based offerings that will expand Axway's reach with a hybrid cloud and on premise approach. Below, is a table depicting the current core offerings as they fall within the digital business enablement landscape.

Bi-modal approach

Foundation for integration	Commitment to the ecosystem
• API management for the Internet	• Analytics
• Application integration	• API management
• B2B/EDI integration	• Community management
• Cloud integration	• Identity federation
• Secure file transfer	• Identity validation
• Service-oriented Architecture	• Mobile Application Development

Vertical solutions

In addition to the core solutions identified above, Axway has bundled certain products and services to deliver digital solutions for specific vertical problems. Those Vertical solutions include Track and Trace and Controlled Substance Ordering System (CSOS) for the Healthcare/Life Sciences industry, TradeSync Integration Manager (TSIM) for the automotive Supply Chain, and Financial Exchange (FEX) and Accounting Integration for the Banking and Financial Services market.

Axway plans to continue to innovate on core solutions to maintain leadership in markets of historical strength, and to extend digital governance capabilities. Meanwhile, Axway will invest to extend its offering in both the integration foundation and ecosystem engagement layers to include additional cloud-based solutions. Specifically, Axway intends to invest in a specific three-pronged cloud strategy in order to capitalize on the increasing requirement for cloud-delivered solutions and the large and growing market for cloud-based digital enablement solutions. The three-pronged strategy includes:

- strengthening Axway's current cloud-enabled managed services offerings;
- continue to develop digital business enablement as a service, creating a cross-portfolio team to facilitate a hybrid deployment architecture for on premise and cloud, build the One Axway Cloud experience with common registration, on-boarding, self-service and administration capabilities, and addressing new innovative use cases with a cloud-first approach;
- offering Axway's cloud-enabled digital business enablement capabilities to strategic partners to use as a platform to develop and deliver digital solutions for their customers.

Axway has a strong base of customers using integration foundation technologies, specifically MFT and EDI solutions, in a managed service environment. In addition, there is an increasing number of companies that are pursuing managed services alternatives as they modernize and consolidate their B2B activities. The United States IRS and Moet-Hennessy are recent examples of cloud-enabled managed services customers for Axway. Given this trend, Axway intends to continue to strengthen and optimize its managed services delivery capabilities for cloud-based integration foundation solutions.

Partner activities

Finally, many consulting and systems integration companies are increasing their development of digital solutions, either as stand-alone services to specific industry participants, enhancements or add-ons to their BPO offerings, or as a new, faster speed to market, more agile, deployment and delivery mechanism for solutions designed for a specific customer. Therefore, Axway offers digital business enablement solutions to strategic partners, either managed by Axway or as a platform that partners operate for the benefit of delivering solutions to their customers.

1.4 RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

The Group has consistently spread its Research and Development efforts across its entire software portfolio. They amount to the following:

(in millions of euros)	2015	2014	2013
Research & Development	46.0	41.0	33.6

These sums relate to:

- ongoing maintenance work;
- the convergence of the different technologies used;
- the release of new versions; and
- work on the IT architecture of the Axway 5 Suite, including API and Decision Insight.

These R&D expenses, which relate mainly to the direct cost of software development staff, have been recognised in full as operating expenses.

As of 24 February 2016, the Group has been granted 88 patents, and has 14 pending. These patents were mainly filed in the USA. A breakdown is shown below:

	Managed File Transfer (MFT)	MFT – Doc Convert	MFT – Enrolment	Private URL	Messaging Firewall	Crypto-Security Firewall	Anti-Spam	Certificate Authority
Granted	17	5	4	3	15	16	4	7
Pending	2	0	2	0	5	2	2	0

These patents mainly relate to the secure data exchange segment. The Company's business as whole is not especially dependent on a particular patent or technology (see Chapter 1, Section 3.6.1).

The Company's degree of dependence on patents and licences is covered in Chapter 3, Sections 5.1.2 to 5.1.6 and Section 5.2.2.

1.5 INVESTMENTS IN 2015

1.5.1 Investment policy

Software development is not a sector that requires significant investment to be made on a routine basis. In addition, Axway does not own any of its facilities. Axway regularly invests in IT equipment, office furniture, fixtures and fittings. Moreover, the Group's R&D expenses are recognised as operating expenses, and not as investments. As a result, Axway's main investments comprise acquisitions or purchases of shareholdings or intangible assets, particularly with a view to gaining new client bases and software, entering new markets or consolidating its existing presence in a certain region.

At the date of this Registration Document, the Company's management bodies have not made any firm commitments regarding significant investment.

1.5.2 Main acquisitions

During the year ended 31 December 2015, Axway did not make any acquisitions. In January 2016, Axway announced the acquisition of Appcelerator Inc.(see Section 3.3 of Chapter 3).

In April 2014, Axway continued its expansion in terms of governing the flow of data and announced the start of exclusive negotiations for the acquisition of a block representing 61% of Systar SA's capital from shareholders exercising joint control over the Company, at €5.97 per share, bringing the total amount to €34.3 million.

In April 2014, after finalising its acquisition of control over Systar SA, Axway filed a simplified tender offer at the same price of €5.97 per share, targeting Systar SA's remaining outstanding shares, in accordance with applicable regulations. Following a successful tender offer, Axway owns 100% of Systar, the total cost of the transaction performed is €52.3 million.

Systar SA is a leading publisher of operational performance management software that enables companies to maximise the effectiveness of their business activities and IT infrastructure, thereby helping them to become more proactive by anticipating problems, reducing risk factors and increasing their market share. With approximately 150 employees, the Company's revenue for the 2012-2013 financial year amounted to €19 million.

1.5.3 Research & Development

The Group continued its R&D efforts in 2015 and allocated €46 million (versus €41 million in 2014) to develop, improve and expand its software solutions.

These R&D expenses, which relate mainly to the direct cost of staff dedicated to developing Axway Software's software packages and solutions, have been recognised in full as operating expenses (see Section 3.6.2 of Chapter 1).

1.5.4 Facilities

A total of €4.0 million was invested in infrastructure and technical facilities in 2015, compared with €2.8 million in 2014.

These investments break down as follows:

- furniture, fixtures and fittings: €1.7 million;
- IT equipment: €2.3 million.

Further information on property, plant and equipment and intangible assets, as well as changes, is presented in Notes 16 and 17 (Chapter 4) to the 2015 consolidated financial statements.

1.6 KEY FIGURES

1.6.1 Financial summary

(in millions of euros)	2015	2014	2013
Revenue	284.6	261.6	237.5
EBITDA	40.3	41.4	36.1
Operating profit on business activity	44.5	39.7	37.5
As % of revenue	*15.6%*	*15.2%*	*15.8%*
Profit from recurring operations	37.9	33.6	32.4
As % of revenue	*13.3%*	*12.8%*	*13.7%*
Operating profit	27.4	31.3	27.2
As % of revenue	*9.6%*	*11.9%*	*11.4%*
Net profit – Group share	27.9	26.5	35.6
As % of revenue	*9.8%*	*10.1%*	*15.0%*
Cash and cash equivalents	44.7	44.6	49.2
Total assets	488.5	478.7	392.0
Total non-current assets	347.5	331.1	270.1
Net debt (cash)	-35.7	3.1	-11.2
Shareholders' equity – Group share	340.6	298.5	258.4
Minority interests	0.0	0.0	0.0
Number of shares at 31 December	20,773,976	20,568,138	20,465,177
Basic earnings per share *(in euros)*	1.35	1.29	1.75
Diluted earnings per share *(in euros)*	1.33	1.27	1.72
Net dividend per share *(in euros)*	0.40(1)	0.40	0.40
Staff at 31 December	1,884	1,961	1,783

(1) Amount proposed to the next General Meeting called to approve the financial statements for the fiscal year ended 31 December 2015.

1.6.2 Revenue by activity

(in millions of euros)	2015	2014 reported	2014 pro forma[1]	Total growth	Organic growth[1]
Licences	80.5	79.6	86.2	1.1%	-6.7%
Maintenance	137.7	120.5	132.1	14.3%	4.3%
Services	66.4	61.5	66.3	8.0%	0.1%
TOTAL	**284.6**	**261.6**	**284.7**	**8.8%**	**0.0%**

(1) At constant exchange rates and scope of consolidation.

(in millions of euros)	2014	2013 reported	2013 pro forma[1]	Total growth	Organic growth[1]
Licences	79.6	75.6	81.0	5.3%	-1.8%
Maintenance	120.5	106.3	112.8	13.3%	6.8%
Services	61.5	55.6	58.8	10.5%	4.6%
TOTAL	**261.6**	**237.5**	**252.6**	**10.1%**	**3.6%**

(1) At constant exchange rates and scope of consolidation.

1.6.3 Revenue by region

(in millions of euros)	2015	2014 reported	2014 pro forma[1]	Total growth	Organic growth[1]
France	95.2	103.4	102.4	-7.9%	-7.0%
Rest of Europe	65.8	59.5	65.0	10.5%	1.2%
Americas	109.7	89.1	106.5	23.2%	3.0%
Asia/Pacific	13.9	9.6	10.8	45.3%	29.1%
TOTAL	**284.6**	**261.6**	**284.7**	**8.8%**	**0.0%**

(1) At constant exchange rates and scope of consolidation.

(in millions of euros)	2014	2013 reported	2013 pro forma[1]	Total growth	Organic growth[1]
France	103.4	82.5	96.1	25.3%	8.8%
Rest of Europe	59.5	57.6	57.9	3.3%	2.7%
Americas	89.1	90.7	93.0	-1.8%	-4.2%
Asia/Pacific	9.6	6.7	6.5	42.3%	46.5%
TOTAL	**261.6**	**237.5**	**252.6**	**10.1%**	**3.6%**

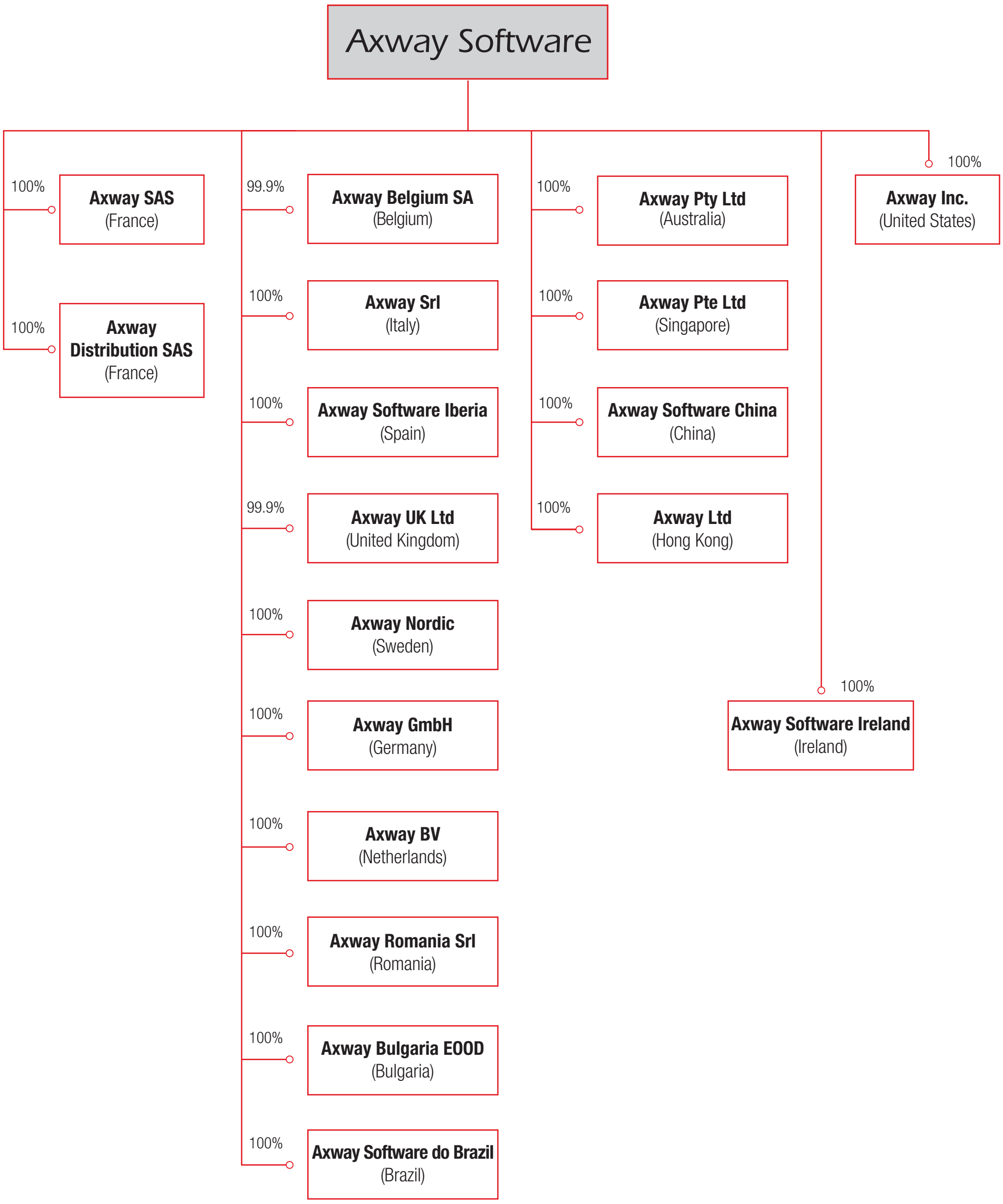
(1) At constant exchange rates and scope of consolidation.

1.6.4 Comparison of the years ended 31 December 2015, 2014 and 2013

(in thousands of euros)	2015	2014	2013
Revenue			
Licences	80,452	79,574	75,583
Maintenance	137,741	120,538	106,348
Sub-total licences and maintenance	**218,193**	**200,112**	**181,931**
Services	66,419	61,478	55,613
TOTAL REVENUE	**284,612**	**261,590**	**237,544**
Cost of sales			
Licences and maintenance	23,150	21,900	20,721
Services	63,210	57,017	51,407
TOTAL COST OF SALES	**86,360**	**78,917**	**72,128**
Gross profit	**198,252**	**182,645**	**165,416**
Operating expenses			
Sales costs	81,876	77,519	70,763
Research and Development costs	46,025	40,966	33,636
General and administrative costs	25,855	24,475	23,549
TOTAL OPERATING EXPENSES	**153,756**	**142,960**	**127,948**
Operating profit on business activity	**44,496**	**39,685**	**37,468**
As % of revenue	15.6%	15.2%	15.8%
Expenses related to stock options	-550	-811	-1,352
Amortisation of intangible assets acquired	-6,044	-5,318	-3,679
Profit from recurring operations	**37,902**	**33,556**	**32,437**
As % of revenue	13.3%	12.8%	13.7%
Other income and expense	-10,493	-2,298	-5,271
Operating profit	**27,409**	**31,258**	**27,166**
Financial income and expense	-1,653	-921	-1,330
Tax expense	2,101	-3,647	9,759
Net profit	**27,856**	**26,690**	**35,595**

1.7 SIMPLIFIED GROUP STRUCTURE AT 31 DECEMBER 2015

1.7.1 Main subsidiaries



1.7.2 Place of Axway Software SA within the Axway Group

The Group's parent company Axway Software SA directly holds all of the companies in the Group. The products are marketed directly by the various Group companies, *i.e.* in France directly by Axway Software and by its subsidiaries *via* distribution agreements between the Company and its subsidiaries in the countries where the subsidiaries mentioned in Section 7.1 are based.

The CEO of Axway Software also acts as CEO of all Group subsidiaries, except in countries where local laws do not allow a non-tax-resident to hold such an office.

Axway Software SA also acts as a holding company, providing support to the Group through the cash management agreement, financial services and the supply of IT resources to subsidiaries. Intra-group and related-party financial flows are mentioned in Chapter 2, Section 3 ("Regulated Agreements") and in Note 31 "Related-party transactions" of this Registration Document.

The main assets relating to intellectual property, such as local, community and/or international brands, are mostly held by Axway Software SA. Certain intellectual property rights are held by the United States, Germany and Ireland.

1.8 GROUP ORGANISATION

Axway's governance structure consists of a Chairman, a Chief Executive Officer and a Board of Directors.

This organisational structure is supported by an ongoing operational and functional structure as well as temporary structures for the management of particular businesses and projects.

1.8.1 Ongoing structure

The Group's ongoing structure comprises a management body, an organisation based on the main operating functions and functional structures.

Executive Management

Executive Management comprises the Chairman, the Chief Executive Officer and the Executive Committee (ExCom).

ExCom comprises the Chief Executive Officer, the Heads of the major operating entities and the Heads of the functional structures.

The members of ExCom are responsible for the development of strategy and supervise organisation and internal audit, as well as major cross-functional initiatives.

The Board of Directors

The Company's Board of Directors consists of nine members (including five independent directors), who elected Pierre Pasquier as Chairman at their meeting on 28 July 2015, and one observer. Information on the Board's organisation and working procedures is given in Chapter 2, Section 1 of this Registration Document.

Operational departments

These are the entities that make up Axway's value chain and participate in the processes of defining, producing and selling Axway's products and services. The operational departments are:

- the Marketing Department, which carries out upstream strategic analysis (markets, competition) and processes involved in bringing products and services to the market;
- the Group Product Management and R&D Departments, which are in charge of the development and maintenance of products and their subsequent upgrade;
- the Global Customer Services Department which provides clients with telephone assistance and support, and the Professional Services teams, who provide support for users in installing and implementing the solutions sold and provide assistance in using them;
- the Sales Department, which consists of the Group's software sales teams.

These global departments have regional or national structures below them:

- regional marketing operations (EMEA, North America, APAC);
- Development and Support Centres (France, North America, Romania, Bulgaria and India);
- Sales subsidiaries (sales and services in eight countries in Europe, the Americas and Asia).

This organisation ensures that strategies and processes are consistent and harmonised, while providing the necessary proximity to clients and markets.

Each department is allocated resources and assigned budget targets, which they are responsible for meeting. Progress towards the achievement of targets is assessed on a monthly basis, with weekly control points for sales and services and monitoring of major client accounts.

National sales subsidiaries are responsible for managing local clients: sales relationships, invoicing and debt collection. These subsidiaries benefit from the support of cross-functional programmes organised at Group level, which are aimed at coordinating the operational activities relating to certain client groups (sector-based approaches, key account approaches) or products/services (B2B programme, MailGate programme, AI Suite programme).

Functional structures

Functional departments (Corporate Secretariat, Finance, Logistics, Human Resources Management, Communication, Information System Resources, Internal Information Systems, Legal Affairs) and the Operations Department are centralised for the entire Group. They contribute to overall Group cohesiveness, transmit and ensure commitment to the Group's core values, serve the operational entities and report directly to Executive Management. The functional capacity of international subsidiaries is strictly limited to the local business environment.

Functional structures standardise and propose management rules (information system resources, IT systems, financial reporting, etc.), support and render services on behalf of operational units and monitor the application of strategies and rules.

In this manner, they contribute to overall supervision and enable the operational entities to focus on business.

Their direct accountability to Executive Management ensures that the entire Group functions smoothly.

The organisation relies on permanent operational and functional structures, as well as temporary structures tasked with business and project management.

Sopra GMT plays an active part in the Group's operations through a tripartite assistance agreement concluded between Sopra Steria and Axway on services related to strategic thinking, policy coordination between Sopra Steria Group SA and the Company, and the development of synergies between these two companies, as well as consulting services, including assistance in finance and control.

1.8.2 Temporary structures: businesses and projects

The Group's organisation must retain flexibility in order to adapt to changes in its markets and ensure the successful completion of projects.

Projects are handled by temporary teams and are supervised:

- within a national sales unit; or
- under the responsibility of a management subsidiary, acting in concert with other entities (another sales entity for local commercial support, or another department, for example, for expert product assistance); or
- under the coordination of a Key Client Account Manager.

Each matter must be organised and operate with a view to a fundamental objective: client service, economic success, and contribution to the general growth of the Group.

The main development programmes for the various product lines use resources and expertise from different development centres, under the responsibility of a Program Manager.

The business activity of the Group is based on the experience and synergy of its teams, established in 17 countries and working for international customers.

Sharing values – team spirit, integrity, passion for the customer experience, expertise and excellence, responsiveness and communication, contributes to the long life and societal responsibility for the sustainable growth of the Company and that of its employees.

In 2015, the Axway Group pursued its CSR initiatives, and changed the tools for dialogue and for internal tracking of environmental, societal and social data. Within its teams, 50 people took part in CSR initiatives in 2015. The group of projects is shared through the internal exchange portal of the Axway teams.

1.9 CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

For the European Commission, corporate social responsibility (CRS) is one of the commitments required to stimulate European growth. A company can only achieve sustainable success if the society in which it operates is successful.

Axway's main CSR challenges are linked to its activities and IT challenges. For businesses in the IT sector, the most immediate reflection of CSR is the growing requirement for eco-efficient computing: low consumption of energy, raw materials, and easily recyclable.

The concern for long-term viability and corporate social responsibility to contribute to sustainable development is a natural extension of Axway's values. The desire to manage its business rigorously and to turn these values into action has led the Group to adopt "virtuous" forms of behaviour in the social, environmental and societal spheres.

Axway Software's sustainable development policy covers all actions contributing to the Group's business development:

- respecting employees through appropriate working conditions, developing employees' skills and employability, non-discrimination and adherence to principles of fairness;
- providing outstanding service to clients thanks to a focus on excellence in the accomplishment of its day-to-day missions;
- safeguarding the environment by limiting pollution and the depletion of natural resources;
- treating suppliers transparently and fairly in its relationships and modes of operation.

The issue of corporate social responsibility was examined in greater depth in 2015. Axway Software's approach aims to reconcile efficiency with social fairness and respect for the environment. It involves a continuous improvement process. To this end, a community was created within Axway through our corporate social network site to promote and share our initiatives. Approximately fifty individuals across the world registered their interest in the issue.

CSR documentation is handled at corporate level by the HR and IT Departments.

1.9.1 Employee information

Axway's Human Resources policy has been concentrated these last few years on fundamental themes such as the alignment of the corporate culture, support in the development of skills, performance management, and the signing of a number of initiative agreements with employee representatives.

After having provided support, in 2013 and 2014, to more than 500 managers worldwide through the "I am Axway" programme, the experiment was extended to all of the teams, with the "We are Axway" programme. Thus, managers who had participated in the "I am Axway" sessions met with their teams in order to transmit the messages they had received, and to cause the teams to reflect on our values and their meanings for each of the groups of contributors forming the team.

The "We are Axway" experiment, shared by managers with their teams, began in 2014 and was being broadly pursued in 2015. In total, over 120 three-hour sessions were held with more than 1,000 participants.

"We are Axway"

Roll-out

In order to extend the "I am Axway" experiment, it was essential to be committed to offering a similar experience for each employee, all while leaving a certain amount of freedom to the managers to adapt themselves to their team's style.

Thus, the managers received support, and were offered three formats by which to transmit the "We are Axway" messages and to create the exchange with their team:

- a presentation;
- a game;
- a discussion.

These three formats offered the possibility of choosing a manner of communicating with the teams, but demanded an alignment:

- in the messages delivered: the same six contents, similar to those covered during "I am Axway", were delivered to each Axway employee. These contents covered: our strategy, our objectives, our strong suits, our challenges, our values, and the missions of the manager;
- in meeting quality: it was imperative that each manager recreate an experiment emphasizing the quality of the meeting, and thus, there were six basic tenets to be respected, regarding the invitation, the environment, contents, key messages, expected contribution, and shared experience.

In addition to the "I am Axway" seminar, all managers were invited to a series of webinars in order to prepare themselves and to take away the contents and formats which suited them best. Moreover, their HR Business Partner was able to accompany them in co-facilitating, if they felt the need.

Contests

During the "We Are Axway" meetings, there were no less than 83 contributions which were created by the teams and then shared with all of the employees on the "We Are Axway" space created for that purpose on Jive, our corporate social network.

From January to April 2015, this space had an average of 980 visits every day.

These achievements gave rise to a competition, making it possible to prolong the teams' experience, all while sharing with the greater Axway team. In effect, each employee was invited to consult and view the different work published, and then to vote for those which he or she had liked best.

The votes were open in three contribution categories:

- most creative;
- most meaningful;
- most artistic.

The success of this contest proved a real continuity to the initial experiment.

Close to 500 persons voted to elect their favourite project.

Survey

At the end of the year, a survey was opened, in order to gather feedback and to assess employee satisfaction on the subject of the "I am Axway" and "We are Axway" programmes.

After an investment of three years in these programmes, it was necessary for the Human Resources Department to report on what the employees thought of all of these initiatives.

The goal was both to hear their impressions on the experience which they had had, and to sound out the pertinence of our values and the understanding of the messages covered in the six contents, as well as to gather their expectations and their recommendations with a view to working on the development of such programmes during the 2016 year.

1.9.2 Change in Axway's total workforce

	2015	2014	2013	2012	2011	2010	2009	2008
Workforce	1,884	1,961 (1)	1,783	1,774	1,755	1,661	1,614	1,652

(1) Of whom 121 as a result of acquisitions.

At end-2015, Axway had 1,884 employees, including **680** in France.

The breakdown of workforce by geographical area is as follows:

- Europe 1,358 (72%) (permanent contracts) ;
- North America: 445 (23.5%) ;
- South America: 22 (1%) ;

Americas: **462** (25%) ;

- Asia/Pacific: 59 (3%).

Number of dismissals

In 2015, as part of the program to streamline Research & Development, Axway proceeded with 105 dismissals for economic reasons in the United States, Germany, England and Sweden, and 38 dismissals overall for reasons having to do with the person.

1.9.3 Recruitment

Axway hired **273** new employees.

Nearly 57% of the new hires took place in Europe and nearly 35% in North America.

The recruitment of staff with highly-specialised skill sets was also stepped up.

These recruitment figures represent global figures for Axway over one year.

In support of its recruitment drive, Axway continued its partnerships with a number of prestigious engineering schools and its internship scheme (mainly end-of-study internships leading to permanent recruitment in a very high proportion of cases).

Nearly all employees recruited were higher education graduates.

Please also note that Axway's recruitment policy is almost exclusively based on permanent contracts (excluding temporary cover) (99% in 2015).

1.9.4 Workforce by age and length of service

The average length of service of Group employees was 7.3 years at 31 December 2015.

It is higher, at 8.3 years, in Europe compared with 4.8 years in North America.

In France, the average length of service stands at 10.1 years compared with 8.8 years last year.

The average age of employees has remained stable for several years. Keeping the average age at this level is the direct result of recruiting young graduates.

AVERAGE AGE BY GEOGRAPHICAL AREA

	2015	2014	2013	2012
Europe	39	37.8	39	39
North America	44	43.2	44	44
Asia	41.3	39.1	39	37

BREAKDOWN BY GENDER

In 2015, women accounted for over 25% of the workforce, of whom 82% were managers at Axway Software.

1.9.5 Career development

Compensation and performance evaluation policy

In each country, the compensation policy is based on a performance evaluation system applied worldwide. Career development is managed on individual basis.

In order to simplify the annual evaluation interview form and to make it more effective, the Human Resources Department presented a new version. Beyond being a simple revision of the form, the goal is to reduce the pressure and stress which may be inherent to a year-end evaluation cycle and an annual evaluation interview. In order to do so, support which would be particularly customised for managers, but also for employees, was proposed.

Procedure to assist in the definition of the year-end process

In particular, a procedure to assist in the definition of the year-end process and the preparation for the annual interviews was put into place. More precisely, there were four modules which were created to assist the managers in understanding the evaluation process and thus to give them the necessary tools, whether it be:

- to integrate effectively and to understand the year-end evaluation, the steps, and the expectations;
- to perform an objective and clear evaluation of the performance of each of one's employees;
- to know how to set SMART objectives: Simple, Measurable, Acceptable, Realistic, and Time-bound; or
- to conduct annual evaluation interviews.

For the employees, a module was also created, in order to enable them to prepare their interview calmly, and to give them the opportunity to have exchanges with their management on the subject of their hopes for development. Quite a lot of thought on the implementation and deployment of the Job Interview in 2015 made it possible to offer new tools to all employees in order to better apprehend their expectations in terms of their careers.

- Based on this evaluation, wage increases were awarded to the employees who achieved or exceeded their performance targets in 2015. This strong link between performance assessment and the awarding of individual wage increases is the cornerstone of Axway's compensation policy.
- Lastly, in 2015, the project for the evaluation of Axway wages compared with those of the market was completed. This major initiative made it possible to resolve some of the wage disparities noted with the ecosystem in which Axway is evolving.
- The Group's compensation policy is founded on the following objectives:
  - respect for the principle of fairness;
  - maintaining sound incentive through a compensation policy aligned with performance goals consistent with the Company's major challenges;
  - remaining competitive so as to attract and retain the most qualified candidates.

In 2015, as every year, Axway implemented salary increases on an individual basis.

Moreover, Axway complies with legal and contractual obligations with respect to compensation in all of its subsidiaries.

Payroll (including social contributions)

(in millions of euros)	2015	2014	2013	2012	2011
TOTAL	**180**	**169**	**149**	**140**	**133**

Profit-sharing at Axway Software SA

In France, an amendment to the June 2011 profit-sharing agreement was signed in June 2015. This agreement covers all employees of Axway Software SA. By way of derogation, the special profit-sharing reserve is calculated on the basis of French revenue and Axway Group profit from operating activities. The entire amount was allocated according to length of service in 2015.

The Company savings plan at Axway Software SA

A rule pertaining to the establishment of a company savings plan within Axway Software SA was implemented on 8 June 2012. The amounts paid under this plan are invested in mutual fund shares. The Group's contribution consists of the payment of all operating fees for the Company savings plan.

Occupational-insurance and retirement schemes and other benefits

In accordance with each country's laws and customs, Axway takes part in retirement and pre-retirement schemes, as well as occupational-insurance schemes covering its employees for various additional contingencies.

Axway University

Axway University was created in 2014. Its aim is to support the evolution of the Company and the deployment of its corporate culture through the development and implementation of shared methodologies and consistent, flexible and comprehensive training programmes. These programmes are designed to enable us to bring our employees together in spite of their different cultures, geographical locations and inherent time differences. The aim of providing in-house and external training is to develop skills and align know-how on a global level.

In 2015, Axway University achieved the culminating point of its transformation, taking a great step towards digital technology, in order to obtain the material means to serve its ambitions, but also, incorporating essential new skills.

In effect, Axway University launched its Learning Management System (LMS) and also initiated its transformation towards digital technology.

In 2015, e-learning made it possible to train more employees, whether they were with a client, in the office, or travelling. This confirmed to us that e-learning is the best means of enabling our employees to easily access training. Our objective today is to always respond to the needs of our employees, and to offer a broader, richer, and more varied choice of content.

Axway University also possesses new resources in order to respond, in a precise and efficient manner, to our employees' needs. In particular, the arrival of two "Designer Courses" in 2015 made it possible for us to work on the design of in-house training, whether it be in a classroom, a webinar, or e-learning, in collaboration with the Axway experts. This makes it possible for us to design training modules which align to Axway's needs.

The strength of these two essential elements are: people who are capable of designing training targeted to the expectations of Axway and its employees, as well as the digital means of making the contents available anywhere for a greater number of people. Axway University now places the emphasis on e-learning modules and programmes in blended learning (combining classroom training with e-learning).

The number of training hours taken is still an important indicator for Axway University. Nevertheless, we hope to put the emphasis on the development of a new measure, that of training effectiveness, and to continue to enable a greater number of our employees to have access to a means of developing their skills.

The infrastructure being in place, 2016 will make possible the design and availability of more in-house modules, and will be the opportunity to run a balance sheet on the deployment, utilisation, and satisfaction of the learners.

Axway's training effort for its employees is consistent. Thus, in 2015, 1,700 employees worldwide benefited from at least one training session, for a total of over 15,000 training hours.

In France, at Axway Software, 559 out of the 680 employees, were trained during 2015.

Relations with employees

The quality of the employer-employee relationship within Axway is the fruit of ongoing dialogue between the management, employees and their representatives.

The employees are represented by employee representative bodies in France and in Germany. In France, the employees are represented by 26 personnel representatives while in Germany there are 11.

Professional relations at Axway Software SA

At Axway Software SA, employer-employee dialogue hinges on a Plant Committee, a Health, Safety and Working Conditions Committee, two Personnel Representative bodies and three Trade Union Representatives.

Labour relations at Axway GMBH

At Axway GMBH employer-employee dialogue takes place through five Plant Committees and a Central Works Council.

Summary of collective agreements

Within Axway, 70 agreements were in force at 31 December 2015. In 2015, three agreements were signed in France and seven were signed in Germany.

The collective agreements signed at Axway Software SA in 2015 are the following:

- amendment to extend the agreement of 13 December 2015 promoting gender equality;
- agreement on means allocated to the CHSCT (Committee on Workplace Health, Safety and Working Conditions) dated 19 November 2015;
- amendment No. 4 to the profit-sharing agreement (of 30/06/2011) dated 24/06/2015.

The collective agreements signed at Axway GmbH in 2015 are the following:

- agreement on variables;
- compensation agreement on commission;
- compensation agreement on bonus payments;
- compensation agreement on annual reviews;
- introduction and use of the Learning Management System;
- introduction and use of the Salesforce CRM System;
- data protection agreement between Axway GmbH and Axway Software SA.

Moreover, talks concerning the French government's "generation contract" employment scheme have resulted in the drafting of an action plan whose first measures were set up at the beginning of 2014 and continued in 2015.

Work organisation

Organisation of working time

In each of its subsidiaries, Axway complies with its legal and contractual obligations concerning working time. The working time depends on local requirements and activities.

4% of Axway Group employees work part-time.

Organisation of working time at Axway Software SA	Hours worked by part-time employees
Axway Software SA implements the French National Collective Agreement for technical design and engineering offices, engineering consultants and consulting firms.	At Axway Software SA, employees from all staff categories have chosen to work part-time. Out of a total of 30 part-time employees, the largest number work 4/5 time, mainly within the framework of parental leave.

Absenteeism

At Axway, the global absenteeism rate was 2.30% in 2015, of which 1.41% was due to illness[5].

ABSENTEEISM AT AXWAY

Reasons for absenteeism	% of absenteeism
Illness	1.41%
Occupational/commuting accident – occupational illness	0.01%
Maternity – adoption	0.70%
Family events	0.18%
TOTAL	**2.30%**

(5) The absenteeism rate includes absenteeism due to illness, occupational/commuting accidents, occupational illness, maternity/adoption, and family events as detailed in the table below. This indicator has only been set up for Axway Software SA.

Health and safety

For several years now, Axway has implemented a well established health and safety policy. It sets out the Company's commitment to develop innovative products of the highest quality, while acting in an ethical way and guaranteeing the health and safety of its employees.

Axway is committed to providing its employees with a safe and healthy workplace. Health and safety are primordial concerns.

Health and safety conditions at Axway Software SA

In 2015, the CHSCT held four Ordinary Meetings and three Extraordinary Meetings.

During this time, there was only one occupational accident without lost time in 2015.

Measures taken to improve safety

Preserving the health and safety of employees is a fundamental goal and an integral part of the Human Resources and social policy.

The health and safety procedure is part of an overall procedure conducted in close collaboration with the occupational health doctors, site managers and CHSCT.

Summary of collective agreements concerning health

No agreement has been signed in this regard.

Occupational health doctors

In Germany, like in France, an occupational health doctor performs employee check-ups on a regular basis.

Awareness-raising actions were conducted at French sites concerning on-screen work. In addition, Axway Software called in an ergonomist to carry out work on workstation positions.

Programmes are being conducted in collaboration with Irish and US governments to promote car pooling and cycling.

Evaluation of psychosocial risks

A steering committee composed of members from Human Resources and representatives from CHSCT was assembled in 2015 to evaluate the psychosocial risks within Axway France. The work which came from this collaboration made it possible to deploy a questionnaire in January 2016 to employees, aimed at evaluating their work conditions. This survey represents a first step in the eventual identification of psychosocial risk factors, in a perspective of improving the quality of life in the workplace. The analysis and the communication of the survey's results will be completed in early 2016.

Equal treatment

Axway observes the principles of non-discriminatory recruitment and gender equality. The proportion of female engineers recruited is higher than the percentage of women graduating from engineering schools. With regard to gender equality, Axway applies a policy of fairness in relation to pay, promotion and access to training.

Axway's assessment system enables the Group to get to know its staff members and regularly monitor their development. This system is mainly based on annual appraisals, assessment cycles and annual reviews. The system also includes a Core Competency Reference Guide, which can be used by employees to improve their understanding of the requirements of the Group's businesses and career development opportunities. For local managers, this Guide supports professional development in line with both employees' wishes and the Group's priorities.

The assessment system operates under the responsibility of over 450 local managers and 100% of employees who are present must have an annual appraisal.

Commitments in favour of gender equality at Axway Software SA

On 13 December 2012, a collective agreement in favour of gender equality was signed, with the following objectives:

- ensure that the percentage of men and women having undergone training at least once during the year continues to reflect the percentage of men and women within the Company's workforce;
- prepare for return to work after a maternity leave, adoption, or a parental educational leave, or any other continuous absence of more than six months;
- narrow the gaps, through the use of the Syntec classification, between the average basic wage of men and women to plus or minus 5% over a three-year period;
- guarantee as many promotions for women as for men.

A Company-wide agreement introduced in 2007 stipulates the conditions for the entry into application of the individual wage increase guarantee for employees on maternity or adoption leave as required by the Law of 23 March 2006 on equal pay for women and men.

Initiatives in favour of the employment and integration of disabled workers

A collective agreement was signed on 26 June 2013 to promote the hiring and continued employment of disabled persons. It includes a certain number of objectives over the agreement's three-year term:

- installation of spokesperson for disabled employees within the CHSCT;
- launch of an awareness-raising, communication and manager-training campaign;
- hiring of three disabled workers;
- continued employment of disabled persons;
- outsourcing work to the protected sector.

Initiatives in favour of seniors

At the start of the year, Axway Software introduced measures relating to the action plan for the generation contract.

These measures aim, in particular, to encourage the employment of both the young and seniors, to help them to settle into the Company and to develop their employability throughout their career at Axway.

Promoting and abiding by the stipulations of the International Labour Organisation's fundamental principles

In addition to the issues concerning collective bargaining rights and abolishing employment discrimination described in Section 10.1.2.3 ("Relations with Employees") and Section 10.1.2.6 ("Equal treatment"), Axway promotes the abolition of forced labour and child labour. Axway has chosen to set the mandatory minimum age for all its employees at 18, an age which is above the minimum age required by the International Labour Organisation's fundamental principles.

All Axway entities are required to verity the age of their new employees at the time of their recruitment.

Methodology note

Scope of consolidation for employee data, health and safety data, indicators, and reporting method and systems.

Employee information

Scope of consolidation

The headcounts shown in the "Workforce" and "Breakdown of workforce by geographical area" tables correspond to the total number of employees at 31 December 2015.

Indicators

The indicators chosen are those used for personnel management and the Group's employee-related issues. They reflect the results of the Human Resources policy.

Data

For the scope defined, the data stems from country-specific reporting and the reporting produced by the divisions concerned, *i.e.* Recruitment and Training.

A continuous improvement process has been set up for those systems.

Health and safety information

Scope of consolidation

The safety indicators concern all Axway sites.

Indicators

The indicators chosen are those used for the management of Axway sites. They reflect the results of Axway's policy regarding the environment, health and safety.

Data

This year's health and safety information was collected by the site managers for Axway Software SA.

A continuous improvement process has been set up for those systems.

1.9.6 Environmental information

Axway's environmental policy aims to minimise its impact on the environment by guaranteeing the health and safety of the employees, clients and communities in which Axway operates.

Software development has a limited impact on the environment. Nevertheless, Axway is committed to preserving the environment. Our businesses generate a large amount of travel, require significant IT infrastructure and equipment and produce a lot of documents.

The need to control our environmental impact has therefore become a key factor in our management and production methods, and is covered by a continuous improvement programme involving the relevant functional divisions and staff.

General environmental policy

Company measures to take account of environmental issues and, where applicable, carry out environmental evaluations or certification procedures

Management of business premises

Axway leases all of its offices, at all of its sites, throughout the world. Consequently, measures taken affect the operation and management of its sites.

Axway promotes the introduction of environmental protection measures at all of its sites by:

- furnishing premises with ergonomic workstations enhancing the quality of working conditions for its staff;
- reducing energy consumption by using energy-saving laptops and shutting down computers during prolonged absences;
- reducing carbon emissions by encouraging use of the least polluting means of transport;
- installing modern environmentally-friendly heating and air-conditioning systems when existing systems require replacement;
- using automatic timers to switch off lights, reducing heating, ventilation and air conditioning outside of working hours;
- carrying out preventive maintenance of facilities to save energy;
- using whiteboards instead of flip charts;
- using low-energy (LED) light bulbs;
- use of non-toxic and non-hazardous products by the cleaning services;
- installing water fountains directly connected to the drinking water distribution network to reduce plastic bottle use;
- promotion by site managers of respect for the environment and best practices on a daily basis.

Employee training and awareness-raising regarding environmental protection

As the limitation of our environmental impact is understood to be a matter of concern for all parties involved, the Group's employees play a key role in this eco-responsibility process. Axway encourages employee initiatives in the area of environmental protection and promotes the avoidance of excess consumption of non-renewable energy resources in our working methods. With regard to purchases of consumables, office equipment and IT hardware, Axway has a proactive policy of working with suppliers who offer eco-responsible products. In this regard, the IT Department selects suppliers based on their ability to supply recycled and repackaged material.

Resources dedicated to the prevention of environmental risks and pollution

Axway has locations both in France and abroad. Axway's clients are located throughout France and abroad. All of this results in frequent business travel, which has an impact on the environment in terms of pollution and consumption of energy resources.

In this context, and in order to limit the number of business trips, Axway Software strongly encourages the use of videoconference equipment. All of the large sites are equipped with such equipment (14 videoconference rooms in 2015), thus making it possible to reduce CO_2 emissions as much as possible, particularly for domestic travel. In parallel fashion, the use of videoconferences utilising webcams at individual workstations is becoming increasingly common.

Energy audit

Pursuant to the requirement for large companies, expressed in the DDA DUE law, Axway Software commissioned an energy audit of its French sites.

Pollution and waste management

Measures to prevent, reduce or neutralise discharges into the air, water or soil with serious environmental impacts

Compared with heavy industry, Axway's software development and integration activities have a very limited impact on air, water and soil.

Nevertheless, in order to reduce discharges of CO_2, and as indicated previously, Axway limits the amount of business travel, by encouraging the use of video conference rooms or webcams. Employees are also encouraged to travel by using the least polluting forms of transportation.

Measures to eliminate, recycle and prevent waste

IT resources are managed centrally by Axway's IT team. This ensures that hardware is standardised and shared, leading to energy savings.

Axway has a large number of servers that it uses in its software development activity. These servers contribute to the Company's environmental footprint (in terms of materials, energy consumption and air conditioning requirements). With the aim of controlling the related costs, as well as the environmental impact, Axway manages its servers as efficiently as possible by pooling hardware and implementing solutions for reducing the amount of energy consumed by workstations. Efforts made in this direction over the last few years are continuing, in particular, with the introduction, as standard, of fast charging long-life batteries, which consume less energy.

With regard to photocopiers and printers, Axway has developed a process for rationalising the number of devices and promoting sensible use of consumables. In this regard, networking represents a way of reducing the number of devices, since photocopiers also function as both printers and scanners (scan to mail). Most of our photocopiers have now been networked. Furthermore, virtually all our photocopiers support double-sided printing. Our stock of printers is gradually being replaced with Green IT Xerox printers.

Axway manages its IT equipment according to very precise guidelines with a view to controlling costs and protecting the environment.

All IT equipment is listed in a database and managed using HP's AssetCenter product. Technical, financial and usage information is continually updated over the life cycle of IT equipment, which helps to maximise its lifespan and ensure proper recycling when such equipment reaches the end of its life.

The quality of information collected ensures that IT equipment is effectively managed. Moreover, only equipment that becomes obsolete or which no longer meets the required standards is replaced.

Even when equipment has been removed and recycled, Axway maintains information relating to the final destination of equipment in its database.

Furthermore, the IT team helps to reduce Axway's greenhouse gas emissions by opting for the **virtualisation of its IT infrastructure**. This technology enables the IT centres to pool and optimise the use of their IT centre equipment resources, with 90% of our servers being virtual.

For several years now, Axway has been oriented towards the virtualisation of IT infrastructure, which optimises the average use of physical resources, including access to the network. Indeed, the pooling of material resources to put numerous structures into place reduces electricity waste. The advantages of virtualisation are numerous. Among other things, it makes possible the following:

- a drastic reduction of energy consumption;
- significant space gains in IT centres;
- a longer life cycle for the use of equipment resources, thereby reducing waste.

Finally, one of the key principles adopted over the last few years has been that of extending the lifespan of hardware and resisting pressure from manufacturers to constantly replace equipment.

Currently, Axway's IT equipment is used for at least four years. In order to ensure traceability, this equipment is regularly inventoried physically by Axway's technical teams, while related information is collected automatically *via* the network.

Waste management

Concerning waste electrical and electronic equipment (WEEE), Axway is pursuing its global policy of waste recycling, particularly through the use of competent service providers.

This approach thus aims at reducing the impact of its operations on the environment. Site representatives are appointed to ensure that all waste separation programmes across the Group operate smoothly, notably by suggesting corrective measures to improve efficiency. Spaces for sharing and feedback on experience, available on the corporate social network, make it possible to raise awareness of all Axway employees with regard to this practice.

Moreover, computer consumable items, plastic cups, aluminium beverage cans, and paper, are the subject of specific sorting, with special containers made available and removal by an authorised service provider, thus making possible the monitoring of the quantities of waste treated.

In 2015, the recycling of mobile phones and computers continued, and equipment at the end of its useful life continued to be transferred freely to employees and to non-profits. In Romania, 80 computers were thus given, including a dozen to one school.

Food waste

Although aware of the problem of food waste, Axway is not directly concerned as it does not have a staff restaurant on its premises.

Noise pollution and other forms of pollution stemming from our activities

Axway ensures that the rooms housing the servers have effective sound insulation and are located away from the offices so as not to disturb employees.

Sustainable use of resources

The sustainable use of resources is not a major concern for Axway.

As most of our premises are leased, it is currently impossible for us to differentiate and measure our various consumptions of energy, water, etc.

Water consumption and supply in keeping with local constraints

Software publishing is a business which requires very little water.

Nevertheless, being aware that water is one of the main resources to be preserved, Axway strives to reduce the amount of water used, especially by its employees. It raises its employees' awareness on the preservation of this resource and its proper use.

Consumption of raw materials and measures taken to make their use more efficient

Axway is making further progress in its paperless document programme through the set-up of electronic data management tools and by regularly encouraging employees to print less. The set-up of concrete measures to switch to paperless documents, as well as raising the awareness of employees, have numerous positive impacts on the environment as they reduce paper consumption and save energy by avoiding printing. The move to electronic documents also reduces the physical transport of documents, along with waste treatment, as less paper is printed.

The switch to paperless documents within the Group concerns: the activity reports produced monthly by each employee, the management of leave and absence, IT requests linked to the management of the installed base, the work documents required for in-house and external meetings, which are increasingly sent by e-mail, with the instruction to only print what is absolutely necessary.

Energy consumption and measures taken to improve energy efficiency and the use of renewable energy sources

Compared with heavy industry, Axway's software development and integration activities use very little energy.

Nevertheless, Axway aims to improve the energy efficiency of all its operations, in particular by switching to Green IT hardware.

In 2015, Axway completed the move from equipment rooms to a Data centre, with the objective of the pooling of energy resources. Our supplier is an environmentally-friendly operator with a firm commitment to responsible resource management and a clear objective of researching, on an ongoing basis, new means of optimising energy efficiency, lowering carbon emissions and reducing waste.

Soil use

Compared with heavy industry, Axway's software development and integration activities have a very limited impact on the soil.

Climate change

Discharges of greenhouse gases

Compared with other sectors, the software industry's energy requirement is relatively low. Nevertheless, Axway sites are committed to using energy efficiently.

Adaptation to the consequences of climate change

Compared with heavy industry, Axway's software development and integration activities have a very limited impact on climate change.

Protection of biodiversity

Measures taken to preserve or promote biodiversity

Software development and integration activities have a very limited impact on biodiversity.

Nevertheless, Axway has taken measures to protect biodiversity, aimed at reducing the impact of its raw materials on the environment and ensuring sustainable procurement.

1.9.7 Societal information

Concerning the Company's local, economic and social impact, Axway has a duty to act in a responsible way and wishes to contribute to useful projects, for instance by supporting NGOs. Axway wishes to develop balanced long-term relationships with its subcontractors and suppliers, with due regard for social and environmental concerns. Moreover, Axway supports the fight against corruption and is committed to applying the laws in force. To this end, we introduced an **Anti-Bribery Act** in the UK which is binding for all our employees who work with customers in the UK.

Local, economic and social impact of the Company's activities

Axway promotes local employment, thus fostering regional development while remaining attentive to local populations.

Concerning regional employment and development

In France, Axway Software is based in Puteaux Annecy, and Lyon.

In 2015 in Lyon, Axway moved its premises (50% more surface area) in order to increase its capacity to take on new employees.

Concerning local and neighbouring populations

Overall, Axway's sites and subsidiaries establish good relations with their neighbouring communities and strive to create exemplary working conditions for their employees. Axway has, within this framework, decided to push forward its core trade, which relies on the digital economy, with its shareholders, by launching the Digital programme for Axway Software shareholders, the shares of which are registered in the shareholder's name, by utilising a paperless document programme within the framework of the notice of the Company's Annual General Meeting.

In this context, Axway is participating in a reforestation programme. The Company's shareholders are thus involved in the Group's CSR approach. To this end, in exchange for consent remitted by the shareholders to receive notices of the General Meeting through their personal email addresses, Axway is participating in the Alto Huayabamba reforestation program in Peru. For every shareholder that agrees to receive his or her annual Notice of Shareholders' Meeting by electronic mail, Axway plants a tree. That may seem minor, however, it should be recalled that the volume of notices sent out is often very significant. Because of this, the total weight of paper consumed during this annual process is fairly considerable. By involving the shareholders upstream, the Company also hopes to increase their awareness of the environmental difficulties encountered by the Group, both in its commercial operations as well as in the framework of its resource management on a daily basis. By putting this process into place, the Company is able to reduce paper consumption, the transport necessary for sending by mail, and consequently, its CO_2 impact, and more globally, its annual environmental impact.

Here are the expected benefits, to quote a few figures:

- approximately 54,000 sheets of paper saved each year;
- rapid access to Axway information through a new dialogue mailbox: actionnaires.axway@axway.com;
- the participation in the reforestation program through the Pur Projet organisation, which provides support to cocoa planters and producers;
- the planting of 1,000 trees; and
- the highlighting, to its shareholders, of its commitment, and the actions that it has decided to support in matters of sustainable development for the planet.

Relations with people and organisations interested in the Company's business, such as social integration associations, educational institutions, environmental protection organisations, consumer organisations and neighbouring populations

Axway maintains relations with educational institutions.

Dialogue with these people and organisations

Axway has always developed close partnerships with universities and engineering schools.

Axway enables students to discover the Company during their studies by offering internships every year.

In 2015, Axway Software SA had 24 trainees under internship contracts.

Solidarity

Improvement of the quality of life in the communities in which the employees live remains a major commitment for the Axway teams. A number of initiatives are being carried out in this regard, in three main areas:

- **Environment**. Axway is involved in initiatives supporting preservation of the environment and environmental education. We have, in particular, participated in the volunteer cleaning programme of the Grand Canal in Dublin, as well as in the "I ride my bike to work" programme in Annecy. To get to work, 20 Axway employees have thus ridden over 1,222 km on an electric bike in 2015;
- **Health**. In many countries, Axway employees donate blood. In addition, in France, 27 employees formed a team to take part in "La Parisienne", a race which supports the fight against Breast Cancer;
- **Community**. For most countries where its offices are located, Axway contributes its support to populations in need. The employees of Phoenix and Puteaux contribute their aid to young graduates, in the preparation of resumes and preparing for job interviews. In Romania, numerous charitable sales are held each year, and the funds gathered are paid to an orphanage. In the United States, sessions of meal distribution to the homeless are organised every year.

Partnerships and corporate patronage

Local actions and initiatives previously undertaken continued in 2015:

- partnership with the non-profit Doctors without Borders. In the framework of its annual mailing of greeting cards, Axway selected a non-profit organisation, and a portion of the budget allocated to the printing of greeting cards is reversed in support of such organisation;
- partnership with ADIE (non-profit association). This association helps people outside the labour market (without access to a traditional banking system) to set up businesses, and so create their own jobs, *via* the use of microcredit;
- partnership with Asociata Prietenia (Romania), which helps and supports disabled children and adults;
- partnership in the Homeward Bound programme (United States), a programme involving the provision of transitional accommodation for the homeless, those in need and families suffering domestic violence. This is also an opportunity to provide children with clothing, shoes, backpacks and school supplies.

Other

When moving out of its premises in St-Cloud, Axway decided to donate furniture to:

- a humanitarian organisation;
- a school;
- a cultural association;
- employees.

Subcontractors and suppliers

Axway develops balanced long-term relationships with its subcontractors and suppliers, with due regard for social and environmental concerns. Axway decided to reinforce its eco-responsible approach by participating and subscribing to the EcoVadis label. The objective of this label is to assess the situation of companies asking for this label in relation to the various measures put into place by such companies, in order to anticipate and to respond to various problems raised in matters of Corporate and Environmental Responsibility.

EcoVadis manages the leading collaborative platform offering assessments of the sustainable-development performance of suppliers for worldwide supply chains. Committed in support of quality and integrity, EcoVadis has succeeded in rapidly growing in order to respond to these growing needs.

Since its creation in 2007, EcoVadis has become the trusted partner of procurement teams for a large number of multinationals based in Europe, Asia, and the United States.

Bringing employees, process, and platform together, EcoVadis has put into place a broad-spectrum CSR assessment methodology covering 150 purchasing categories, 110 countries and 21 CSR indicators. Over 20,000 businesses turn to EcoVadis in order to reduce risk, steer innovation, and promote transparency and trust between commercial partners.

In the framework of its subscription to this label, Axway has had to respond and substantiate its responses to various questions with the EcoVadis entity, in order to obtain the Silver label.

Integration of social and environmental criteria in the Company's purchasing policy

In 2015, Axway pursued its participatory approach to the social and economic economy, by continuing to work with the ESAT Pleyel (a French support and work assistance establishment for disabled persons) in France.

Importance of subcontracting and integration of CSR criteria in relationships with suppliers and subcontractors

Axway has not yet integrated CSR criteria in its relationships with suppliers and subcontractors.

Fair trade practices

Actions undertaken to prevent corruption

Axway supports the fight against corruption, abides by the United Nations Convention of 31 October 2003 against corruption, and is committed to applying the laws in force, including anti-corruption laws.

A Code of Ethics is being drawn up and will apply to all employees.

Measures taken in favour of consumer health and safety

Compared with heavy industry, Axway's software development and integration activities have a very limited impact on consumer health and safety. Our clients are enterprises which use our software within the scope of their activities.

Methodology note

Information provided about Axway Software SA concerns France.

The indicators used are those of the French Grenelle II Act. The principle of consistency of accounting methods from one year to the next is respected.

The data was collected from the departments concerned.

CERTIFICATION OF DISCLOSURE AND OPINION ON THE TRUTHFULNESS OF THE SOCIAL, SOCIETAL, AND ENVIRONMENTAL INFORMATION

To the Shareholders,

Further to the request made to us by the Axway Software company and in our capacity as a third-party independent body whose accreditation has been accepted by COFRAC under No. 3-1081 (scope available at www.cofrac.fr), we present to you our report on the consolidated social, environmental and societal information presented in the annual report for the year ended 31 December 2015, in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code.

Management's responsibility

The Board of Directors is responsible for producing an annual report including the consolidated social, environmental and societal information required under Article R. 225-105-1 of the French Commercial Code (hereinafter the "Information"), drawn up in accordance with the benchmarks used (the "Reference Guide") by the Company, and available upon demand at the head office of the Axway Software company.

Independence and quality control

Our independence is defined by regulatory texts, the Code of Ethics of the profession, as well as by the provisions set out in Article L. 822-11 of the French Commercial Code. Moreover, we have set up a quality assurance system which includes documented policies and procedures aimed at ensuring compliance with the rules of ethics, work standards, and applicable legislation and regulations.

Responsibility of the independent third-party body

Our role, based on the work we carry out, is to:

- certify that the required Information is present in the annual report or, if not, certify that any omission has been explained in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code and Order No. 2012-557 of 24 April 2012 (Certification of disclosure);
- express an assurance conclusion on whether the Information is presented, in all material respects, fairly, in accordance with the methods used;
- to provide an assurance conclusion that , the information is presented, in all significant aspects in a true and fair manner in accordance with the accounting basis selected (Moderate assurance report).

Certification of disclosure

We have carried out the work pursuant to the professional standards applicable in France:

- we have compared the Information presented in the annual report with the list provided in Article R. 225-105-1 of the French Commercial Code;
- we have verified that the Information covers the scope of consolidation, *i.e.* the Company, its subsidiaries within the meaning of Article L. 233-1, and the companies it controls within the meaning of Article L. 233-3 of the French Commercial Code;
- in the event of the omission of any consolidated information, we have verified that explanations had been given in accordance with Order No. 2012-557 of 24 April 2012.

On the basis of this work, we certify the inclusion in the annual report of the required information.

Reasoned opinion on the truthfulness of the CSR information

Nature and scope of the audit

Our work was carried out between 19 February 2016 and 15 April 2016, for a duration of approximately 4.5 man-days.

We carried out the work pursuant to the standards applicable in France, to the ISAE 3000 standard, and to the Order of 13 May 2013 determining the terms and conditions within which the independent third-party body conducts its mission.

We have held three discussions with the persons responsible for the preparation of the CSR information of the departments in charge of the process of information collection, and, if applicable, persons in charge of internal-control and risk-management procedures, in order to:

- assess the appropriate nature of the Reference Guide with regard to its pertinence, comprehensiveness, neutrality, understandable and reliable character, while taking into account, if applicable, the good practices of the sector;
- assess the establishment within the Group of a process for the collection, compilation, processing and control aimed at the comprehensiveness and coherence of the CSR Information. We have reviewed internal-control and risk-management procedures pertaining to the development of the CSR Information.

We have identified the consolidated information to be tested and determined the nature and extent of the tests, while taking into consideration their importance with regard to the social, societal and environmental consequences linked to the Group's operations and characteristics, of its orientations in CSR matters, and of the good practices in the sector.

For the CSR information that we deemed the most important at the level of the consolidating entity, we have:

- consulted documentary sources and held discussions in order to corroborate the qualitative information (organisation, policies, actions, etc.);
- put into place analytical procedures on the quantitative information, and verified, on the basis of surveys, the calculations as well as the consolidation of the data;
- carried out detailed tests on the basis of samplings, consisting of verifying the calculations made and reconciling the data of the proving documents, and we have verified their concordance with the other information appearing in the management report.

For the other consolidated CSR information, we have assessed its coherence in comparison with our knowledge of the Company.

Lastly, we have assessed the pertinence of the explanations pertaining, if applicable, to the total or partial absence of certain information.

We deem that the sampling methods and sample sizes that we used while exercising our professional judgement makes it possible for us to formulate a conclusion of moderate assurance. A higher level of assurance would have required more extensive verification work.

Our work covered on average more than 80% of the consolidated value of the measurable indicators relating to the social component.

Because of the recourse to sampling techniques as well as the other limits inherent to the operation of any information and internal-control system, the risk of non-detection of a meaningful anomaly in the CSR information cannot be totally eliminated.

Comment

The environmental section mainly consists of qualitative information.

Conclusion

On the basis of our work, we have not found any significant anomalies of such type as to call into question the fact that the information is being presented, in all of its meaningful aspects, in a truthful manner, pursuant to the Reference Guide.

Lyon, on 21 April 2016

FINEXFI
Isabelle Lhoste
Associate

2

CORPORATE GOVERNANCE

Axway has decided to adopt a two-tier governance structure which separates the positions of Chairman of the Board of Directors and Chief Executive Officer. Axway is subject to the laws, codes and regulations in force in the countries where the Group operates. The Company thus complies with the various recommendations made by the Autorité des marchés financiers (AMF) and has decided to apply the Middlenext Code of Governance for small and medium companies.

2.1 ADMINISTRATIVE BODIES AND EXECUTIVE MANAGEMENT

2.1.1 Composition of the Board of Directors

The Company is a French *société anonyme* with a Board of Directors. It is subject to applicable French laws and regulations and its Articles of Association.

The main provisions of these Articles of Association in respect of members of the Board of Directors and management bodies are provided in Chapter 7, Section 2 of this document.

Unless otherwise indicated, the term “Articles of Association” in this chapter refers to the Company’s Articles of Association adopted by the Board of Directors on 23 June 2011 and last updated at the Board of Directors’ meeting on 23 February 2016.

2.1.2 Board of Directors

The Company is administered by a Board of Directors comprising a minimum of three members and a maximum of eighteen. During the life of the Company, the directors are appointed, reappointed or dismissed by the Ordinary General Meeting; they are all eligible for re-election. Directors are appointed for a term of four (4) years.

The Board of Directors elects from among its members a Chairman, who must be a natural person in order for the appointment to be valid. The Board of Directors can dismiss him at any time.

The Board of Directors meets as often as the Company’s interests require it to do so, at the request of its Chairman.

The Board of Directors determines the overall business strategy of the Company and supervises its implementation.

The Board of Directors, at its meeting of 22 June 2015, decided to separate the functions of Chairman of the Board and Chief Executive Officer.

The Board of Directors is composed of the following members:

First name, surname and professional address	Shares in the Company owned personally	Position held on the Board of Directors	Date of appointment	Expiration of term	Directorships and offices held during the last five years	Directors considered as independent[(1)]	Attendance rate at Board meetings and committees
Pierre PASQUIER (age 81) **Professional address:** Sopra Steria Group SA PAE Les Glaisins BP 238 74942 Annecy-le-Vieux Cedex France	0	Chairman of the Board of Directors	General Shareholders' Meeting of 22 June 2015 and Board of Directors' meeting of 28 July 2015	General Shareholders' Meeting convened to approve the financial statements for the year ended 31 December 2018	**Within the Group:** Chairman of Axway Software; Director or company officer of the Group's foreign subsidiaries (direct or indirect). **Outside the Group:** Chairman of Sopra Steria Group; Director or company officer of the Group's foreign subsidiaries (direct or indirect); Chairman and CEO of Sopra GMT. **Expired offices:** None.	*No*	100%
Kathleen CLARK BRACCO (age 48) **Professional address:** Sopra GMT PAE Les Glaisins BP 238 74942 Annecy-le-Vieux Cedex France	9,930	Director Deputy Chairman Board of Directors	General Shareholders' Meeting of 22 June 2015 and Board of Directors' meeting of 28 July 2015	General Shareholders' Meeting convened to approve the financial statements for the year ended 31 December 2018	**Within the Group:** None. **Outside the Group:** Director of Corporate Development of Sopra Steria Group SA.; Permanent representative of Sopra GMT on the Board of Directors of Sopra Steria Group SA. **Expired offices:** Director of Sopra Group (30/06/2014 to 30/06/2014).	*No*	100%
Pierre-Yves COMMANAY (age 51) **Professional address:** 26, rue des Pavillons 92807 Puteaux (Only in relation to his position as Director of Axway Software SA)	2,816	Director	General Shareholders' Meeting 4 June 2014	General Shareholders' Meeting convened to approve the financial statements for the year ended 31 December 2017	**Within the Group:** None. **Outside the Group:** None. **Expired offices:** None.	*No*	100%
Hervé DÉCHELETTE (age 71) **Professional address:** Sopra Group SA PAE Les Glaisins BP 238 74942 Annecy-le-Vieux Cedex France	22,406	Director	General Shareholders' Meeting of 22 June 2015 and Board of Directors' meeting of 28 July 2015	General Shareholders' Meeting convened to approve the financial statements for the year ended31 December 2014	**Within the Group:** Director. **Outside the Group:** None. **Expired offices:** None.	*Yes*[(2)]	83%
Christophe FABRE (age 47) **Professional address:** Axway 6811 E. Mayo Boulevard, Suite 400 Phoenix, Arizona 85054 USA	18,071	Director	General Shareholders' Meeting of 28 April 2011	22 June 2015	**Within the Group:** Chief Executive. Officer up to 22 June 2015; Director or company officer of the Group's foreign subsidiaries up to 22 June 2015. **Outside the Group:** None. **Expired offices:** None.	*No*	NA
Michael GOLLNER (age 57) **Professional address:** 28 Addison Place – Suite 100 London W114RJ	7,000	Director	General Shareholders' Meeting of 24 May 2012	General Shareholders' Meeting convened to approve the financial statements for the year ended 31 December 2016	**Within the Group:** None. **Outside the Group:** Director of Get Healthy Inc.; The Idea Village. **Expired offices:** None.	*Yes*	100%
Pascal IMBERT (age 57) **Professional address:** Solucom Tour Franklin 100-101 Terrasse Boieldieu 92042 Paris La Défense Cedex France	340	Director	General Shareholders' Meeting of 22 June 2015 and Board of Directors' meeting of 28 July 2015	General Shareholders' Meeting convened to approve the financial statements for the year ended 31 December 2018	**Within the Group:** None. **Outside the Group:** Chairman of the Management Board of Solucom. **Expired offices:** None.	*Yes*	100%

First name, surname and professional address	Shares in the Company owned personally	Position held on the Board of Directors	Date of appointment	Expiration of term	Directorships and offices held during the last five years	Directors considered as independent[1]	Attendance rate at Board meetings and committees
Véronique de LA BACHELERIE (age 57) **Professional address:** SGBT 11, Avenue Emile Reuter L-2420 Luxembourg	0	Director	General Shareholders' Meeting of 22 June 2015	General Shareholders' Meeting convened to approve the financial statements for the year ended 31 December 2018	**Within the Group:** None. **Outside the Group:** Director or corporate officer of foreign subsidiaries of Groupe Société Générale; Chief Executive Officer; Director of the Luxembourg stock exchange. **Expired offices:** None.	*No*	100%
Yann METZ-PASQUIER (age 28) **Professional address:** 57 Twin Peaks Boulevard San Francisco, CA 94114 (USA)	18,877	Observer	General Shareholders' Meeting 4 June 2014	General Shareholders' Meeting convened to approve the financial statements for the year ended 31 December 2017	**Within the Group:** None. **Outside the Group:** Director of Sopra GMT; Director of Upfluence Inc.	*No*	100%
Hervé SAINT-SAUVEUR (age 71) **Professional address:** 26, rue des Pavillons 92807 Puteaux (only for the offices held within Axway Software SA) France	0	Director	General Shareholders' Meeting of 22 June 2015 and Board of Directors' meeting of 28 July 2015	General Shareholders' Meeting convened to approve the financial statements for the year ended 31 December 2018	**Within the Group:** None. **Outside the Group:** Director of Sopra Steria Group SA; Director of VIPARIS Holding; Director of COMEXPOSIUM; Elected member of Paris Chamber of Commerce and Industry; Member of the National Council on Statistical Information (CNIS). **Expired offices:** Director of LCH Clearnet; Director of COMEXPOSIUM.	*Yes*	83.3%
Yves de TALHOUËT (age 57) **Professional address:** 39 rue Boileau 75016 Paris France	0	Director	General Shareholders' Meeting of 22 June 2015 and Board of Directors' meeting of 28 July 2015	General Shareholders' Meeting convened to approve the financial statements for the year ended 31 December 2018	**Within the Group:** None. **Outside the Group:** Director of TWENGA; CEO of TABAG; Director of Devoteam; Director of Tinubu. **Expired offices:** Chief Executive Officer of EMEA HP.	*Yes*	100%

(1) At its meeting of 24 February 2015, the Board of Directors decided that the concept of independence defined by Recommendation No. 8 of the Middlenext Code should be retained in its current form and, on this basis, qualified as independent the directors meeting the criteria set out in said recommendation. The significance of business relations is assessed on a qualitative and quantitative basis since it is based on the percentage of revenue earned with companies in which the independent directors may be Board members. Moreover, the directors' independence is appraised throughout the financial year. Directors must inform the Board of Directors when any significant events occur which may call into question this independence.

(2) This qualification as an independent director is valid from 14/02/2014.

Changes in the composition of the Board of Directors for year ending 31 December 2015	
Appointments	
Non-renewal	Non-renewal of Christophe Fabre's term of office, upon the expiration of his duties as Director during the Combined General Meeting of 22 June 2015
Resignations	Françoise Mercadal-Delasalles, effective as of 1 January 2015
Cooptations	Véronique de la Bachelerie, effective as of 24 February 2015

Pierre Pasquier has been Chairman of the Board of Directors since 22 December 2001.

Pierre Pasquier has around 45 years' experience in the fields of IT and corporate management. In 1968 he co-founded Sopra Group SA (which became Sopra Steria Group SA in 2014 following the merger with the Steria Group), the company that created Axway, which is now one of France's leading consulting and systems and solutions integration companies. He is a graduate of the University of Rennes (Mathematics, 1962).

Kathleen Clark Bracco has been a member of the Board of Directors since 28 April 2011 and Vice-Chairman of the Board of Directors since 24 October 2013. Kathleen Clark Bracco has been Deputy Managing Director of Sopra GMT since 1 January 2012. She is also Sopra Steria Group SA's Director of Corporate Development, after being responsible for all investor relations within that same company for the past 12 years. Kathleen Clark Bracco began her professional career in the United States education sector. She is a graduate of the University of California at Irvine (Literature, 1994) and the University of California at San Jose (English, 1989).

Pierre Yves Commanay is a Senior Manager in the Sopra Steria Group, where he has been Head of international development since early 2013. He has also had previous roles within the Group, which he joined in 1995. He was notably Chief Executive Officer of the subsidiary Sopra Group UK from 2009 to 2012 and, prior to that, Industrial Director of Sopra Group India Pvt. Ltd. He has been a member of the Syntec Numérique Board of Directors since 2013. He is a graduate of the University of Lyon (a DESS postgraduate diploma in Management) and the University of Savoie (Masters degree in Information Technology).

Hervé Déchelette has been a member of the Board of Directors since 28 April 2011.

Hervé Déchelette has been with Sopra Group SA for most of his career, and was Company Secretary until 2008. He holds a degree from the *École Supérieure de Commerce de Paris* and is an expert-comptable (French equivalent of chartered accountant).

Christophe Fabre was Chief Executive Officer from 22 December 2005 up to 22 June 2015, and member of the Board of Directors from 28 April 2011 to 22 June 2015.

Christophe Fabre has been with Sopra Group SA since July 1995, when he joined the department that gave birth to Axway Software. After being appointed Chief Technology Officer (CTO) in 2003, he was responsible for combining all of Axway Software's existing products onto a single platform before being appointed Chief Executive in 2005. He is a graduate of the *Institut d'Informatique et Mathématiques Appliquées de Grenoble* (IMAG), where he gained a DESS postgraduate diploma in Computer Science in 1993.

Michael Gollner has been a member of the Board of Directors since 24 May 2012.

Michael Gollner is Managing Partner of Operating Capital Partners, which he founded in 2008. Michael Gollner previously worked in the Investment Banking Department of the bank Marine Midland from 1985 to 1987 before joining Goldman Sachs where he worked from 1989 to 1994. He next worked at Lehman Brothers until 1999 then at Citigroup Venture Capital. Michael Gollner is a graduate of Tulane University in New Orleans and holds an MBA from Wharton School as well as an MA in international studies from the University of Pennsylvania.

Pascal Imbert has been a member of the Board of Directors since 28 April 2011.

Pascal Imbert began his career with Télésystèmes in 1980. In 1990, he co-founded Solucom, where he has been Chairman of the Management Board since 2002. Solucom is a management and information systems consultancy listed on NYSE Euronext. Pascal Imbert is a graduate of both the *École Polytechnique* and Telecom Paris Tech (formerly *the École Nationale Supérieure des Télécommunications*).

Véronique de la Bachelerie has been a Member of the Board of Directors since 24 February 2015.

Véronique de la Bachelerie was appointed Director following the resignation of Françoise Mercadal Delasalles at the meeting of the Board of Directors which took effect on 24 February 2015. Véronique de la Bachelerie began her career as an account auditor and joined the Société Générale Group in 1987. Since then, she has held various positions of management of the financial teams of the Société Générale Group. She was also CFO (Chief Finance Officer) of the retail networks of Groupe Société Générale in France. Since May 2013 she has been CEO (Chief Executive Officer) of the Société Générale Bank & Trust Luxembourg Group and has held various terms of office as Director within the subsidiaries of the Société Générale Group in Luxembourg, Switzerland, Monacoa and Tunisia. She is a graduate of the ESCP and is a French chartered accountant graduate.

Yann Metz-Pasquier is co-founder of Upfluence (San Francisco, California), created in 2013. He was previously a mergers & acquisitions analyst with Moss Adams LLP in California. He is a Management graduate of the Catholic University of Lyon (ESDES). He is also a candidate for the CFA (Chartered Financial Analyst) programme, for which he has already taken the Level I, II and III exams.

Hervé Saint-Sauveur has been a member of the Board of Directors since 28 April 2011.

Since 30 May 2005, Hervé Saint-Sauveur has been a member of Sopra Group SA's Board of Directors, within which he is Chairman of the Audit Committee. Hervé Saint-Sauveur joined Société Générale in 1973: firstly within the Economic Research Department (1973), then Director of Management Control (1980-1984), Managing Director of Europe Computer Systems (1985-1990), Operations Manager, Capital Markets Department (1990-1994), Group CFO and Strategy Manager and Member of the Executive Committee (1995-2002), Adviser to the Chairman (2003-2006). He is a director of several companies. He is a graduate of both the *École Polytechnique* and the *École Nationale de la Statistique et de l'Administration Économique*.

Yves de Talhouët has been a member of the Board of Directors since 31 July 2012.

He has been Chief Executive Officer of EMEA HP since May 2011. He was previously Chairman and CEO of HP France and at the same time Chairman and CEO of TSG. Prior to that, from 1997 to 2004, he was Vice-Chairman South Europe, Middle East and Africa at Schlumberger SEMA, before two years spent at Oracle France from 2004 to 2006 as Chairman and CEO. He was also Chairman of Devotech, a company that he created. Yves de Talhouët is a graduate of the *École Polytechnique,* the *École Nationale Supérieure des Télécommunications* as well as of the *Institut des Sciences Politiques de Paris.*

2.1.3 Senior executives and company officers

First name, surname and professional address	Office	Date first appointed and date on which office expires	Offices and duties within the Group during the last five years	Offices and duties outside the Group during the last five years
Pierre PASQUIER **Professional address:** Sopra Steria Group SA PAE Les Glaisins BP 238 74942 Annecy-le-Vieux Cedex France	Chairman of the Board of Directors	**First appointment:** 22 December 2001	**Current offices and duties:** (Chapter 2, Section 1.2)	**Current offices and duties:** (Chapter 2, Section 1.2)
		Expiration of term: General Shareholders' Meeting convened to approve the financial statements for the year ended 31 December 2018	**Expired offices and duties:** (Chapter 2, Section 1.2)	**Expired offices and duties:** (Chapter 2, Section 1.2)
Jean-Marc LAZZARI **Professional address:** Axway 6811 E. Mayo Boulevard, Suite 400 Phoenix, Arizona 85054 USA	Chief Executive Officer	**First appointed:** 22 June 2015	**Current offices and duties:** CEO of Axway Software SA Director of the Group's subsidiaries CEO of the Group's subsidiaries	**Current offices and duties:** SFR (2013 - Chairman of CGI/LOGICA France (2009 -2013)
		Expiration of term: Indefinite		
Christophe FABRE Professional address: Axway 6811 E. Mayo Boulevard, Suite 400 Phoenix, Arizona 85054 USA	Chief Executive Officer	**First appointed:** 22 December 2005	**Current offices and duties:** (Chapter 2, Section 1.2)	**Current offices and duties:** (Chapter 2, Section 1.2)
		Expiration of term: 22 June 2015	**Expired offices and duties:** (Chapter 2, Section 1.2)	**Expired offices and duties:** (Chapter 2, Section 1.2)

2.1.4 Family relationships

At the time of writing, to the best of the Company's knowledge, the only existing family relationships were those between:

- Pierre Pasquier, the father-in-law of Pierre-Yves Commanay; and
- Pierre Pasquier, the father of Yann Metz-Pasquier; and
- Pierre-Yves Commanay, the brother-in-law of Yann Metz-Pasquier.

2.1.5 Legal information

At the time of writing, to the best of the Company's knowledge, none of the members of the Board of Directors or management have been:

- convicted of fraud in the past five years;
- declared bankrupt or placed into receivership or liquidation in the past five years;
- incriminated and/or issued an official public sanction by statutory or regulatory authorities in the past five years.

To the best of the Company's knowledge, none of the corporate officers has been prevented by the courts from acting as a member of an issuer's administrative, management or supervisory body or from being involved in an issuer's management or the conduct of its business in the past five years.

2.1.6 Conflicts of interest within administrative and management bodies

The Company maintains significant relations for its business, control, strategy and development with Sopra GMT, the lead holding company of which Pierre Pasquier is Chairman and Chief Executive Officer and in which the Pasquier family have a 68.95% interest in the capital and voting rights. Sopra GMT controls the Company as a result of its direct and indirect holding of nearly half of the Company's share capital (49.94%) and 57.37% of its voting rights (see Chapter 6, Section 2). As a result, Sopra GMT exercises a considerable influence over the Company's business, strategy and development.

Furthermore, a framework assistance agreement has been entered into with Sopra GMT, under the terms of which Sopra GMT provides a number of services to Sopra Steria Group SA and Axway Software (see Chapter 2, Sections 3.1 and 3.2). Pursuant to the procedure applicable to regulated agreements, this agreement, and its extension, were submitted to the Board of Directors and the General Shareholders' Meeting for approval prior to being signed.

To the best of the Company's knowledge, these relationships are not liable to constitute conflicts of interest.

It should also be noted that:

- Axway's Board of Directors includes five (5) independent members, appointed at a meeting held on 23 February 2015, in accordance with Recommendation No. 8 of the Middlenext Code of Corporate Governance;
- the directors submit to the obligation to comply with the interests of the Company, the rules set out in the charter and the internal regulations of the Board of Directors and any other rules contributing to good governance as defined in the Middlenext Code of Corporate Governance ("Compliance for Board members"). Moreover, the internal rules and regulations of the Board of Directors stipulates in Article 13 ("Conflicts of Interest") that: *"Any member of the Board of Directors finding himself in a situation of conflict of interest or potential conflict of interest, due to the offices they hold within another company, cannot take part in the vote on the corresponding matter and the Chairman may invite the Board member to refrain from taking part in related discussions";*
- the Company has decided to separate the offices of Chairman and CEO during its meeting of 22 June 2015.

2

2.1.7 Committees

An Audit Committee was created by resolution of the Board of Directors held on 9 May 2011, renewed in 2015, which also decided, with immediate effect, on its composition, its operating procedures and its powers. Its members are:

- Hervé Saint-Sauveur (Chairman);
- Françoise Mercadal-Delasalles ;
- Hervé Déchelette;
- Michael Gollner.

The procedures of the Audit Committee are described in Chapter 2, Section 4.1.5.

A Selection, Ethics and Governance Committee was created by a resolution of the Board of Directors on 22 May 2012, which also decided, following the renewal of the directors during 2015, on its composition, its operating procedures and its powers, with immediate effect. Its members are:

- Pierre Pasquier (Chairman);
- Kathleen Clark Bracco;
- Pascal Imbert;
- Hervé Déchelette.

The procedures of the Selection, Ethics and Governance Committee are described in Chapter 2, Section 4.1.5.

A Remuneration Committee was created by resolution of the Board of Directors held on 22 May 2012, which also decided, following the renewal of the terms of the directors during 2015, on its composition, its operating procedures and its powers, with immediate effect. Its members are:

- Pascal Imbert (Chairman);
- Kathleen Clark Bracco;
- Hervé Déchelette;
- Yves de Talhouët.

The procedures of the Remuneration Committee are described in Chapter 2, Section 4.1.5.

2.1.8 Compensation paid to company officers

The amount of compensation allocated to company officers is reviewed on a yearly basis. The policy of reviewing compensation on an annual basis affords a greater understanding of the challenges faced by an industry sector that is undergoing constant change and is characterised by its extremely high level of seasonality.

The Company's Combined General Meeting of 22 June 2015 allocated directors' fees in the amount of €262,500 for the fiscal year ended 31 December 2015 as part of its Resolution No. 14.

In accordance with Middlenext Code Recommendation No. 14, Article 9 of the internal rules and regulations of Axway Software's Board of Directors stipulates that:

"Half of the total directors' fees are distributed equally between the members of the Board of Directors.

The other half of the total directors' fees is distributed, at the end of the year, in proportion to the number of sessions of the Board of Directors or, where applicable, of each committee in which each member of the Board took part."

DIRECTOR'S FEES AND OTHER COMPENSATION PAID TO THE GROUP'S COMPANY OFFICERS

Company officers	Amounts due in the 2015 fiscal year	Amounts due in the 2014 fiscal year
Pierre PASQUIER		
Directors' fees	19,819.00	24,701.25
Other compensation		
Christophe FABRE		
Directors' fees	-	19,451.25
Other compensation		
Hervé SAINT-SAUVEUR		
Directors' fees	35,787.50	40,538.75
Other compensation	-	-
Hervé DÉCHELETTE		
Directors' fees	31,850.00	41,326.25
Other compensation	-	-
Pascal IMBERT		
Directors' fees	28,568.75	29,163.75
Other compensation	-	-
Kathleen CLARK BRACCO		
Directors' fees	26,381.25	27,326.25
Other compensation	-	-
Pierre-Yves COMMANAY		
Directors' fees	24,193.75	9,213.75
Other compensation	-	-
Françoise MERCADAL-DELASALLES		
Directors' fees	-	19,451.25
Other compensation	-	-
Véronique DE LA BACHELERIE		
Directors' fees	28,131.25	-
Other compensation	-	-

Company officers	Amounts due in the 2015 fiscal year	Amounts due in the 2014 fiscal year
Michael GOLLNER		
Directors' fees	28,131.25	30,038.75
Other compensation	-	-
Yves de TALHOUËT		
Directors' fees	22,006.25	21,288.75
Other compensation	-	-
Yann METZ-PASQUIER		
Directors' fees	17,631.25	-
Other compensation	-	-
TOTAL	**262,500**	**262,500**

* *The amounts stated in this table are gross amounts.*

As of this date, there is no service contract linking the directors and administrative bodies and/or the Management with the Company.

The table below details the amounts of compensation received by the Chairman of the Board of Directors, Pierre Pasquier, as well as that received by the Chief Executive Officer of the Axway Group, which was Christophe Fabre (for the period from 1 January 2015 to 22 June 2015) and Jean-Marc Lazzari (for the period from 22 June 2015 to 31 December 2015) and for the last two fiscal years, in accordance with Position-Recommendation No. 2009-16 amended on 17 December 2013 and on 4 December 2014:

SUMMARY OF COMPENSATION, STOCK OPTIONS AND SHARES AWARDED TO EACH EXECUTIVE OFFICER ACROSS THE GROUP

(in euros and gross amounts)	2015	2014
Pierre PASQUIER		
Compensation payable in respect of the financial year	139,819	144,701
Valuation of multi-year variable compensation allocated during the financial year	-	-
Valuation of options allocated during the year	-	-
Valuation of bonus shares awarded	-	-
Jean-Marc LAZZARI		
Compensation payable in respect of the financial year	502,021	-
Valuation of multi-year variable compensation allocated during the financial year	-	-
Valuation of options allocated during the year	-	
Valuation of bonus shares awarded during the year	-	
Granting of bonus shares as part of the Bonus Share Plan already in place	-	-
Christophe FABRE		
Compensation payable in respect of the financial year		520,948
Valuation of multi-year variable compensation allocated during the financial year	369,704	-
Valuation of options allocated during the year	-	
Valuation of bonus shares awarded during the year	-	
Granting of bonus shares as part of the Bonus Share Plan already in place	-	-

SUMMARY OF THE COMPENSATION RECEIVED BY EACH EXECUTIVE OFFICER IN RESPECT OF THEIR DUTIES WITHIN THE GROUP

	2015		2014	
(gross amounts in euros)	**Amount due**	**Amount paid**	**Amount due**	**Amount paid**
Pierre PASQUIER				
Fixed compensation(1)	120,000	120,000	120,000	120,000
Variable compensation	-	-	-	-
Multi-year variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees(1)	19,819	24,208	24,208	21,000
Value of benefits in kind	-	-	-	-
TOTAL	**139,819**	**144,208**	**144,208**	**141,000**
Jean-Marc LAZZARI				
Fixed compensation(2)	292,289	292,289	-	-
Variable compensation(2)(3)	176,574	-	-_	_
Multi-year variable compensation			-	-
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Value of benefits in kind(1)(5)	66,315	66,315	-	-
TOTAL	**502,021**	**358,604**	**-**	**-**
Christophe FABRE				
Fixed compensation(2)(7)	172,239	172,239	301,493	301,493
Variable compensation(2)(4)	155,085	120,597	120,597	128,037
Multi-year variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	-	-	19,451	18,958
Value of benefits in kind(1)(6)	42,380	42,380	79,407	79,407
TOTAL	**369,704**	**336,116**	**520,948**	**527,895**

(1) Fixed compensation and directors' fees are paid by Axway Software SA.

(2) The fixed and variable compensation and the benefits in kind are paid by Axway Software and Axway Inc. in dollars. The conversion rate used for this table at 31 December 2014 was €1 = $1.32673 and the rate applicable at 31 December 2015 was €1 = $1.1091.

(3) Variable compensation is two-thirds dependent on quantitative criteria and one-third on qualitative criteria. The criteria applied to determine the amount allocated in respect of variable compensation are the Company's organic growth and operating margin. The achievement levels for quantitative and qualitative criteria have been laid down precisely, however they cannot be disclosed due to confidentiality reasons.

(4) Variable compensation is two-thirds dependent on quantitative criteria and one-third on qualitative criteria. The criteria applied to determine the amount allocated in respect of variable compensation are the Company's organic growth and operating margin. The achievement levels for quantitative and qualitative criteria have been laid down precisely, however they cannot be disclosed due to confidentiality reasons.

(5) The benefits in kind enjoyed by Jean-Marc Lazzari primarily comprise a company vehicle, living accommodation, school fees and travel expenses.

(6) The benefits in kind enjoyed by Christophe Fabre primarily comprise a company vehicle and living accommodation.

(7) The fixed compensation due to Christophe Fabre for the fiscal year ended 13 December 2015 was calculated based on the period from 1 January 2015 to 22 June 2015, his term of office as CEO of Axway Software SA and of the Axway Group.

Furthermore, Mr Pasquier received, in his capacity as Chairman and Chief Executive Officer of Sopra GMT, the Company's lead holding company, a fixed compensation payment of €60,000 in respect of these functions within Sopra GMT and the sum of €548,212 in respect of these functions within the company Sopra Steria Group SA in respect of the year ended 31 December 2015.

Christophe Fabre's term of office as Chief Executive Officer ended on 22 June 2015. A settlement entered into with Christophe Fabre on 25 June 2015 was submitted to the General Shareholders' Meeting and was the subject of the fifth Resolution. Additional information on the substance of this settlement is detailed in Chapter 6, in the section on Presentation of Resolutions.

Executive officers	Employment contract		Supplementary pension plan		Indemnities or benefits due or likely to become due on the termination of service or change of functions		Indemnities relating to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Pierre PASQUIER Chairman Start of term of office: Board of Directors' meeting of 19 May 2009 End of term of office: General Meeting convened to approve the financial statements for the year ended 31 December 2014		X		X		X		X
Jean-Marc LAZZARI Chief Executive Officer Start of term of office: 22 June 2015 Indefinite		X		X	X(2)			X
Christophe FABRE Chief Executive Officer Start of term of office: Board of Directors meeting of 22 December 2005 End of term of office: 22 June 2015	X			X(1)		X		X

(1) The Company made provisions to pay retirement expenses for 2015 corresponding to compensation and benefits for Christophe Fabre as part of the AGIRC ARRCO standard procedure for executives.

(2) In accordance with Article L. 225-42-1 of the French Commercial Code and pursuant to the recommendations of its Remuneration Committee, the Board of Directors, at its meeting of 21 October 2015, authorised the principle of severance payments for involuntary departure, to the benefit of the Chairman and Chief Executive Officer, Jean-Marc Lazzari.

This severance pay in the event of the termination service is only due in the case of forced departure of the Chief Executive Officer from the Company. No severance pay shall be due if (i) the Chief Executive Officer leaves his position at his own initiative, or (ii) in the case of gross negligence or serious misconduct, or (iii) in the case of a wrongful act which is unrelated to his position, or (iv) in the case of the departure of the Chief Executive Officer within the Sopra Steria Group.

The maximum amount of severance compensation that may be paid is $500,000. This amount is consistent with Middlenext Code Recommendation No. 3. It represents less than two (2) years of compensation (fixed and variable). Such amount will be calculated according to the criteria set out below. In the event of dismissal during the 2015 fiscal year, 50% of the amount of the severance pay will be due if Axway Software's yearly organic growth with respect to such fiscal year is positive (at constant scope), and 50% of the remaining severance pay will be due if the strategic plan is considered as having been implemented by the Board of Directors. Starting from the 2016 fiscal year, the Board of Directors shall define each year the performance conditions to be met by the Chief Executive Officer in order to receive such severance payments. This annual setting of performance criteria as from 2016 will thus make it possible to adjust the performance criteria which must be met by the Chief Executive Officer.

The commitment made by the Board of Directors will be put to vote at the next General Shareholders' Meeting for related-party agreements, in accordance of Article L. 225-42-1 of the French Commercial Code. It shall take effect as from such date, and shall be noted in the Statutory Auditors' special report.

It should be noted that Christophe Fabre was granted 170,397 options to subscribe to shares under Plan No. 1 (Chapter 6, Section 6), and 200,000 options to subscribe to shares under Plan No. 3 (Chapter 6, Section 6), which have the following characteristics:

HISTORY OF SHARE SUBSCRIPTION OPTIONS GRANTED TO COMPANY OFFICERS

Information on share subscription options	Plan No. 1	Plan No. 3
Date of the General Meeting that authorised the plan	23/05/2007	28/04/2011
Grant date by the Board of Directors	23/05/2007	18/11/2011
Company officer concerned by the award	Christophe Fabre	Christophe Fabre
Total number of shares that may be subscribed	170,397(1)	200,000(1)
Date from which options may be exercised	24/05/2011	18/05/2014 for 50% 18/11/2016 for 50%
Expiry date	23/05/2012	18/11/2019
Subscription price	€12.61	€14.90
Number of shares subscribed at 31/12/2012	170,397	-
Cumulative number of share subscription options having been cancelled or expired	-	-
Share subscription options outstanding at 31/12/2012	-	200,000

(1) The granting of these subscription options is not attached to any performance conditions since none are required by Plans No. 1 and No. 3.

The table below sets out the method used to determine the subscription price and the adjustments made to the number of shares that may be subscribed under Plan No. 1:

Unit price change	Value of the option	Number of options	Event
-	78.90	20,100	Allocation(1)
28.00	106.90	-	2008 Adjustment(2)
0.9558	102.18	-	Before distribution & capital increase(3.1)
-	-	21,029	Before distribution & Capital increase (3.2)
0.1250	12.77	168,231	Eight-for-one stock split(4)
0.9876	12.61	-	Capital increase(5.1)
-	-	170,397	Capital increase (5.2)

(1) Initial position as at 23 May 2007 upon allocation.
(2) = (par value per share after the 2008 Capital Increase – par value per share before the 2008 Capital Increase) i.e. (€38.00 – €10.00).
(3.1) = (Axway value after distribution/Axway value before distribution of premiums and reserves) i.e. €300,000,000.00/€313,863,641.18.
(3.2) = (strike price of a share option before adjustment/strike price of a share option after adjustment).
(4) = (total number of shares after stock split/total number of shares before stock split), i.e. 1/8.
(5.1) = (number of shares before capital increase/number of shares after capital increase), i.e. 15,920,000/16,120,513 = 0.9876.
(5.2) = (strike price of a share option before adjustment/strike price of a share option after adjustment).

STOCK OPTIONS AWARDED TO EACH EXECUTIVE OFFICER BY THE ISSUER AND BY ALL GROUP COMPANIES DURING THE FISCAL YEAR

During the fiscal year ended 31 December 2015, no stock options were granted to executive officers. A summary table has been inserted in the Board of Director's report pertaining to subscription options, Point I A. in Chapter 3.

STOCK OPTIONS EXERCISED DURING THE FISCAL YEAR BY EACH EXECUTIVE OFFICER

No stock options were exercised during the fiscal year ended 31 December 2015 by any executive officer. A table is presented in the Board of Director's report pertaining to subscription options, Point II A in Chapter 3.

HISTORICAL BONUS SHARE GRANTS

Information concerning the bonus shares granted	
Date of meeting	Bonus share allocation plan (Bonus Share Allocation Plan No. 1)
Date of General Meeting	Combined General Meeting of 28 April 2011
Date of Board of Directors' meeting	14 February 2012
Total number of bonus shares granted, of which:	77,670
• Christophe Fabre	45
• Pierre Pasquier(1)	-
Valuation of shares based on the method used for the consolidated financial statements	€13.20 per share, i.e. a total of €594 for the 45 shares
Share acquisition date(2)	14 February 2016
Lock-in period end date	The bonus shares awarded must be kept by the Chief Executive Officer throughout his tenure at the head of the Company.
Number of shares subscribed at 31/12/2013	-
Cumulative number of bonus shares cancelled or having lapsed	-
Number of bonus shares remaining at the year-end	-

(1) The Chairman of the Board of Directors, Pierre Pasquier, refused the forty-five (45) bonus share initially granted to him.
(2) No performance requirement was specified as the PAGA 2012 is a democratic plan and is not subject to such a requirement.

2.1.9 Provisions made by the Company and its subsidiaries to pay pension, retirement and other advantages to executives

There is no specific supplementary retirement scheme for executives outside the AGIRC ARRCO standard procedure for executives.

2.1.10 Code of Corporate Governance

The Company decided to adopt the recommendations of the Middlenext Code of Corporate Governance for small and midcaps as issued in December 2009, owing to its compatibility with the size of the Company and its capital structure.

The Board of Directors has reviewed the principles of this Code.

The Company applies a number of recommendations included in the Middlenext Code and intends to adapt its internal process on a gradual basis with each passing financial year. However, for 2015, the status of the application of the Code's recommendations is as follows:

Recommendation number	Purpose of the recommendation	Applied	Explained
1	Combination of employment contract and directorship	Yes	
2	Definition and transparency of the compensation of executive officers	Yes	
3	Severance pay	Yes	
4	Supplementary pension plans	Yes	
5	Stock options and bonus share grants	Yes	
6	Introduction of Board internal regulations	Partially	-(1)
7	Compliance for Board members	Partially	-(2)
8	Composition of the Board – Independent directors on the Board	Yes	
9	Selection of directors	Yes	
10	Directors' term of office	Yes	
11	Board member information	Yes	
12	Creation of committees	Yes	
13	Board and Committee meetings	Yes	
14	Directors' compensation	Yes	
15	Introduction of Board evaluation	Yes	-

(1) This recommendation is followed, with the exception of the full publication of the internal regulations. Nevertheless, the limitation of the powers of the Company's CEO, and the roles of the Chairman and Vice-Chairman stipulated in the Company's internal regulations are presented in Chapter 2, Section 2, Point 4.1.2 "Provisions governing the organisation and working procedures of the Board of Directors" of this Registration Document. The main provisions of the Company's internal regulations can be communicated to any shareholder at their request.

(2) The members of the Board of Axway have not expressly signed the internal rules and regulations of the Board. However, they have all accepted its contents, since they approved its amendment during the Board meeting of 28 July 2015.

2.2 STATUTORY AUDITORS

2.2.1 Statutory Auditors and Alternate Auditors

The information concerning the Statutory Auditors and Alternate Auditors is presented in Chapter 8, Section 5 of this Registration Document.

2.2.2 Fees for Statutory Auditors and members of their networks

	Mazars						Auditeurs & Conseils Associés					
	Amount (excl. VAT)			%			Amount (excl. VAT)			%		
(in thousands of euros)	2015	2014	2013	2015	2014	2013	2015	2014	2013	2015	2014	2013
Audit												
Statutory audit, certification and review of the individual company and consolidated financial statements												
• Issuer	123	111	92	34%	35%	27%	113	93	85	70%	76%	70%
• Fully-consolidated subsidiaries	236	179	222	66%	57%	66%	43	33	35	27%	5%	29%
Other work and services directly related to the statutory audit												
• Issuer	-	24	2	0%	8%	1%	-	24	-	0%	19%	0%
• Fully-consolidated subsidiaries	-	-	18	0%	0%	5%	-	-	-	0%	0%	0%
Subtotal	**359**	**313**	**334**	**100%**	**100%**	**99%**	**156**	**150**	**120**	**97%**	**100%**	**98%**
Other services provided by the networks to fully consolidated subsidiaries												
Legal, tax and employee-related	-	-	2	0%	0%	1%	5	-	2	3%	0%	2%
Other	-	-	-	0%	0%	0%	-	-	-	0%	0%	0%
Subtotal	**-**	**-**	**2**	**0%**	**0%**	**1%**	**5**	**-**	**2**	**3%**	**0%**	**2%**
TOTAL	**359**	**313**	**336**	**100%**	**100%**	**100%**	**161**	**150**	**122**	**100%**	**100%**	**100%**

2.3 REGULATED AGREEMENTS

2.3.1 New agreements concluded in 2015

The Company entered into two new regulated agreements in the fiscal year ended 31 December 2015; the purpose of the first was to approve the settlement entered into between the Company and Christophe Fabre following his departure from the Axway Group (2.3.1.1); the second concerns the terms and conditions for the allocation and maximum amount of severance payments owed to Jean-Marc Lazzari in the event of the termination of his position as Chief Executive Officer (2.3.1.2).

Regulated agreement entered into between the Company and Christophe Fabre

The Company and Christophe Fabre decided to frame, within the context of a settlement, the terms and conditions for the termination of his position as Chief Executive Officer within the Axway Group. The main purpose of this settlement is to preserve and protect the interests of both parties present. This settlement provides for (i) the payment of a flat, final, total settlement payment in the amount of nine hundred thousand and six (900,006) dollars, (ii) the removal of the conditions precedent of active employment pertaining to eighty thousand (80,000) options for the subscription of shares in the course of being acquired, with the other conditions attached to the exercise of stock options remaining unchanged, and (iii) a no-compete commitment for a term of eighteen (18) months in consideration of the payment compensation in lieu of notice in the amount of two hundred thirty-nine thousand nine hundred forty-four (239,944) dollars. Moreover, it is specified that Christophe Fabre shall benefit from an advance notice of six (6) months in respect of his position as an employee of the U.S. subsidiary, Axway Inc.

With concern for good governance and transparency with respect to the markets, it was decided to align the terms and conditions of this settlement with the provisions of Articles L. 225-38 et seq. of the French Commercial Code.

During its meeting of 22 June 2015, the Board of Directors, after having verified the satisfaction of the performance conditions which it decided to apply when necessary, namely, (i) positive organic growth for the fiscal year ended 31 December 2014, and (ii) the implementation of a strategic approach, authorised the signing of this settlement and the payment of the sums.

Regulated agreement entered into between the Company and Jean-Marc Lazzari – Chief Executive Officer of the Company

It appeared necessary, with regard to market practices, to put into place an agreement between the Company and its Chief Executive Officer for severance pay in the event of the termination of his services. In order to preserve the interests of the Company, it was decided to put a framework around the granting of such compensation, in accordance with the rules of good governance and market practices applicable to small and midcaps.

This severance pay in the event of the termination service is only due in the case of forced departure of the Chief Executive Officer from the Company. No severance pay shall be due if (i) the Chief Executive Officer leaves his position at his own initiative, or (ii) in the case of gross negligence or serious misconduct, or (iii) in the case of a wrongful act which is unrelated to his position, or (iv) in the case of the departure of the Chief Executive Officer within the Sopra Steria Group.

The maximum amount of severance compensation that may be paid is five hundred thousand (500,000) dollars. This amount is consistent with Middlenext Code Recommendation No. 3. It represents less than two (2) years of compensation (fixed and variable). Such amount will be calculated according to the criteria set out below. In the event of dismissal during the 2015 fiscal year, 50% of the amount of the severance pay will be due if Axway Software's yearly organic growth with respect to such fiscal year is positive (at constant scope), and 50% of the remaining severance pay will be due if the strategic plan is considered as having been implemented by the Board of Directors. Starting from the 2016 fiscal year, the Board of Directors shall define each year the performance conditions to be met by the Chief Executive Officer in order to receive such severance payments. This annual setting of performance criteria beginning with 2016 makes it possible to adjust the performance criteria which the Chief Executive Officer must meet, thereby protecting the Company's interests even better.

In accordance with Article L. 225-42-1 of the French Commercial Code and pursuant to the recommendations of its Remuneration Committee, the Board of Directors, at its meeting of 21 October 2015, authorised the principle of severance payments for involuntary departure, to the benefit of the Chairman and Chief Executive Officer, Jean-Marc Lazzari.

2.3.2 Agreements approved in previous years which continued to be applied during the year

The Company has concluded various business agreements with the Sopra Group. These agreements were extended for the year ended 31 December 2015.

Agreements entered into between Axway Software and Sopra Steria Group SA

Agreement for the provision of business premises

The Company signed an agreement for the provision of business premises with the Sopra Group initially to accommodate the business activities of Axway Software SA, a wholly-owned subsidiary upon incorporation. This agreement, governed by commercial lease legislation, is due to be extended for 2016 so as to ensure the continuity of the Company's business and put the arrangements made for the installation of its operations on a more permanent footing, in particular, at the Puteaux site.

The Company has also incurred significant costs to bring the business premises into compliance with regulations applicable to its industry. As a result, any move could give rise to considerable works entailing significant costs for the Company.

The Company has, therefore, decided to remain in its current business premises.

The Board of Directors voted unanimously (with interested directors abstaining), to renew this agreement for the provision of business premises for 2016 and approved expenditure of €2,471,132 for the year ended 31 December 2015.

Agreement concluded between Axway Software and Sopra GMT

The assistance agreement relating to functional divisions concluded between Sopra GMT on the one hand, and the Company and Sopra Steria Group SA on the other, defines Sopra GMT's role as the financial holding company for these two companies. This agreement, which was initially entered into on 1 July 2011, for a period of two (2) years and then renewed in July 2013, has been amended to make it a an open-ended agreement, which may be cancelled by giving twelve (12) months prior notice, in writing. This agreement aims to improve strategic planning and general policy coordination between the Sopra Steria Group and the Company, in particular, by developing synergies subsequent to the spin-off of Axway Software, as well as providing the Company with support and consultancy services.

The Board of Directors unanimously approved (with interested parties abstaining), (i) the continuation of this agreement in 2016 and (ii) the payment of €682,089 to Sopra GMT for services rendered.

Agreement for the provision of IT resources

The Company, which was then wholly-owned by Sopra, signed an agreement for the provision of IT resources with the Sopra Group, so as to benefit from the Sopra Group's IT resources. Although Axway Software SA's IT systems are becoming less and less dependent on those of the Sopra Steria Group, they cannot, however, be totally independent. Certain support applications currently used by the Company are owned by Sopra Steria Group SA.

As a result, the Company still uses some IT resources provided by Sopra Steria Group SA. The payments made by the Company to Sopra Steria Group SA totalled €8,068, down from the previous year.

The Board of Directors (with interested directors abstaining) approved the payment of an amount of €8,068 in respect of the year ended 31 December 2015.

2.4 REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE AND INTERNAL CONTROL

Dear Shareholders,

The purpose of this report is to inform you of the composition of the Board of Directors of Axway Software SA, of the application of the principle of balanced gender representation within its members, of the manner in which its work is prepared and organised, and of the internal control and risk management procedures implemented by the Group during the fiscal year ended 31 December 2015. It is presented to you as a supplement to the management report contained in the Registration Document.

This report was prepared in accordance with Article L. 225-37 of the French Commercial Code and the recommendations and guides for SMEs (VaMPs) supplied by the *Autorité des marchés financiers* (AMF).

2.4.1 Manner in which the work of the Board of Directors was prepared and organised

Composition of the Board of Directors and remuneration of its members

The composition and remuneration of the members of the Board of Directors is presented in Chapter 2, Section 1 of this Registration Document.

The terms of office of the directors expired at the General Shareholders' Meeting of 22 June 2015, during which it was proposed to proceed with the renewal of the directors' terms of office, with the exception of that of Christophe Fabre.

The Board of Directors currently comprises two women, pursuant to the principle of the balanced representation of men and women (law No. 2011-103 of 27 January 2011). It will be recalled that Françoise Mercadal-Delasalles resigned from her position as director within Axway, effective as of 1 January 2015. At its meeting of 24 February 2015, the Board decided to appoint Véronique de la Bachelerie as a director of Axway for the duration of the term of office remaining, as a replacement for Françoise Mercadal-Delasalles. This cooptation was ratified by the Combined General Meeting of 22 June 2015. Moreover, this same General Shareholders' Meeting approved the renewal of Véronique de la Bachelerie term of office as a director. In any event, the Board shall strive to enhance such balanced representation in its composition when any changes are made to its structure in the future.

Regulatory framework governing the Board of Directors, its organisation and its working procedures

The organisation and working procedure of the Board of Directors are governed by law, the Company's Articles of Association, internal rules and regulations, and a charter.

Legal provisions

The Board of Directors' working procedures are governed by Articles L. 225-17 *et seq.* of the French Commercial Code. The principal mission of the Board of Directors is to determine the strategic directions to be followed by the Company and to oversee their implementation.

Provisions included in the Articles of Association

The rules governing the organisation and procedures of the Board of Directors are set forth in Articles 14 to 21 of the Articles of Association included in Chapter 8 of this Registration Document: Legal and administrative information.

The Articles of Association currently incorporate the recommendations of the Middlenext Code of Corporate Governance on the term of office of directors, which is set at four (4) years.

Internal rules and regulations of the Board of Directors

The internal rules and regulations cover the following topics: reminder of legal and statutory powers, meetings, information received by the Board of Directors, training of members, committees, conflicts of interest, directors' fees, confidentiality and works council representatives.

Board of Directors' charter

The charter addresses the following issues: proxies, missions and conditions of service, knowledge of rights and obligations, individually owned shares, ethical rules pertaining to stock market transactions, transparency, conflicts of interest, meeting attendance and confidentiality.

The Articles of Association, the internal regulations and the charter of the Board of Directors are available upon request from the Company's Corporate Secretary.

Powers of the Chief Executive Officer

The Chief Executive Officer exercises his or her powers within the limits of the Company purpose and applicable laws, the Articles of Association and the internal regulations. The Chief Executive Officer has authority over the Group as a whole and directs its operational activities. He or she is vested with the broadest powers to act in all circumstances in the name of the Company and represents the Company in its relations with third parties. The Chief Executive Officer chairs the Group's Executive Committee (Ex Com).

The Chief Executive Officer is moreover in charge of providing the Board of Directors and its committees with the information that they need and implementing the decisions made by the Board. The internal regulations of the Board of Directors specify the role of the Chief Executive Officer and the conditions for exercising the prerogatives of the office. The Chief Executive Officer thus closely coordinates his or her activity with the Chairman of the Board of Directors to ensure a continuous liaison between the members of the Board of Directors and Executive Management and keeps them informed of the Group's situation and of any proposed decisions when such decisions could have a material impact on the course of business.

The decisions defined hereinafter must receive the prior authorisation of the Board of Directors, or of the Chairman in the event of emergencies or when delegated to the Chairman by the Board, and in that case the Chairman must report back to the Board on the authorisations that he or she gives in such circumstances.

In all cases, these decisions must be prepared and discussed by the Chief Executive Officer with the Chairman.

Decisions requiring the prior approval of the Board of Directors in the above-referenced conditions are those that have a major strategic consequence or that are likely to have a material impact on the financial position or the commitments of the Company or of its subsidiaries and in particular those related to:

- the implementation of the strategy:
  - adaptation of the business model,
  - any decision on the acquisition or sale of companies or business activities, with powers delegated to the Chairman by the Board to decide on transactions amounting to less than €5 million,
  - the conclusion of strategic alliances;
- concerning organisation:
  - the appointment or dismissal of a member of the executive team (members of the Executive Committee, Heads of functional structures and Heads of support divisions) with powers delegated to the Chairman by the Board,
  - any significant modification of internal organisation or operations, with powers delegated to the Chairman by the Board;
- financial matters:
  - financial transactions that have or could have in the future a material impact on the parent company financial statements or the consolidated financial statements,
  - any procedural commitment, treaty, settlement or compromise, in the case of litigation, for an amount greater than €300,000,
  - the capital increase or reduction of a subsidiary,
  - any surety, security or guarantee granted by the Company.

Role entrusted to the Chairman of the Board of Directors

Pursuant to the provisions of Article L. 225-51 of the French Commercial Code and the stipulations of Article 2 of the Company's internal regulations, the role of the Chairman of the Board of Directors includes:

- organising and directing the work of the Board of Directors;
- setting the dates and agenda of the Board of Directors' meetings;
- ensuring the smooth running of the Company's bodies and the use of best governance practices; thus
- ensuring that the directors are able to carry out their duties; and
- ensuring they have the required information.

Role entrusted to the Vice-Chairman of the Board of Directors

It will be recalled that the Board of Directors, its meeting of 24 October 2013, the Board of Directors decided, based on the recommendations of the Selection, Ethics and Governance Committee, to appoint a Vice-Chairman to take over the Chairman's duties in the event of the latter's incapacity. Accordingly, it decided to amend the internal rules and regulations of the Board of Directors. The directors, whose terms of office were renewed by the Combined General Meeting of 22 June 2015, decided to (i) maintain the office of Vice-Chairman of the Board of Directors, and (ii) renew Kathleen Clark Bracco in this capacity.

Article 2. 6 of the Board of Directors' internal regulations also provides that "Pursuant to Article 15 paragraph 4 of the Company's Articles of Association, the Board of Directors shall appoint a Vice-Chairman of the Board of Directors, chosen from among the directors who are natural persons.

The Vice-Chairman is appointed for a duration that cannot exceed his term of office as a director. His term of office may be renewed without any limitation. He can be dismissed at any time by the Company's Board of Directors".

The Vice-Chairman's role is to assist the Chairman in his missions at the latter's request, especially in the organisation and management of the Board's work, the supervision of corporate governance and internal control procedures and representation of the Company and its Group. He may be required to assume the Chairman's duties in the event of the latter's incapacity, provided he is a member of the Board of Directors when said incapacity occurs.

Observer

In application of Article 23 of the Company's Articles of Association and in accordance with the recommendation issued by the Selection, Ethics and Governance Committee, it was decided to appoint an observer to the Company's Board of Directors. This appointment, ratified by the Combined General Meeting of 4 June 2014 aims to strengthen good governance within the Board of Directors and assist the Board with specific and/or one-off missions. The observer attends Board of Directors' meetings. He/she does not have the right to vote.

Middlenext Code

The Company has chosen to comply with the Middlenext Code (available on the Middlenext site: www.middlenext.com). Compliance with the different recommendations of the Code of Corporate Governance is detailed in Chapter 2, Section 1.10 ("Code of Corporate Governance"). A list of the directors considered as independent based on the criteria defined by the Middlenext Code is included in Chapter 2, Section 1.11.

Meetings of the Board of Directors

Number of meetings held during the fiscal year and attendance of members of the Board of Directors

In accordance with its internal regulations, the Board of Directors is required to meet at least five times each year.

An annual calendar of meetings including a provisional agenda was established by the Board and may be modified should any specific events justify a change in the agreed schedule.

The Board of Directors met six times in 2015. The attendance rate was 96.66%.

The Board of Directors was regularly informed of and based its decisions on the work of the Audit Committee, that of the Selection, Ethics and Governance Committee, and that of the Remuneration Committee.

Issues discussed

The main issues discussed in 2015 included the following:

- strategy and business plan;
- growth plans of the Company and of the Axway Group;
- quarterly performance;
- the 2015 budget and major strategies;
- approval of the financial statements for the year ended 31 December 2014;
- approval of the interim financial statements for the first half of 2015;
- approval of financial information and forward-looking information documents;
- working procedures of the Board of Directors, its internal regulations and its charter;
- compensation paid to company officers.

Access to information by members of the Board of Directors

Dissemination of information – Preparatory materials

Article 4 of the internal regulations states that:

- each member of the Board shall receive any information required for the performance of his or her mission and can request any documents he or she deems pertinent;
- in advance of each meeting of the Board, a set of preparatory materials shall be addressed to members presenting the items on the agenda requiring special analysis and preliminary reflexion, provided that confidentiality guidelines allow the communication of this information;
- the members of the Board shall also receive, in the intervals between meetings, all pertinent and critical information concerning events or operations which are significant for the Company; This information shall include copies of all press releases disseminated by the Company.

Training

Article 5 of the internal regulations states that "any member of the Board may, on the occasion of his or her appointment or at any point during his or her term in office, engage in training sessions he or she feels are required for the performance of his or her duties".

No training was requested by directors in 2015.

Committees of the Board of Directors

The committees, the working procedures of which are detailed below, lack the authority to take decisions alone but submit their findings and make respective recommendations to the Board of Directors.

Audit Committee (formerly Accounting Committee)

The Audit Committee was created on 9 May 2011. Following the renewals of the directors' terms of office, its current members are:

- Hervé Saint-Sauveur (Chairman);
- Véronique de la Bachelerie;
- Hervé Déchelette;
- Michael Gollner.

The Committee meets at least four times per year (in a full year). The Committee dedicates at least two meetings per year to the interim and annual financial statements.

The members of the Audit Committee have in-depth economic and/or industry knowledge as detailed in Chapter 2, Section 1 ("Administrative Bodies and Executive Management"), enabling them to fully investigate all issues submitted to them by the Company.

The Audit Committee therefore has the following main responsibilities:

- examining the financial statements, especially in order to:
  - review the Company's exposure to risks as well as its off-balance sheet commitments,
  - verify that the procedures for gathering and checking information guarantee its reliability,
  - ensure that accounting policies have been applied consistently and are pertinent,
  - check the work methods used by the Statutory Auditors;
- promoting the effectiveness of internal control and risk management procedures;
- monitoring the statutory audit of the Group's financial statements by the Statutory Auditors;
- ensuring compliance with the requirement for the independence of Statutory Auditors.

It was convened four times in 2015 in the presence of the Statutory Auditors. The main items of business at these meetings were as follows:

- the 2015 impairment tests;
- the intra-group transfer pricing policy;
- review of the parent company and consolidated financial statements for the year ended 31 December 2014;
- review of the financial statements for the first half of 2015;
- the organisation of work in 2015 for the Group's internal audit function;
- review of the insurance policies contracted by the Group;
- the Chairman's draft report on corporate governance and internal control procedures.

The Statutory Auditors appeared before the Committee in the absence of the CEO and the Chairman of the Board of Directors.

Various operating and functional Group managers were also interviewed for the informational purposes of the members of the Audit Committee in relation to risk management, internal controls and the preparation of financial and accounting information.

Selection, Ethics and Governance Committee

The Selection, Ethics and Governance Committee was created on 22 May 2012. Following the renewal of the directors' terms of office and the decisions made by the Board of Directors after this General Shareholders' Meeting, its members are:

- Kathleen Clark Bracco (Chairman);
- Pierre Pasquier;
- Hervé Déchelette;
- Pascal Imbert; and
- Pierre Yves Commanay.

The Selection, Ethics and Governance Committee is composed of the Chairman of the Board of Directors and from three to six Board members who are appointed by the Board of Directors. The Committee may be convened when requested by its Chairman or by two of its members. It meets prior to the approval of the agenda of the Annual General Shareholders' Meeting, to review draft resolutions that will be submitted to it concerning the positions of members of the Board of Directors.

It was convened three times in 2015 and its main responsibilities were:

- to make proposals for appointment of members of the Board of Directors and company officers, particularly in cases of unplanned vacancies;
- to assess the Board of Directors and the functioning of company governance;
- to ensure that in all of the Group's business segments, in all the subsidiaries that it controls, in all communications that it delivers and all acts accomplished in its name, the Group's values are respected, defended and promoted by its company officers, its executives and its employees;
- to verify the application of rules of good governance in the Company and in its subsidiaries;
- to assess the status of the independent members of the Board of Directors pursuant to the Board's decisions on this subject;
- to inform and propose changes that it deems useful or necessary to make to the functioning or the composition of the Board of Directors.

Remuneration Committee

The Remuneration Committee created on 22 May 2012 was, in the framework of the renewal of the directors' terms of office, reappointed by the Board of Directors. Its members are:

- Pascal Imbert (Chairman);
- Kathleen Clark Bracco;
- Hervé Déchelette;
- Yves de Talhouët; and
- Pierre Yves Commanay.

The Remuneration Committee is composed of three to six members who are appointed by the Board of Directors. The Remuneration Committee may be convened when requested by its Chairman or by two of its members.

The Remuneration Committee met five times during the course of the fiscal year ending 31 December 2015, and had as its primary missions:

- to propose the fixed and variable compensation and benefits granted to executive officers and to the Company's main executives;
- to verify the application of rules defined for calculation of their variable compensation;
- to check the quality of the information provided to shareholders on remuneration, benefits, options and directors' fees granted to company officers and the Company's main executives;
- to prepare the policy for the granting (in particular, to determine the beneficiaries and the conditions for granting) of stock options and bonus shares;
- to prepare decisions concerning employee savings.

Evaluation of the Board of Directors

The Board of Directors decided to introduce annual self-evaluation of its working procedures in accordance with the recommendations of the Middlenext Code. This self-evaluation aims, in particular, to check that the Board has all the items of information needed to take informed decisions and to consider any requests for changes to the Board's working procedures. The Board of Directors' self-evaluation is always conducted at the end of the financial year in question so as to ensure that all areas for improvement have been identified.

Other information required by Article L. 225-37 of the French Commercial Code

Specific procedures relating to the participation of shareholders in General Shareholders' Meetings

The main provisions of the Articles of Association relating to General Shareholders Meetings and the rights and obligations of shareholders are included in Chapter 8, Sections 3 and 4 of the Registration Document.

Concerning the publication of the information required by Article L. 225-100-3 of the French Commercial Code

The information required under Article L. 225-100-3 of the French Commercial Code is detailed in Chapter 7 Section 2 ("Current ownership"), Section 5 ("Issue authorisations given to the Board of Directors of Axway – Delegations granted by General Shareholders' Meetings") and Section 4 ("Shares held by the Company or on its behalf – Share buyback programme").

2.4.2 Internal control and risk management procedures implemented by the Company

Introduction

Axway's software publishing activities are based on software design, development, marketing, implementation and support. In an environment undergoing constant reorganisation, the key factors for the Company's success are foresight and industrial production capacity to design and market state-of-the-art solutions with distinctive functionalities. Other key requirements are quick response, close contact with big-company decision makers and the ability to integrate into projects of strategic importance for major clients. This gives rise to industrial organisation to structure operating activities and involves stringent coordination between operational divisions and support functions. Axway's IT, management and control system, is thus designed to promote constant horizontal and vertical dialogue to enable the Executive Committee (ExCom) to have direct control over activities.

The major challenges consist in the capacity to foresee market needs, organise production to manufacture guaranteed-quality products while reducing costs, industrialise the marketing process and services provided to clients (support and implementation, services) and extend the presence of Axway products and solutions with big companies. Moreover, as for any company producing intangible goods, employee performance is a key aspect and requires Human Resource management to ensure the best profile for each job.

Axway's internal control and risk management procedures are based on the framework and implementation guidelines published by the AMF and updated in July 2010.

Internal control and risk management system

According to the definition of the AMF's reference framework, internal control is "a system set up by the Company, defined and implemented under its responsibility, which aims to ensure:

- compliance with laws and regulations;
- the application of instructions and guidelines determined by Executive Management;
- the proper functioning of the Company's internal processes, particularly those intended to safeguard its assets;
- the reliability of financial disclosures."

In general, internal control contributes to the control of the Company's activities, the effectiveness of its operations and the efficient use of its resources. It is also aimed at managing material risks in an appropriate way, whether these risks are operational, financial or compliance-related.

As for risk management, its aim is to:

- create and preserve the Company's value, assets and reputation;
- ensure the security of decision-making and other Company processes in order to promote the achievement of objectives;
- promote the consistency of the actions taken with the Company's values;
- give Company employees a common vision of the main risks.

The risks that the Company faces are described in Chapter 3 Section 5 ("Risk factors").

All of the internal control and risk management procedures described hereunder are implemented in all Group entities with the aim of reducing the risk factors to an acceptable level, helping the Company achieve its objectives and providing reasonable assurance on their implementation. As with any control system, it cannot provide an absolute guarantee that such risks have been totally avoided, eliminated or controlled, or that the Group's objectives can be achieved.

Axway's system comprises the five components defined by the AMF reference framework: (a.) organisation (b.) internal dissemination of information (c.) a risk identification and management process (d.) control measures (e.) continuous monitoring of the system.

a. Organisation

Organisational framework

Legal structure

Axway's legal structure is designed to be as simple as possible, involving a single company per country, except for temporary situations resulting from acquisitions. At 31 December 2015, the Group was composed of 17 companies. The simplified organisational structure is presented in Chapter 1 Section 7 ("The Axway Group and its business activities").

All Group companies are fully consolidated, with Axway Software holding 100% of the capital of these subsidiaries. The Company thus controls, either directly or indirectly, all subsidiaries within the Group of which it is the parent. There are no *ad hoc* entities outside of the scope of consolidation.

Internal organisation

The Group's internal risk management organisation consists of:

- the Executive Committee (ExCom): Chief Executive Officer, the Heads of the operating divisions and the Heads of the functional structures;
- centralised functional structures for the Company as a whole (Human Resources, Finance, IT, etc.);
- operating divisions focused on a specific aspect of software publishing (Global Product and Solutions, R&D, Marketing, Sales, Global Customer Service) and Business Units, administrative, regional or national branches of these divisions.

Definition of powers and responsibilities

Rules governing delegation define the operating powers attached to each level of the organisation and organise the control of functional decisions for all Axway entities. The decision-making levels selected reflect a balance between the autonomy of the business divisions integrating an extended geographic coverage and the controls and limitations that are also necessary.

The rules governing delegation are regularly reviewed in order to take into consideration any changes in the Company.

Human Resources management policy

The Company ensures the appropriate development of its Human Resources management policy and strives to retain the personnel who are key to its offerings, development processes, implementation methods and marketing approach.

The Human Resources Department has set up measures aiming to optimise the development of each employee's career path. This development is guided by a career evaluation and tracking procedure, inspired by the needs of the Company. This procedure includes key moments for evaluating skills and performance and reviewing working conditions; annual employee appraisals and monitoring by HR Business Partners, which are used to define individual action plans (training, mentoring, role playing).

Details of the measures aimed at mastering Human Resource management and the principal indicators are laid out in "The Axway Group and its Operations": Chapter 1, Section 10 ("Corporate Social Responsibility").

Information systems

The various individual information systems used all come under the responsibility of the IT Department, reporting to Executive Management, which is charged with the direct supervision of their operations and authorised to resolve any discrepancies. This entity is in charge of IT resources (including procurement) and implementation of security processes, and is also responsible for developing or selecting the applications to be used to meet the Company's internal needs.

By continuously working on the upgrade of the IT system, this department supports Axway's growth in all its aspects: organic growth, integration of acquisitions, geographical expansion, and integration of industry developments such as cloud services.

The objectives of this department are to adapt the information system as effectively as possible to the Company's operating requirements, and to ensure the physical and logistical security of data to which permanent access must be guaranteed due to the service requirements in an international environment. Systems for backing up data, monitoring infrastructures, and controlling access to sites and IT applications are thus deployed universally.

The Chief Security Officer, who is not a member of this department, ensures the formalisation, development and application of the "Information Security Management System" (ISMS) in conjunction with all the operational and functional departments concerned.

Procedures

The Company has procedures which the operational and functional departments, acting within a framework defined by the Executive Management, are responsible for implementing, maintaining and appropriating *via* a training programme. The procedures are, in part, grouped together in the Quality Management System (QMS) accessible at all times *via* a collaboration and capitalisation portal under the coordination of the Operations Department. Operating manuals are also produced by operational or functional units in dedicated spaces on this portal.

One of the main goals of the procedures is to manage the risks identified by the Company and cover operating activities: the progression and development of the Axway 5 Suite (Axway Product Development Process, Axway Development Methodology); product support and maintenance (Global Support policies and procedures Guide); implementation of solutions comprising on premise implementation projects (Axway Solution Implementation Methodology) and cloud activities; the marketing (Go-to-Market Program Suite, New, Product Introduction, Demand, Generation) and sales activities (Sales policy, Tier 1 deals program); as well as support processes (Human Resources, Infrastructures and IT system, Finance and Legal and Administrative functions).

Axway procedures are rolled out as rapidly as possible following acquisitions.

The Company also has procedures relating to management of the IT system (ISMS), which are based on the principles of ISO/CEI standards 27001-27002 and 27005 and which aim to ensure that IT systems are protected in terms of access, use, disclosure, disruption, modification or destruction. The Company's IT systems security policy was designed to protect not only the Company's internal data but also that of its clients and partners.

In parallel, internal messages sent on a regular basis to operational and functional managers provide further details on the implementation of the procedures and information on new rules.

b. Internal dissemination of information

Steering meetings are at the core of the information dissemination system and are currently held in all operational and functional entities. The companies acquired by Axway are integrated as soon as possible into this system. This system is designed not only to organise the dissemination of information, ascending to Executive Management and descending to the operational divisions and functional departments, but also to direct, control, assist and provide training. Its regular meetings are adjusted according to the different perspectives considered:

- a weekly basis per month: this meeting gives priority to operational monitoring of the activity, and makes it possible to ensure the monitoring of forecasts, execution, and production; in the area of sales, it treats major contracts on a priority basis; it is also the body which deals with alerts and risks, in particular operational or client-related;
- a monthly basis per year: in addition to the issues handled on a weekly basis, additional emphasis is placed on economic indicators: previous month's results, review of annual forecasts, budget monitoring, etc.;
- an annual basis for the multi-year timeframe: the budgetary approach falls within the framework of the strategic plan.

Steering meetings take place at the various levels mentioned above: Business Units, Operational Divisions, functional departments, Executive Committee.

The Company steering system is backed by a reporting system developed by the IT Department in collaboration with the operational divisions and functional departments.

c. Risk identification and management process

The Company's risk identification and management process aims to anticipate or address risks as quickly possible to favour attainment of its objectives. All staff members, both employees and management, are active participants in this process. The operation of the risk management process is under the supervision of Executive Management, which receives information on risks from operational, functional and audit staff. The risk factors identified through this system are listed in Chapter 3, Section 5 ("Risk Factors") of this Registration Document.

Operational risk identification, analysis and management

Standardised steering meetings taking place at all levels across all activities are an essential tool for the identification and management of risks. They ensure identification of operating and functional risks so that they can be handled at the most appropriate level of the organisation.

Operational risks associated with business activities, which are classified as "alerts" in Axway's in-house lexicon when they are significant for the entity that identifies them, are handled immediately or are included in the weekly review carried out at each of the three levels of the organisation with the aim of implementing an appropriate action plan as quickly as possible. The organisation and definition of responsibilities generally allows for decisions to be taken swiftly, addressing concerns at the level of action, accompanied if necessary by approval from the next reporting level. When a decision is required at the Company level, the procedures for the handling of risks (person in charge, time limit granted for the implementation of action plans) are usually determined by the Executive Committee (ExCom) during its meetings, in keeping with Axway's strategic objectives.

The Company's functional departments responsible for the definition and proper application of policies relating in particular to Human Resources, financing, legal aspects and information systems, report on a monthly basis to Executive Management on any newly identified risks, the assessment of their possible consequences and the procedures for prevention or remediation put in place or planned.

Risk map

A risk map was drawn up in 2012 as part of the set-up of the internal audit function. This work, which involved the participation of the Executive Committee (ExCom), made it possible to review the risks associated with an international software publishing business and to rank the risks according to their challenges. In order to ensure the exhaustive identification of the risks, assess their rating and evaluate the measures used for their management, the risk map is now regularly examined by the Executive Management and Audit Committee.

d. Control activities

Control activities take place throughout the Company, at all levels and in all functions. They include controls aimed at prevention and detection, manual and electronic controls, as well as supervisory controls pursuant to applicable delegation rules. The Functional Divisions play a special role in risk management by providing assistance and guidance to operational staff, using a preventive approach to perform the mandatory consultations required, where applicable, by procedures such as those related to contractual and spending commitments or by performing controls on the application of procedures and the results obtained (in particular, controls relating to the quality of data entered into the information system).

A specific role is assigned to the Finance Department (Management Audit), the Legal Department and the Operations Department (management of the Quality Assurance System).

Finance (Management Audit)

Management Audit is provided by the Finance Department and presently has six members.

The main responsibilities of Management Audit are the following:

- to audit the revenue from licenses prior to each monthly closing;
- to conduct reviews, generally half-yearly, of departmental activities: 21 entity reviews in 2015;
- to consolidate and analyse the monthly results from the internal management system and perform a control of the consistency of monthly forecasts;
- to control the application of rules and procedures linked to the production of accounting and financial information;
- to assist the operational managers and train those working with the management system.

Legal Department

The Legal Department (eight people) ensures that the Company complies with applicable laws and regulations in the countries where the Company operates. It plays a key role in the management of the Company's various contractual commitments. The procedures provide for the consultation of the Legal Department prior to the signing of contracts with third parties where said contracts lay down terms and conditions that differ from the standard terms and conditions in force at the Axway Group.

Operations Department

Quality management involves monitoring the life cycle of the products and services: from the design of the offers and commitments made ahead of the sales cycle, through to the implementation of solutions (services and support). Each operational division has a unit (involving a total of nearly 40 people in 2015) in charge of defining, deploying, industrialising and monitoring the procedures, methods and tools under the coordination of the Operations Department.

The Process, Risk and Security (PRS) quality assurance unit of the Operations Department comprises nine people and is independent from the management of operational activities. In this regard, it offers external quality assurance for projects with a view to safeguarding production and ensuring compliance with client commitments, internal procedures and regulatory requirements, as well as the effectiveness of the quality assurance system. It continuously assesses the effectiveness of quality management, based on operational performance, client satisfaction and alignment with strategic goals. Projects are reviewed on a regular basis, at key phases in their life cycle. Organised by the Operations Department or its local representatives, these reviews provide an external perspective on the status and organisation of business deals. Nearly 1,078 reviews of this type were conducted in 2015, almost 230 of which involved reviewing risk assessments of Tier 1 deals and around 500 of which involved project reviews. Plans for changes in the Quality System are regularly undertaken based on observations made during these controls. Moreover, the system is regularly reviewed during increasingly frequent client audits. Any comments made or watch-points identified are used to improve the system.

Reporting on key quality system indicators is shared, on a quarterly basis, with the Executive Management, operational and functional management and internal audit.

The Operations Department is also responsible for the regular client satisfaction survey procedure. A systematic survey is conducted with all clients for whom a service assignment has been completed. Likewise, when cases processed by support are closed, clients are asked to provide information on the quality of the services. Furthermore, a panel of 82 "major clients" was formed and was asked for its degree of satisfaction in relation to the various components of Axway's solutions. Over the last three years, a continual increase in the level of satisfaction of the major clients has been observed.

The perception of the quality of the Company's products and services is thus monitored on a regular basis.

e. Ongoing supervision of the internal control system

Internal supervision system

The supervision of the internal control system is a responsibility shared by all employees. The Group's management bodies play a key role in this area.

Internal audit

Pursuant to the internal audit charter adopted by the Company, this system, which has two employees, has the following aims:

- the independent and objective evaluation of the functioning of the internal control system *via* a periodic audit of entities;
- the development of all recommendations to improve the Company's operations;

- monitoring of the implementation of recommendations adopted by Executive Management;
- updating of the risk map.

The internal audit unit is under the authority of the Chief Executive Officer and has direct access to the Chairman of the Board of Directors. The Chief Executive Officer validates the internal audit plan based on the risk map as well as the priorities adopted for the year. This plan is reviewed by the Chairman of the Board of Directors and submitted to the Audit Committee for approval.

Eleven internal audit missions were conducted under the 2015 audit plan.

Board of Directors (Audit Committee)

The Audit Committee, on the Board of Directors' behalf, is informed of the main characteristics of the internal control and risk management procedures adopted and implemented by the Executive Management to manage risks: organisation, roles and duties of the main players, process, risk reporting structure and control system monitoring procedure. In particular, it gains a global understanding of the procedures relating to the preparation and processing of accounting and financial information.

The Audit Committee keeps close track of internal audit activities by:

- reviewing the audit universe and risk map;
- approving the annual internal audit plan previously validated by the Executive Management;
- monitoring the results of the audits and implementation of the recommendations;
- interviewing the internal audit Manager annually in the presence of the Statutory Auditors but without the Management being present.

External procedures

Furthermore, the internal control system is also monitored by the Statutory Auditors and certifying agencies.

Statutory Auditors

The Statutory Auditors are also tasked with ensuring the ongoing quality of the internal audit and procedures set up. The Statutory Auditors are called upon by the Company throughout the year. Their actions are not limited to the accounting department. To gain better understanding of the operations and the transactions in the financial statements, the Statutory Auditors hold regular meetings with Operational Managers, who are in the best position to explain Axway's business activities.

Certifications

In terms of security, Axway has been HIPAA compliant since July 2012, in accordance with U.S. standards published by the Department of Health and Human Services (HHS), which defines the security rules for the electronic management of health insurance in the United States.

Axway continued its cloud services certification initiative and, in 2015, obtained the renewal of the SOC1/SSAE16 Type 2 certification for the USA, France and Germany. This certification is subject to on-site auditing upon annual renewal. The objective of this standard is to reassure users of these outsourced services as to the reliability of the internal control system used to monitor services performed on their behalf. The ISBN 27001 certification: 2013, obtained last year, was also renewed for 2015, at the end of an annual audit programme conducted by Dekra, the certifying body. In addition to its certification processes, the Company has prepared a cloud guide – Axway Cloud Security Statement – for the attention of its clients. This guide aims to provide brief responses to questions raised concerning the cloud, in particular, by clients.

Production of accounting and financial information

a. Coordination of the accounting and financial function

Organisation of the accounting and financial function

Limited number of accounting entities

As indicated above, the legal entities, and therefore the accounting entities, are limited in number (19 entities) (see Section 1.7.1 ("Simplified Legal Organisational Structure at 31 December 2015 – List of main subsidiaries")), which provides operational efficiency and limits risks inherent to the function.

Centralisation of the accounting and financial function

As for most functions, the financial and accounting function is predominantly centralised within the Company. Local teams are of adequate size to best serve their role as correspondents within the subsidiaries. The Chief Financial Officer closely supervises his teams' activities, in particular through weekly and monthly steering meetings.

The responsibilities of the Finance and Administration Department mainly involve maintaining the separate financial statements of the Company's subsidiaries and preparing the consolidated financial statements, management audits, tax issues, sales administration, financing and cash accounting.

Supervision of the accounting and finance function

Involvement of Executive Management

The Finance Department reports to the Company's Executive Management. Like all of its entities, it participates in the monitoring and guidance system described above: weekly meetings dealing with current operations, monthly meetings devoted to a detailed examination of figures (achieved and forecast), the organisation of the function and the monitoring of business.

Executive Management is closely involved in the planning and supervision process as well as in preparing the close-out accounts.

Role of the Board of Directors

The Board of Directors is responsible for the ongoing oversight of accounting and financial information. It reviews and validates the annual and interim financial statements in consideration of the opinion expressed by the Audit Committee whose organisation, working procedures and primary responsibilities for the year ended on 31 December 2015 are described in paragraph 4.1 of Section 2 of the Registration Document.

Organisation of the accounting information system

Financial accounting

All Axway Group companies prepare complete quarterly financial statements on which the Company and the Axway Group base their published quarterly sales figures and interim financial statements. All of these companies are fully consolidated.

Monthly cash flow forecasts and financial statements that include operating profit are prepared for all Group companies.

Accounting policies and presentation

The accounting methods and principles used are those presented in the notes to the consolidated financial statements.

Any changes are presented to the Audit Committee.

The application of rules governing the recognition of software revenue is controlled before each closing by the Finance Department (Management Audit). The proper use of the percentage-of-completion method to evaluate projects is monitored on a permanent basis jointly by the Operations Department for client projects, which validates the commitment remaining on projects, and by the Finance Department (Management Audit).

b. Preparation of the published accounting and financial information

b.1 Reconciliation of accounting data with the internal management system

All of the Business Units prepare a monthly budget, a monthly operating statement and budget forecasts that are revised monthly. These procedures are designed to present the reality of operations and are based upon simple management rules that provide a clear view of performance.

The budget process, which is short in duration and takes place in the last quarter of the year, is a key event. It is the opportunity to apply the strategy approved by the Executive Committee (ExCom), adapt the organisation to developments in business segments, market demand and competition, and assign quantitative and qualitative objectives to all entities. Budgets, including detailed monthly operating forecasts, are prepared by each unit.

A monthly operating statement closed on the third working day of the following month is prepared by each of the Business Units. The third component of the management system is a revised operating statement prepared each month. This statement includes the results of the previous month and a revised forecast for the remaining months of the current year.

All of these documents are combined with numerous management indicators: concerning the economy, invoicing and receipts.

The results derived from the analytical management system are verified by accountants reporting to the Chief Financial Officer, who also reconcile these data with the quarterly accounting results. Revenue is reconciled on a monthly basis.

Procedures for the preparation of the consolidated financial statements

Each company establishes monthly financial statements and prepares a consolidation pack.

The interim and annual consolidation packs are audited or reviewed by each company's external auditor. Once approved, they are used by the Finance Department and the consolidated financial statements are examined by the Statutory Auditors.

Approval of the consolidated financial statements

The half-yearly and annual consolidated financial statements are presented to the Executive Management by the Finance Department. For the year-end closing on 31 December, the Statutory Auditors perform a statutory audit of the Company's financial statements for the purpose of their certification.

Tasked with monitoring the statutory audits, the Audit Committee reviews the work and conclusions of the Statutory Auditors pursuant to their audits of the half-yearly and annual financial statements. The Audit Committee reviews the financial statements in order to confirm the Company's risk exposure, check the data collection and control procedures to guarantee the reliability of the information and ensure the consistency and appropriateness of the accounting methods.

The financial statements are then submitted to the Board of Directors for approval.

Evaluation, improvement process and measures to control the main risks

Internal and external evaluations of the internal control system and its procedures make it possible to identify areas of improvement and give rise to the set-up of action plans aimed at reinforcing internal control. Through internal audits, internal control is continuously evaluated for entities and business segments and lead to the implementation of corrective actions whenever necessary. No major failure of the internal control system had been identified to date.

Several measures have been set up to improve the internal control system. External certification will be obtained for some of these measures in order to confirm their conformity with best practices.

The continuous improvement programme headed by the Operations Department, comprises a project aimed at improving the governance and consistency of the Quality Management System (QMS), continued and made it possible to obtain the ISO 9001 certification for Global Customer Services operations in France during 2015.

In 2015, the Company continued to implement its comprehensive programme for information security management (Information Security Management System), pursuant to the requirements of ISO/CEI 27001-27002 and 27005, covering internal systems as well as the security aspects built into Axway products.

In addition to the internal control and risk management system described in the previous paragraphs, details of the measures used to minimise risks are given in Chapter 3 Section 5 ("Risk Factors").

Paris, 20 April 2016

Pierre Pasquier
Chairman of the Board of Directors

2.5 STATUTORY AUDITORS' REPORT PREPARED PURSUANT TO ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE, UPON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE AXWAY SOFTWARE COMPANY

To the Shareholders,

In our capacity as Statutory Auditors of Axway Software, and in compliance with the provisions of Article L. 225-235 of the French Commercial Code, we present our report on the report of the Chairman of your Company, pursuant to the provisions of Article L. 225-37 of the French Commercial Code, in respect of the financial year ended 31 December 2015.

It is the responsibility of the Chairman to draw up and submit for the approval of the Board of Directors a report on the internal control and risk management procedures implemented by the Company and which also provides the other disclosures required by Article L. 225-37 of the French Commercial Code, in particular those related to corporate governance.

It is our responsibility to:

- present to you any observations that we have on the basis of the information contained in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of accounting and financial information; and
- certify that the report includes any other disclosures required by Article L. 225-37 of the French Commercial Code, with the understanding that it is not our responsibility to verify the fair presentation of this other information.

We performed our assignment in accordance with professional standards applicable in France.

INFORMATION CONCERNING INTERNAL-CONTROL AND RISK-MANAGEMENT PROCEDURES PERTAINING TO THE DEVELOPMENT AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

These standards require that we carry out work designed to assess the truth and fairness of the information in the Chairman's report on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information.

This work consisted notably of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information, underlying the information set out in the Chairman's report, as well as existing documentation;
- obtaining an understanding of the work used to prepare such information and of the existing documentation;
- determining whether any significant deficiencies in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have observed in the context of our mission are properly reported in the Chairman's report.

On the basis of our work, we have no comment to make on the information on the Company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information, contained in the report of the Chairman of the Board of Directors, prepared in compliance with the provisions of Article L. 225-37 of the French Commercial Code.

OTHER INFORMATION

We hereby certify that the report of the Chairman of the Board of Directors includes all other disclosures required by Article L. 225-37 of the French Commercial Code.

Courbevoie and Paris, 22 April 2016

The Statutory Auditors

Auditeurs & Conseils Associés	**Mazars**
François Mahé	Bruno Pouget

2.6 SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS AND COMMITMENTS

GENERAL SHAREHOLDERS' MEETING CONVENED TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

To the Shareholders,

As Statutory Auditors of your Company, we present our report on the regulated agreements and commitments.

It is our responsibility to present to you, on the basis of the information given to us, the main features and conditions as well as the justifiable reasons for the Company's interest in the agreements and commitments about which we have been informed or that we might have discovered in the context of our assignment, without having to express an opinion as to their usefulness or soundness or to ascertain whether or not any other such agreements or commitments exist. In accordance with the terms of Article R. 225-31 of the French Commercial Code, it is your responsibility to assess the interest of entering into such agreements and commitments when they are submitted for your approval.

In addition, it is our responsibility, where applicable, to present to you the disclosures required by Article R. 225-31 of the French Commercial Code relating to the execution, during the year under review, of the agreements and commitments already approved by the General Meeting.

We have carried out the verifications we deemed necessary in accordance with the professional standards and doctrine of the National Auditors' Association (Compagnie Nationale des Commissaires aux Comptes – CNCC) relating to this assignment. The verifications consisted in checking that the information given to us was consistent with the basic documents from which it derives.

AGREEMENTS AND COMMITMENTS SUBJECT TO THE APPROVAL OF THE GENERAL MEETING

Agreements and commitments authorised during the course of the preceding financial year

In implementation of Article L. 225-40 of the French Commercial Code, we have been advised of the following agreement and commitment which were the subject of prior authorisation from your Board of Directors.

Settlement with Mr Christophe Fabre

During the course of its meeting of 22 June 2015, in the context of the non-renewal, upon its expiration, of his position as a director and the Managing Director of the Company, the Board of Directors authorised the conclusion of a settlement with Mr Christophe Fabre, in the context of the termination of his employment contract with the Company, the termination of the tripartite secondment contract with the Company and Axway Inc. in the United States, and the termination of his position as "Director" and as "Chief Executive Officer" of Axway Inc.

This settlement, between your company, Axway Inc., and Mr Christophe Fabre, provides in particular, subject to the resignation of the latter from his other offices within the Group:

- the payment to Mr Christophe Fabre of a flat comprehensive gross settlement indemnity in the amount of $900,006;
- that he must meet the conditions of attendance pertaining to the 80,000 stock options which were allocated to him under the terms of the Company's 2011 stock-option plan, and for which the vesting period is underway, and provided that Mr Christophe Fabre does not violate the terms of his no-compete and non-solicitation commitments before the exercise of the stock options. The other conditions which were initially set remain applicable;
- for the no-compete and non-solicitation commitments for a duration of 18 months, starting from 22 June 2015 ("date of termination"), in exchange for which a payment of $13,333 per month is provided;
- for the commitment to pay $114,426 to Mr Christophe Fabre for retirement benefits;
- for a six-month advance notice as from the date of termination, with respect to the secondment contract, and to be dispensed from the performance of such advance notice, giving the right to the payment of a sum of $256,400 to Mr Christophe Fabre;
- for the assumption of Mr Christophe Fabre's costs for health-insurance coverage premiums, in the event that the latter should opt to continue his coverage under Axway Inc.'s health-insurance programme, under the U.S. COBRA law, for a maximum duration of 18 months starting from the date of termination.

Your Board of Directors, after having set and verified as necessary the achievement of the performance conditions, namely, (i) a positive organic growth for the financial year ended 31 December 2014, and (ii) the implementation of a strategic approach, has authorised, if necessary, the payment of the sums due to Mr Christophe Fabre under the agreement, with the condition precedent of his signature, and that he abstain from exercising his right of withdrawal, set out in the draft settlement.

Motives justifying the interest in the agreement for the Company

Your Board has provided information in support of this agreement in the following manner: the amount of the settlement indemnity must be assessed in its entirety, and appears to be justified with regard to the prejudice incurred by Mr Christophe Fabre, and the Company's interest in seeing that his departure takes place under the best terms possible. The Board decided to submit this agreement to the procedure for regulated agreements, even though all of the conditions had not been met, because of a concern for good governance and market transparency.

Person concerned

Christophe Fabre, Director and Managing Director of Axway Software, "Director" and "Chief Executive Officer" of Axway Inc., up until 22 June 2015.

Severance pay which is due or which may be due to Mr Jean-Marc Lazzari in the event of the termination of his position as Managing Director of Axway Software

Pursuant to the recommendations of its Remuneration Committee, the Board of Directors' meeting of 21 October 2015 authorised the commitment to payment of severance pay to the benefit of the Managing Director, Mr Jean-Marc Lazzari.

This severance pay in the event of the termination of service is only due in the case of forced departure of the Managing Director from the Company. The severance pay will not be due if:

- the Managing Director leaves his position upon his sole initiative;
- in the case of serious misconduct or gross negligence;
- in the case of a wrongful act which is unrelated to his positions;
- in the case of a change in the positions held by Mr Jean-Marc Lazzari within the Axway Group and/or within the Sopra Steria Group.

The maximum amount of severance compensation that may be paid is $500,000. The payment of such severance shall be conditioned upon the finding by the Board of Directors that the following performance conditions have been met:

- in the event of dismissal during the 2015 financial year, 50% of the amount of the severance pay will be due if Axway Software's organic growth with respect to such financial year is positive (at constant scope), and 50% of the remaining severance pay will be due if the Board of Directors considers that the strategic plan has been implemented;
- starting from the 2016 financial year, the Board of Directors shall define each year the performance conditions which must be met by the Managing Director in order to receive such severance payments.

Motives justifying the interest in the agreement for the Company

Your Board has provided information in support of this agreement in the following manner: Executive Management within the Axway Group must address a number of challenges. Establishing severance pay to the benefit of the Managing Director makes it possible to maintain the latter in his position, and to preserve the interests of the Company, and more broadly, those of the Axway Group. The establishment, the amount, as well as the performance criteria to be met are, on the one hand, (i) in conformity with market practices, the AMF's recommendations, as well as the recommendations of the Miiddlenext Code, to which the Company adheres, and, (ii) on the other hand, linked to the performance and margin objectives that the Company, and more broadly, the Axway Group, must achieve.

Person concerned

Jean-Marc Lazzari, Managing Director of Axway Software as of 22 June 2015.

Agreements and commitments already approved by the General Meeting

Pursuant to Article R. 225-30 of the French Commercial Code, we were informed that the execution of the following agreements and commitments, already approved by the General Meeting in prior years, continued in the year under review.

Agreement for the provision of business premises between Axway Software and Sopra Steria Group

Sopra Steria Group SA invoices your Company for services provided under an agreement for the provision of premises.

The net charges borne by the Company under this agreement were €2,156,132 for financial year 2015.

During the course of its meeting of 6 January 2016, your Company's Board of Directors decided to extend said agreement for the 2016 financial year, in order to ensure the durability and continuity of the Company's business, on the one hand, and to consolidate the developments carried out to install its operations there, in particular at the Puteaux site, on the other hand.

Mr Pierre Pasquier	Chairman of the Board of Directors of Axway Software Chairman of the Board of Directors of Sopra Steria Group
Mrs Kathleen Clark Bracco	Director of Sopra Steria Group Director of Axway Software
Mr Hervé Saint-Sauveur	Director of Sopra Steria Group Director of Axway Software

Agreement for the provision of IT resources between Axway Software and Sopra Steria Group

Sopra Steria Group SA invoices your Company for services provided under an agreement for the provision of IT resources.

The net charges borne by the Company under this agreement were €8,068 for financial year 2015.

Persons concerned

Mr Pierre Pasquier	Chairman of the Board of Directors of Axway Software Chairman of the Board of Directors of Sopra Steria Group
Mrs Kathleen Clark Bracco	Director of Sopra Steria Group Director of Axway Software
Mr Hervé Saint-Sauveur	Director of Sopra Steria Group Director of Axway Software

Assistance agreement signed with Sopra GMT

The agreement between the Sopra GMT company, on the one hand, and your Company and the Sopra Steria Group SA company, on the other hand, defines the role of the lead holding company which the Sopra GMT company assumes with respect to your Company and the Sopra Steria Group SA company. In the framework of this tripartite agreement, the Sopra GMT company handles the role of coordination and assistance for both of these companies, all while striving to develop, to the extent possible, the various synergies between the latter.

These services are invoiced by Sopra GMT to the two companies on the basis of actual time and money spent in order to successfully supply the services, plus 7%. The two-year agreement signed on 1 July 2011 was renewed in July 2013 for an indefinite period and is subject to a 12-month termination notice.

The implementation of this agreement led to Sopra GMT's invoicing of €682,661, excluding taxes, to your Company for the 2015 financial year.

During the meeting of 6 January 2016, the Board of Directors of your Company decided to extend said agreement for the 2016 financial year, in order to allow the three parties to the agreement to pursue the development of the synergies found.

Persons concerned

Mr Pierre Pasquier	Chairman of the Board of Directors of Sopra Steria Group Chairman of the Board of Directors of Axway Software Chairman and Managing Director of Sopra GMT
Mrs Kathleen Clark Bracco	Permanent representative of Sopra GMT, Director of Sopra Steria Group Director of Axway Software
Mr Hervé Saint-Sauveur	Director of Sopra Steria Group Director of Axway Software
Mr Yann Metz-Pasquier	Director of Sopra GMT Director of Axway Software

Courbevoie and Paris, 22 April 2016
The Statutory Auditors

Auditeurs & Conseils Associés	**Mazars**
represented by François Mahé	represented by Bruno Pouget

3

BOARD OF DIRECTORS' MANAGEMENT REPORT AND OTHER REPORTS

The management report and its associated reports are prepared by the Board of Directors to describe the Company's and Axway Group's business activities during the fiscal year just ended. In particular, they describe acquisitions and the economic performance attained during the 2014 fiscal year, and also provide information regarding the strategy adopted for 2016.

The management report also describes the operation of the Group and details the structure chosen for product distribution and asset concentration. The risk factors that the Company and the Group must take into account on a daily basis are also listed.

BOARD OF DIRECTORS' MANAGEMENT REPORT

2015 was marked by:

- Jean-Marc Lazzari, Axway's new Chief Executive Officer, taking up his new position in June 2015, and the reinforcement of the senior executive team with, in particular, a new product portfolio management team;
- a major shift in Axway's positioning agenda that expanded its traditional Middleware offer in order to support customers in their digital transformation;
- the implementation of a company transition plan in order to support the new strategic positioning. This change affects many areas and can be seen in:
  - the fine-tuning of the Company's operational, sales and marketing organisation, as well as the product offering organisation, to speed up positioning towards digital engagement and establish a bimodal approach,
  - the launch of an operation to rationalise the Research and Development centres leading to a reduction in the number of laboratories,
  - a focus on the development of the North America region and growth for API technologies and Operational Intelligence.

In addition, in January 2016, Axway acquired the American company Appcelerator; this is a significant asset due to Appcelerator's specialisation in the integration of mobile applications, and it aligns with the Company's aim to help organisations navigate the road to digital business.

3.1 2015 CONSOLIDATED FINANCIAL STATEMENTS

3.1.1 Consolidated income statement

Group results

(in millions of euros)	2015	2014	2013
Revenue	284.6	261.6	237.5
EBITDA	40.3	41.4	36.1
Profit (loss) from operations	44.5	39.7	37.5
As % of revenue	*15.6%*	*15.2%*	*15.8%*
Profit from counting operations	37.9	33.6	32.4
As % of revenue	*13.3%*	*12.8%*	*13.7%*
Operating profit	27.4	31.3	27.2
As % of revenue	*9.6%*	*11.9%*	*11.4%*
Net profit – Group share	27.9	26.5	35.6
As % of revenue	*9.8%*	*10.1%*	*15.0%*

In 2015, Axway's profit (loss) from operations was €44.5 million compared to €39.7 million in 2014. The operating margin increased by 0.4 points to 15.6% as compared to 15.2% in 2014, linked to an optimisation of general and administrative and sales and marketing expenses. In 2015, operating profit accounted for 9.6% of revenue compared to 11.9% in 2014.

The 2015 operating profit reflects charges for the restructuring of our operations, primarily in Germany and in the United States. Consolidated net income fell to €27.9 million or 9.8% of revenue in 2015, compared to a profitability rate of 10.1% in 2014. The change in net profit between 2014 and 2015 can also be attributed to the restructuring expenses in the operating profit.

Revenue by activity

(in millions of euros)	2015	2014 reported	2014 pro forma	Total growth	Organic growth(1)
Licences	80.5	79.6	86.2	1.1%	-6.7%
Maintenance	137.7	120.5	132.1	14.3%	4.3%
Services	66.4	61.5	66.3	8.0%	0.1%
AXWAY	**284.6**	**261.6**	**284.7**	**8.8%**	**0.0%**

(1) At constant exchange rates and scope of consolidation.

Licence revenue was down 6.7% to €80.5 million. However, Products (Licence + Maintenance) revenue remained stable compared to 2014. Certain segments like API and Operational Intelligence have continued to show growth.

Services business remained relatively steady in comparison with 2014, but with greater momentum seen in the Americas and the Asia Pacific areas.

Cloud business, currently included in "Services" revenue, reported significant growth, most notably in the United States.

Maintenance activity continues its trend on positive growth for many years, the result of a proactive sales policy and targeted product offering that has been operational for several years.

Revenue by region

(in millions of euros)	2015	2014 reported	2014 pro Forma	Total growth	Organic growth(1)
France	95.2	103.4	102.4	-7.9%	-7.0%
Rest of Europe	65.8	59.5	65.0	10.5%	1.2%
Americas	109.7	89.1	106.5	23.2%	3.0%
Asia/Pacific	13.9	9.6	10.8	45.3%	29.1%
AXWAY	**284.6**	**261.6**	**284.7**	**8.8%**	**0.0%**

(1) At constant exchange rates and scope of consolidation.

Growth in the Americas, particularly over the second half, rewarded the action plans implemented in Axway's commercial and marketing organisation to increase the business pipeline. The Americas now account for 39% of Axway's total revenue and has thus become the Company's leading business region. France, the second region in terms of revenues, reported a fall in licence sales, particularly in the fourth quarter. The rest of Europe delivered total growth, up 10.5%, thanks specifically to the GEMEA area (Germany, UK, Scandinavia, Italy, Spain) buoyed by restructuring of the sales team, a large licence deal and the API OEM partner contract.

Comparison of fiscal years ended 31 December 2015, 2014 and 2013

(in millions of euros)	2015	2014	2013
Revenue			
Licences	80.5	79.6	75.6
Maintenance	137.7	120.5	106.3
Sub-total licences and maintenance	218.2	200.1	181.9
Services	66.4	61.5	55.6
TOTAL REVENUE	**284.6**	**261.6**	**237.5**
Costs of sales			
Licences and Maintenance	23.2	21.9	20.7
Services	63.2	57.0	51.4
TOTAL COSTS OF SALES	**86.4**	**78.9**	**72.1**
Gross profit	**198.3**	**182.6**	**165.4**
As % of revenue	*69.7%*	*69.8%*	*69.6%*
Operating expenses			
Sales and marketing expenses	81.9	77.5	70.8
Research and Development expenses	46.0	41.0	33.6
General and administrative expenses	25.9	24.5	23.5
TOTAL OPERATING EXPENSES	**153.8**	**143.0**	**127.9**
Operating profit on business activity	**44.5**	**39.7**	**37.5**
As % of revenue	*15.6%*	*15.2%*	*15.8%*

Cost of sales and gross margin

Our gross margin on products (licenses and maintenance) was stable in each period, as we managed to keep support costs down while increasing our maintenance revenue through our commercial approach.

Sales and marketing, R&D and administrative expenses

In 2015, the costs inherent to sales and marketing operations amounted to 28.8% of our revenue, as compared to 29.6% in 2014, or an increase of €4.4 million in absolute value. All of this increase in absolute terms was attributable to the integration of an additional quarter term of Systar (€1.3 million) and to currency effects (€3.4 million). While the development of our operations in the United States has brought about an increase of certain costs, the French market posted a drop in such costs, at the same time as a shrinkage in the licensing sector. Nevertheless, this trend can be explained by reason of change in licensing fees and in staff numbers.

Our expenses in Research & Development matters increased in 2015 by €5.0 million in comparison with 2014, going from 15.7% of our revenue in 2014 to 16.2% of our revenue in 2015. A portion of this increase in absolute value was attributable to the integration of an additional quarter term of Systar (€1.2 million) and from the impact of the foreign-exchange market (€1.8 million). However, the remaining €2.1 million of this growth came from our investment in the Global Products and Solutions (GPS) team, under the aegis of the new Executive Vice President, Jeanine Banks. The impact from the restructuring of our Research & Development operations is reflected through our reorientation in favour of Research & Development investments from one region to another, to focus on strategic products and disengage from centres and products deemed non-strategic.

General and administrative charges increased in absolute value, by €1.4 million in 2015 in comparison with 2014, now accounting for 9.1% of our revenue in 2015, as compared to 9.4% in 2014. Close to €0.6 million of this growth is linked to additional effects from Systar and from the foreign-exchange market, the remainder being necessary in order to manage the additional scope constituted by the acquisition and the change in governance, resulting in a growth of 3%.

3.1.2 Balance sheet and financial structure

At 31 December 2015, Axway's financial position is extremely solid with cash and cash equivalents of €44.7 million, bank debt of €5.1 million and shareholders' equity of €340.6 million.

As of 31 December 2015, net cash and cash equivalents was €35.7 million, enabling the Group to achieve financial ratios that comfortably meet the values required by banking covenants.

3.2 2015 PARENT COMPANY FINANCIAL STATEMENTS

3.2.1 Income statement

- Revenue increased by 9.8% in 2015 to €172.1 million, versus €156.7 million in 2014.
- Operating profit amounted to a negative €2.7 million in 2015, compared with a positive €7 million in 2014. Following the transfer of all assets and liabilities, Axway Software bore both the accumulated amortisation of the Research and Development expenses (R&D) capitalised by Systar, and the R&D expenses which it did not capitalise.
- Net financial income fell from €39.8 million in 2014 to €4.9 million in 2015. It will be recalled that Axway Inc. paid a one-time dividend in 2014 of €35 million.
- Pre-tax profit on ordinary activities dropped from €46.8 million in 2014 to €2.1 million in 2015.
- Net exceptional income for 2015 was negative at (-)€2.1 million, compared with €0 million in 2014. Restructuring costs were recorded in the amount of €4 million.
- The employee profit-sharing expense went from €1 million to €0.6 million and the corporate income tax expense from (-)€4.8 million to (-)€9.8 million.
- There was a net profit of €9.3 million in 2015, versus €50.6 million in 2014.

3.2.2 Balance sheet

- Shareholders' equity rose from €218.2 million at 31 December 2014 to €219.9 million at end-2015.

This change was due primarily to the following factors:

- the net profit for the fiscal year of €9.3 million;
- an intellectual-property capital cost allowance, in the amount of (-)€2.5 million;
- the payment of dividends in respect of the 2014 fiscal year, amounting to (-)€8.2 million;
- a capital increase and share premiums through the exercise of €3.1 million in options.

Pursuant to Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, we hereby inform you that the balance of trade accounts payable at 31 December 2015 comprises the following:

(in millions of euros)	**Total outstanding amount**	**Amount not due**	**Amount due less than 60 days**	**Amount due more than 60 days**
31 December 2015	4,037	3,738	229	69
31 December 2014	3,572	3,524	15	33

Axway Software observes the statutory payment time frames for trade accounts payable: a maximum of 60 days from the issue date of the invoice.

The remaining balance of trade receivables breaks down as follows:

(in millions of euros)	**Total outstanding amount**	**Amount not due**	**Amount due less than 60 days**	**Amount due more than 60 days**
31 December 2015	42,350	27,545	7,101	7,704
31 December 2014	50,109	37,153	9,515	3,441

Aging of accounts receivable has decreased by €7.8 million. It should be noted that €5.2 million of invoices overdue by more than 60 days are attributable to intra-group receivables.

Fixed assets amounted to €257.3 million in 2015 versus €263.5 million in 2014. They consisted mainly of €190.9 million in non-current financial assets, €63.5 million in intangible assets, and €2.9 million in property, plant and equipment.

The related-party transactions are described in Chapter 2, Section 3, and in Chapter 4, Section 5, in Note 31 "Related-party transactions" of this Registration Document.

3.3 STRATEGY AND TARGETS FOR 2016

3.3.1 Key events

New CEO and organization alignment to support Axway's new positioning

Jean-Marc Lazzari was appointed as the new Chief Executive Officer of Axway in June 2015. This appointment is part of the framework put in place to support the implementation of the Company's transformation plan, designed to strengthen the Company's new positioning in enabling digital transformation. The major changes involve:

- investment and innovation: Axway is investing and innovating to strengthen its role as the partner of choice to accompany customers in this new digital economy. Axway is committed to leveraging and extending the Axway 5 Suite to accelerate the digital transformation of the businesses that place their confidence in Axway;
- new "Global Product & Solutions" (GPS) organisation: the entity responsible for product definition and both upstream and downstream marketing teams is now housed in a single organisation, namely GPS. GPS is in charge of streamlining Axway's portfolio, innovation, brand communication, and products, as well as digital transformation;
- improvement in the R&D entity's performance: Axway has brought several R&D centres together and redefined their organisational structures and governance processes, in order to achieve operational excellence;
- optimisation of the efficiency of the sales force: Axway has launched strategic global initiatives resulting in structural changes in commercial management, processes and organisation. In order to develop its commercial talent and market leadership, Axway has implemented a sales solutions methodology. Furthermore, it is using investment and the rollout of the Salesforce.com CRM platform to target improved management and optimized control.

"Axway is proud of its unique positioning, designed to help enterprises achieve "omnipresence," namely, to provide them with the ability to rapidly deliver delightful digital experiences connected to any data, on any device, at any time."

Jean-Marc Lazzari, Chief Executive Officer of Axway.

US market share growth

In 2015, the US became Axway's largest market, with 39% of total revenue, exceeding the revenue contribution from France of 33%. This trend confirms the Group's strategy on the US market, which remains the prime market focus for Axway in the coming years.

Market analyst recognition

Each business analyst firm uses its own methodology and market segmentation to assess the players within the different technology areas.

In 2015, Axway was named a "Leader" in the Gartner analyst firm's Magic Quadrant for Application Services Governance for the second consecutive time[1]. Axway was also named a "Leader" in the 2015 KuppingerCole Leadership Compass for API Security Management[2]. Additionally, in one of the most recent MFT (Managed File Transfer) market assessments by the analyst community, Axway was named a "Champion" for the second consecutive time in the Info-Tech Research Group's "Select and Implement a Managed File Transfer Solution[3]" 2015 vendor landscape analysis.

Axway was also cited as a representative vendor in a significant number of Gartner Market Guides[4] published in 2015:

- Market Guide for Operational Intelligence Platforms;
- Market Guide for On-Premises Application Integration Suites;
- Market Guide for Hybrid Integration Platform-Enabling Technologies;
- Market Guide for Integration Brokerage;
- Market Guide for Cloud-Enabling Mobile Backend Services; and the
- Market Guide for Email Encryption.

(1) *Gartner, Magic Quadrant for Application Services Governance, Paolo Malinverno, 9 April 2015.*

(2) *KuppingerCole, Leadership Compass for API Security Management, Alexei Balaganski, July 2015.*

(3) *Info-Tech Research Group, Select and Implement a Managed File Transfer Solution, 2015.*

(1) (4) *See note on Gartner on the following page.*

14 successful customer conferences

The primary objective of Axway's global customer conference series is to strengthen relationships with its customers by creating an environment that favours exchange and, in particular, the sharing of viewpoints on Axway's strategic direction. In 2015, the conferences brought together customers, prospects and partners in 14 countries around the globe. Per event average registrations and attendance were at record levels, with total attendance doubling compared to 2013. Some 50 customers and partners presented their experiences and case studies. The US Conference saw a 50% year-on-year jump to 220 attendees. In all, the conference series enabled identification of 450 business opportunities for Axway.

New products for the Axway 5 Suite

In 2015, Axway enhanced the Axway 5 Suite with an extended range of capabilities to enable digital transformation.

Ecosystem Engagement

- The new release of the Axway API Management 7.4 solution delivered a set of innovative services designed to publish, promote and manage Application Programming Interfaces (APIs) in a secure and scalable environment. This includes API Management for real-time B2B and mobile applications. Moreover, it is a breakthrough approach designed to lighten application integration and real-time data synchronization patterns, with a focus on Web API technology and an API Catalogue.

  The combination of Axway 5 Suite and the Appcelerator Platform allows users to quickly create innovative mobile apps, integrate them easily with existing systems using APIs, manage backend services, and optimize performance with comprehensive analytics applications.

Integration Foundation

- Axway Secure Transport 5.3. This release includes powerful automation and improved visibility to help customers secure, monitor and govern exchanges of large volumes of business data between people, applications and devices. IT and file transfer service managers are empowered to comply with critical business mandates, including service level agreements (SLA), government regulations, corporate governance controls, and cybersecurity policies.
- Axway Interchange 5.12. A best in class product for electronic data interchange (EDI), the new release supports business to business (B2B) integration consolidation and modernisation. It is designed for real-time communications using a wide range of EDI messaging protocols in a highly scalable gateway.

New business partnerships have been established around the Cloud Services offerings administered by Axway in the areas of MFT, EDI and API. These managed Cloud Services leverage the Amazon operational cloud environment, and some of them are directly accessible from the Amazon marketplace (https://aws.amazon.com/marketplace). Vertical solutions dedicated to optimising and securing supply chains in areas such as healthcare and the automotive sector have also been improved.

To support the increased proliferation of digital technology initiatives in the enterprise, Axway introduced the IT OpsVision Suite that helps organisations enhance IT operations management. The Axway IT OpsVision Suite combines Automator with WideVision, as well as OmniVision – two technologies that Axway has integrated into its range of product offerings as a result of its acquisition of Systar.

(1) (4) Gartner, Market Guide for Operational Intelligence Platforms, W. Roy Schulte, Ehtisham Zaidi, 28 May 2015; Gartner, Market Guide for On-Premises Application Integration Suites, Jess Thompson, 22 April 2015; Gartner, Market Guide for Hybrid Integration Platform-Enabling Technologies, Jess Thompson, Eric Thoo, Benoit J. Lheureux, 17 July 2015; Gartner, Market Guide of Integration Brokerage, Benoit J. Lheureux, Paolo Malinverno, 18 September 2015; Gartner, Market Guide for Cloud Mobile Back-End Services, Richard Marshall, Van L. Baker, Jason Wong, 5 March 2015; Gartner, Market Guide for Email Encryption, Neil Wynne, Peter Firstbrook, 7 December 2015.
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3.3.2 Strategic priorities for 2016

A new positioning: "Enabling the digital transformation"

Building on its historical strength in governing data flows and its leadership in digital technologies in both the "Integration Foundation" layer (API, MFT, EDI gateways) and the ecosystem engagement layer (API management, Operational Intelligence), Axway has established itself as a key enabler of Digital Business.

The new positioning:

"Enabling your digital business by connecting people, processes, and things, while governing data flows throughout your ecosystem."

Fundamental to enabling digital business is the ability to design, connect, control and analyse the necessary data flows between the people, systems, companies, and things participating in an ecosystem. The basis of this capability is the middleware technology that has been around for several years. To be successful, companies must be able to leverage all of their data and services, whether they sit in traditional systems or they are provided through the cloud. Axway is uniquely positioned as a vendor that has continually invested in these core integration solutions, as well as identifying opportunities for investment in digital engagement through APIs.

Cloud investments

Axway is continuing to innovate in foundation and ecosystem engagement to offer value added cloud native services. Specifically, Axway continues to invest in the "Integration Foundation" and "Ecosystem engagement" layers to offer value-added native cloud services. Specifically, Axway plans to invest in a three-pronged cloud strategy to capitalize on the growing demand for platforms as a service (PaaS):

- strengthening cloud-enabled managed services;
- developing PaaS for next generation services;
- enabling strategic partners to use Axway's PaaS solutions to develop and deliver digital solutions for their customers.

Geographic focus

60 percent of the market for Axway's traditional solutions comes from the United States, Germany, and the UK. However, in order to increase its penetration in large accounts in these markets, Axway sees a significant growth opportunity through its ecosystem engagement product lines. Axway intends to focus on these little-penetrated markets by:

- increasing the sales resources to match the market size;
- organising the sales structure in the US around two teams: the first, responsible for strategic accounts, with the aim of focusing on expanding the current customer relationships, while the second, responsible for digital accounts, will focus on developing new customer relationships to increase use of our cloud-based API and analytics solutions;
- driving growth in the UK and Germany by implementing an integrated and centralized management model.

In France and Benelux, Axway has a high customer penetration with a large base of Tier 1 customers. Axway's strategy in France is to leverage the customer base and on the one hand continue to up-sell the current solutions for new use configurations, and on the other, cross-sell the API and Analytics-based solutions into the customers' digital initiatives.

Axway has a significant business outside of the key geographies discussed above. Axway intends to continue to develop these geographies as opportunities arise, based on the current Axway customer base, solution base, and partner base. The markets include Latin America (Brazil, Mexico), Italy, Spain, Nordics, Australia, South Asia (Singapore, Malaysia, Indonesia) and Greater China (Hong Kong, Taiwan, China).

Extended the partner ecosystem

To support its growth ambition, Axway will leverage and extend its partnerships and alliances to significantly increase their contribution in Axway's total License revenue. Axway will align its use of multiple partnership styles (SI's and consultants, Resellers, and OEM/ISV partners) in relation to its product and market strategy.

For 2016, this will specifically mean:

- combining the solutions dedicated to the digital transformation with the Sopra Steria and Sopra Banking offers;
- developing a robust partner network in the United States;
- leveraging Axway Decision Insight and API solutions in an OEM model;
- relying on partnerships with consulting firms to distribute the Accounting Integration Suite.

Axway intends also to deepen its vertical approach through closer collaboration with partners that can provide greater industry expertise across a broader array of industries.

A new services activities approach

Axway's services activities have been primarily based on a strategy that positioned Axway as the prime deployment and systems integrator for its technologies. This approach has allowed Axway to develop long-term relationships with the customers and to develop a significant know-how about the deployment of Axway technology.

Axway intends to capitalize on these human and technical assets to transform its services approach to better align with the Company's new strategic objectives:

- focusing its services activities on supporting the sales of the solutions and technologies rather than being the primary integrator;
- developing the service partner ecosystem to more cost-effectively improve sales and services coverage and Axway brand development;
- offering new types of "domain expertise-based" services focused on leveraging the ecosystem engagement solutions in our customers' digital transformation initiatives;
- aligning with the geographical focus of the Company.

Merger & Acquisition to support the Axway strategy

Our M&A policy is designed to support our corporate strategy and goals. In order to accelerate the execution of our strategy and provide a more complete set of digital enablement capabilities to our customers and partners, as well as to enable us to double our size by 2018, we would expect to execute between two and four acquisitions over the next three years, contributing over €100 million in revenue to Axway.

The goal of the acquisitions would be to:

- enlarge our revenue and customer base in core geographic markets, expanding opportunities for our current and future solutions;
- enter high-growth, digital enablement markets to which we do not currently have access and establish ourselves as a force in enabling the digital transformation;
- increase our "speed to market" for new digital enablement features/capabilities through acquisition of technologies or new delivery model capabilities (i.e. Cloud-based delivery and business model capabilities). The initial acquisition in support of our strategy was completed in January and is described below. The type and timing of additional acquisitions will be based on our ability to execute the appropriate integration plan for each acquisition to ensure we maximize the ROI from each investment.

In this context, for the next three years, the Company is targeting strong growth in revenue and a steady operating margin at constant scope.

3.3.3 Recent changes

On 18 January 2016, the Company published the acquisition of Appcelerator in the following press release:

Axway Announces the Acquisition of Appcelerator in order to accelerate the expansion of its Digital Business Enablement Solutions with a Market-leading Mobile Engagement Platform.

Paris, 18 January 2016 – Axway (Euronext: AXW.PA) announces the all-cash **acquisition of Appcelerator Inc., a US company helping organisations build their mobile business with a leading mobile engagement platform to drive impressive mobile app experiences**. With the acquisition of Appcelerator, Axway expands its suite of digital business enablement solutions to help enterprises achieve success at every step in their digital transformation journey – delivering optimal digital experiences connected on any device, to any data source, at any time.

Appcelerator, located in San Jose, California, was founded in 2006 with the introduction of its popular Titanium Software Development Kit, widely used in 185 countries for building cross-platform mobile apps. The Appcelerator Platform is purpose-built for digital business, handling over 2 billion cloud API calls per month and powering mobile apps running on over 350 million devices.

"The acquisition of Appcelerator confirms our strategic ambition to help organizations succeed in their digital journey by connecting people, processes and things across their digital business ecosystem. And I am excited about the talent, innovation and product capabilities Appcelerator brings to Axway," said Jean-Marc Lazzari, CEO at Axway. "To survive and remain relevant, every modern enterprise is on the journey to digital business. They realize that they need to deliver delightful customer experience and business innovation while increasing operational efficiency," said Lazzari.

The combination of Axway's digital business enablement solutions and the Appcelerator Platform allows anyone to quickly create great mobile apps, easily integrate them to existing systems using APIs, manage backend services at scale, and optimize performance with comprehensive analytics. Appcelerator's leading mobile app and integration platform and best practices will help accelerate the pace of new product innovation for our customers.

"We're thrilled to join forces with Axway, because our company visions are so closely aligned," said Jeff Haynie, CEO and co-founder of Appcelerator. "The word 'mobile' has really become shorthand for the need to build great digital experiences across a range of devices, and the best companies achieve this by unleashing backend data and services to drive digital innovation. Our Appcelerator Platform and vast developer ecosystem, combined with Axway's product portfolio, global reach and enterprise scale, means a single company that can power the digital needs of virtually any company in the world."

3.4 SUBSIDIARIES AND ASSOCIATED ENTITIES

3.4.1 Acquisitions of equity interests in subsidiaries and associated entities

First consolidation

The Company did not proceed with any acquisition for the fiscal year ended 31 December 2015. On the other hand, it did launch audit operations on a U.S. company, Appcelerator Inc. The outcome of the audit operations, deemed conclusive, gave rise to a proposed acquisition of such company through Axway Inc., the U.S. subsidiary of the Company, directly wholly-owned by Axway Software, which was accepted and completed on 14 January 2016.

In the framework of this transaction, a U.S. company was created, of which Axway Inc. is the sole shareholder. This subsidiary holds the assets of the Appcelerator company.

Reorganisation of legal entities

The operating model of the Axway Group is one company per country. However, following the acquisition of Systar SA, that model was no longer valid, particularly in France, in the United States, and in England.

The Company had therefore decided, during its meeting of 17 December 2014, as the sole shareholder of Systar SA, to order the dissolution without liquidation of Systar SA on 17 December 2014, with legal effect on 18 January 2015, and with a retroactive tax effect to 1 July 2014.

Moreover, it proceeded with the transfer of assets of Systar Inc. and Systar Ltd (UK), respectively, to Axway Inc. and Axway Ltd (UK).

Restructuring measures

The Axway Group saw its business model change following the acquisitions of the Vordel Group and the Systar Group. As a result, it was decided to simplify the Group's structure, while maintaining only one subsidiary per country. To this end, it was decided to have only one Axway subsidiary per country in France, in the United States, and in England. The transactions launched during the course of the fiscal year ended December 2015 are in the course of being finalised.

Deconsolidated entities

Systar SA and Systar Inc. were deconsolidated from the Axway Group in respect of the fiscal year ended 31 December 2015. The procedures commenced for the deconsolidation of the Axway Software Sdn Bhd and Systar Ltd (UK) subsidiaries will be completed for the 2016 fiscal year.

3.4.2 List of subsidiaries and associated entities

Company				Carrying amount of securities					
(amounts in euros)	Share capital	Equity other than share capital	Capital held *(%)*	Gross	Net	Loans and advances granted by the Company and not yet repaid	Latest fiscal year revenue excluding taxes	Latest fiscal year profit or loss	Dividends received by the Company during the fiscal year
Axway Software (France)									
Axway UK Ltd (United Kingdom)	119,717	78,429	100.0%	148,270	148,270		14,871,620	655,945	354,254
Axway GmbH (Germany)	425,000	9,109,198	100.0%	23,038,194	15,038,194		21,819,173	-2,742,154	2,250,000
Axway Srl (Italy)	98,040	92,014	100.0%	98,127	98,127		4,501,941	345,612	
Axway Software Iberia (Spain)	1,000,000	217,738	100.0%	1,000,000	1,000,000		6,499,245	780,022	350,000
Axway Nordic (Sweden)	11,221	519,371	100.0%	20,706,081	500,081		4,454,293	-78,674	
Axway Inc. (United States)	2	129,338,984	100.0%	120,266,278	120,266,278		141,064,737	15,884,340	
Axway B.V. (Netherlands)	18,200	204,934	100.0%	200,000	200,000		5,801,482	316,537	65,000
Axway Belgium (Belgium)	1,000,000	127,559	99.9%	999,000	999,000		8,513,452	822,929	529,470
Axway Romania Srl (Romania)	12,141	1,945,072	100.0%	1,972,250	1,972,250		10,153,355	556,186	850,000
Axway SAS (France)	37,000	-13,687	100.0%	37,000	0	0	0	-810	
Axway Pte Ltd (Singapore)	118,914	533,438	100.0%	1	1		5,421,036	349,477	125,123
Axway Ltd (Hong Kong)	9,949	330,988	100.0%	1	1	438,574	2,164,203	113,257	75,940
Axway Pty Ltd (Australia)	78,598	5,544	100.0%	1	1		5,808,122	141,409	72,866
Axway Software China (China)	1,392,228	-1,160,664	100.0%	1	1		2,421,398	13,760	
Axway Software SDN BHD (Malaysia)	60,895	-57,563	100.0%	1	0		0	0	
Axway Bulgaria EOOD (Bulgaria)	2,556	947,714	100.0%	979,846	979,846		7,623,103	916,132	950,000
Axway Distribution France (France)	16,000	-8,738	100.0%	17,800	0	6,500	0	-888	
Axway Ltd (Ireland)	141,815	13,102,117	100.0%	42,841,900	42,841,900		11,868,792	6,574,880	2,700,000
Axway Software Do Brasil (Brazil)	3,247	15,831	100.0%	3,255	0	1,626,494	3,750,174	-3,267,070	
Systar Inc. (US)	1,794,647	2,926,116	100.0%	4,952,515	4,720,840		0	1,613	
Systar Ltd (UK)	479,788	-27,232	100.0%	571,673	444,444		0	-7,730	

3.5 RISK FACTORS

Apart from the information contained in this Registration Document, investors are invited to take into consideration the risks described below.

The Company carried out a review of the risks which could have a significant unfavourable effect on its business, its financial situation or its earnings (or its capacity to achieve its objectives) and believes that there are no further significant risks other than those presented. Investors should nevertheless be aware that the list of risks presented in this chapter is not exhaustive and that the Group may be exposed to other risks, either currently unknown or not considered, at the date of this Registration Document, as likely to have an adverse impact on the Group, its operations, its financial position, its business results or its prospects.

3.5.1 Risks associated with the Group's operations

Uncertainties related to the global economic environment

The Group's revenue, net profit and cash flow are significantly affected by the global economy and the financial markets.

By its nature, the IT industry is especially susceptible to economic cycles. Moreover, the infrastructure software market in which the Group is active has often shown greater sensitivity to worldwide economic upturns and downturns than the application software market. The deployment of a large-scale infrastructure network may represent an important portion of a client's technology budget. Consequently, decisions relating to this type of investment greatly depend on global economic conditions.

The current difficult economic circumstances worldwide have brought about, in the past, and may continue to bring about, a decrease or a slower growth than expected in revenue, in net profit, and in the Group's cash flow. In addition, although signs of economic recovery have been perceptible in certain countries, the sustainability of a global economic upturn is not yet proven. If economic conditions remain uncertain, the Group might see lower levels of growth than in the past, which might have an adverse impact on the Group's operations and business results.

The Group is present mainly in Europe and in the United States, and is currently developing operations in Asia's emerging markets. Apart from risks related to foreign exchange rates described later in this chapter, due to its established presence in these geographic regions, the Group is particularly exposed to the risk of unfavourable developments in the economic context and/or regulatory regimes in the countries where it maintains operations.

The Group has several thousand clients, thus reducing the risk of dependency on a single client or group of clients. In 2015, no single client accounted for more than 2.3% of consolidated revenue. This risk is further reduced by the composition of the portfolio, which is made up of public sector entities and private sector companies operating in diverse business segments. Moreover, the structure and internal client risk management procedures minimise the risk of insolvency and lead to a delinquency rate of less than 2.5% of consolidated revenue. However, a number of business segments, such as banking, financial services, logistics, government agencies and health, account for a large part of the Group's revenue and may prove more susceptible than others to the economic uncertainties of the current context. This might lead existing or prospective clients in these segments to limit, postpone or cancel all or part of their information technology purchases or investments, or to reduce or terminate maintenance contracts as well as contracts for other services related to their installed base of systems, which might have an adverse impact on licensing and/or the Group's revenue. Sales cycles for licences to use the Group's software packages might also tend to lengthen in the face of current economic uncertainties.

In addition, the Group's ability to recover receivables might be affected by the financial difficulties of its clients, especially in the industry segments mentioned above.

Finally, the fact that clients increasingly seek to obtain the most competitively priced offerings might have a material adverse impact on the Group's business results, financial position and revenue.

Infringement of intellectual property rights of third parties

The Group integrates into its software packages certain third-party components which it has itself selected, or which were selected by businesses which it has taken over. Owing to the fact of such utilisation of third-party components integrated into its software packages, and in the absence of contractual agreements, the Group is exposed to the risk of being accused by a third party of causing prejudice to the latter's intellectual property rights. In order to reduce the risk of such challenges, the Group chooses with particular care the partner companies which furnish it with third-party components. If any of its software packages should find itself in either of the above-cited situations, the Group would risk being affected in a negative manner, both in terms of the conditions of supplying the software packages, as well as financially, and from the point of view of its reputation.

In the past, the Group has been, and may continue to be, the subject of claims alleging that its software packages constitute patent infringements, in particular in the United States, and/or violations of other intellectual property rights held by third parties. These claims have caused, and may continue to cause, the Group to incur significant expense in order to handle its defence in any lawsuit brought against it, regardless of what may be the grounds. In the context of a dispute connected to intellectual property rights, the Group may be constrained to:

- halt the development, the concession of licenses, or the use of software packages or of services which incorporate the intellectual property rights under contest;
- enter into licensing contracts with the holder of the intellectual property right who considers himself as having been prejudiced, it being understood that such concessions may prove difficult to negotiate in acceptable terms, particularly in acceptable financial terms;
- review the design of its software packages, which could be very costly and could obligate the Group to suspend its licensing concessions and the provision of its software packages, in order to dispense with the use of the disputed software package. Moreover, such an action plan may prove impossible to carry out;
- paying very significant sums as damages and interest with respect to court decisions having the force of res judicata and rendered without appeal.

Errors or defects in software packages

The Company's software packages involve complex software engineering methods and often consist of millions of lines of code. For this reason, they may contain errors or technical deficiencies that might lead some clients to bring claims for damages suffered due to the use of a software package and/or business interruption losses or might result in higher costs for maintenance or guarantees.

Errors and technical deficiencies might arise within some of the Company's existing software packages and others it plans to develop in the future and may only be revealed after deployment, on first use or when new versions and updates are released.

Moreover, since the Group's software packages are often used in complex operating environments processing millions of individual transactions, any loss caused by an error or a technical deficiency, particularly one related to performance, might require the client to take remedial action thereby incurring excess costs (higher costs for maintenance and guarantees, allocation of human and financial resources, etc.). Moreover, such defects could leave a mark on the Group's reputation and eventually lead to the loss of clients and/or of business opportunities.

The Group conducts tests on all of its new software packages (and on all new versions and updates) so as to ensure, as far as is possible and within reasonable limits, that they are free of errors and defects. Moreover, every software package is submitted to in-depth quality-assurance tests before being put on the market and delivered to the client. Furthermore, it is the client's responsibility to test the software package thoroughly before using it in a real-life environment. However, any claim for damages brought against the Group, even if unsuccessful, may involve protracted litigation and therefore high legal defence costs, with an adverse impact on the Group's brand image. So as to limit the financial consequences of the risk of errors within its software packages giving rise to damages for clients and third parties, the Group has taken out product liability insurance (see Chapter 3, Section 5.7). Nevertheless, although the amount of coverage provided is considerable, it may not be sufficient to offset all costs incurred as a result of errors of technical deficiencies.

Security of the software packages

The Group operates in a market characterised by the rapid pace of developments in technology and is therefore exposed on a constant basis to the risks of software piracy and industrial espionage, as well as potential attacks by computer viruses or software bugs that may interfere with the proper functioning of its systems and software packages and of those installed on the premises of its clients, which may result in major losses. Apart from the potential for data loss, such circumstances may also have material adverse consequences for the Group's operations and its brand image.

Given the importance of security concerns in the development of software packages, as much in relation to the Group's own products as to those used by the Group in connection with its operations, the Group has implemented measures to mitigate these potential risks.

In spite of all precautions taken, there can be no assurance that the Group will not fall prey to computer viruses, software bugs, piracy or, more generally, that it will not experience any failures in its information systems or its backup procedures, which may have a material adverse impact on its operations or its business results.

Use of free software

The Group use components sourced from third parties. It is possible, in particular, that certain products of the Group integrate free software.

In this regard, the Group may decide to incorporate into its products, as it has already done in the past, numerous elements which are available as free software, and its team of developers may plan the use of such software in order to reduce development time and to accelerate the process. The use of free software may take place in the implementation of a licensing contract, but it may also take place in the absence of an express agreement. Moreover, certain free software, which their author wishes to remain royalty-free, are described as “contaminants” and entail that the use of the final product incorporating such software also be royalty-free. There thus exists a risk that certain of the Group’s products, developed on the basis of free software or open-source licenses, must also themselves be royalty-free and usable by third parties. Such use could have an unfavourable effect on the Group’s operations, since it may bring about the existence of third-party claims concerning violation of their rights, and the obligation for the Group to divulge a portion of the source codes of the software developed on the basis of the contaminant software, which constitute elements generally protected by professional secrecy.

Innovation

Technology innovation is a constant feature of the market in which the Group operates. As a result, the Group’s success depends in large measure on its capacity to develop new software packages (or improve existing ones) in order to better meet the needs of its clients. The Group must therefore anticipate any developments in technology likely to be desired by the market, in order to offer a range of solutions perceived by its clients as truly different from existing software and at prices the market will accept.

Despite the substantial resources that the Group dedicates to the development of new product offers and to the improvement of its existing software packages, the Research and Development having represented the sum of €46 million in 2015, the new software packages developed by the Group might not meet the expectations of the market, and the demand for its software packages could thus decrease and impact its operating profit and its financial position.

In a more general sense, any change in the Group’s market position with respect to innovation may have a material adverse impact on the Group’s operations, financial position and revenue.

Competition

The target market for the Group’s software packages and services is characterised by fierce competition as well as the rapid pace of developments in technology and offerings. The Group competes with a wide range of companies of all sizes whose offers of products and services are similar to those of the Group. Some competitors have been present in the same market as the Group for longer and their financial and technology resources, as well as their development and marketing resources in support of their software products, are occasionally greater than those of the Group. Although the Group intends to increase its size in the future, moves towards consolidation in the sector might favour the emergence of large competitors with stronger financial backing than its own. In addition, the Group might lose market share and report weaker financial results in the face of heightened competition in its market. Hence, the arrival of one or more major competitors, especially a multinational IT company interested in expanding into the business interaction network software market in which the Group is positioned to offer either software packages and/or services, might affect the Group’s market share in relation to its full range of solutions. The adverse impact of such a development might involve downward pressure on prices or the need for defensive actions entailing greater advertising and promotional expenditures, and thus materially affect the Group’s operations, business results and financial position.

Production

The principal risk resides in the ability to perform agreements that have been signed with clients, in terms of quality, time frame, and cost: to deliver the products and services in compliance with the specifications, within the time frames provided and within the budget assigned, particularly within the framework of major client programmes. Meeting client requirements and production quality are the Company’s core challenges.

Controlling such risks requires a perfect knowledge of numerous constantly evolving technical and business environments, the application of a prior validation procedure covering technical, legal and financial aspects, a tried and tested project management methodology designed to integrate the use of production platforms that may be in a remote location, and a management system for monitoring and controlling technical and accounting aspects.

With regard to the control of the project management techniques to be implemented, a training programme was set up in relation to these challenges, which led to some 2,000 days of training in 2015 (equivalent to an average of around 1.4 days per employee in France and 2.8 days for each employee based outside France).

Infrastructure and data management

The Group operates in a market notable for very rapid technological changes, thereby constantly exposing it to risks relating to infrastructure and data management. The control of these risks requires thorough knowledge of technical and functional environments. This control cannot be perfect, due in particular to the speed of technical changes and the number of players required for the efficient handling of infrastructure and data management processes.

The Group has decided to set up technical facilities to ensure the secure operation of its IT systems, in compliance with current professional standards. Systems for backing up data, monitoring infrastructures, and controlling access to sites and IT applications are thus deployed universally.

Furthermore, the Group ensures that it complies with the requirements of various national laws, such as HIPAA regulations in the United States. Lastly, a global information security management project, based on ISO 27001 requirements, was also launched in 2012 (Axway Information Security Policy) and continues to this day. However, legal and/or regulatory changes could be voted and decided upon in the countries where the Group's subsidiaries are based. The Group tries to take into account such constant developments in the laws and regulations in force in order to comply with the applicable law in the countries where the Group is established. However, the implementation of such new laws and regulations could necessitate a period of time for adaptation, within the subsidiaries concerned. This is the reason why the Group cannot, despite the measures put into place, guarantee the total effectiveness of said measures.

Dependence on key personnel

Given the complexity of its software packages, the Group's continued success is contingent upon its ability to ensure the harmonious management of its Human Resources and build the loyalty of staff members who are fully familiar with its software packages and their development processes, who have a good understanding of the approaches to the use of a given product that are suitable for each client. A significant reduction in the number of highly experienced employees and, in particular, their departure to competing companies, could lead to a drop in Group standards, especially in terms of client service and product quality, and to the need to turn to additional subcontracting, thus having an impact on the Group's revenue. Furthermore, the technologies employed by the Group require the presence of an experienced and motivated sales force on an ongoing basis. Any loss of key members of this team or any steep increase in their turnover rate might have a material adverse impact on the Group's revenue. The Group has not taken out any insurance policy providing coverage for the loss of highly experienced and qualified staff members. However, to limit the risk, the Group has set up training and incentive programmes, as well as stock option plans, which are set out in Chapter 3, Section 9 of this document; it has also diversified its resources in Research and Development in various geographical areas, in order to reduce its dependence with respect to any one particular site.

Seasonality

The software and services sector is characterised by high seasonal variations in business activity, generally reflected in strong performance in the last quarter of the year, and especially in the month of December.

As with most other software developers, signings of the Group's licence agreements are concentrated towards the end of the calendar year, which corresponds to the close of its accounting year. Clients delay their purchases to obtain larger discounts, to regulate the use of their budget or for other factors not related to the Group. Consequently, the cyclical nature of the Group's business activities limits the reliability of its forecasts. The Group's profitability in any given year or half-year period may thus be delayed to a certain extent, in particular if major contracts are involved, as the Group will need to wait for the definitive signing of the necessary contracts in order to recognise its revenue. This phenomenon, whose magnitude may vary from year to year, results in changing levels of business activity, which may have an impact either on the Group's revenue or its annual or half year results. In particular, the Group's revenue and profitability are weaker, as a rule, in the first half of the year compared to the second half.

Uncertainty regarding results

The rapid developments in the markets, the competition, and the size of client contracts, as well as the seasonality of activity, may affect in a significant manner the projections of the Group in terms of revenue and results for a given period.

Apart from the influence owing to fluctuations in its revenue (see Chapter 3, Section 5.1.9 ("Seasonality"), above), the results of the Group could be affected in a negative manner by numerous other factors, certain of which are closely tracked by management, others being more difficult to foresee. This mainly concerns:

- variations in the exchange rate of foreign currencies with respect to the euro (US dollar in particular) (see Chapter 3, Section 5.2.3.a ("Interest rate risk"));
- the general trade environment in the software package sector (see Chapter 3, Section 5.1.1 ("Uncertainties related to the global economic environment"));
- the general environment of the economic market (see Chapter 3, Section 5.1.1 ("Uncertainties related to the global economic environment"));
- the emergence, consolidation or failure of a competitor (see Chapter 3, Section 5.1.7 ("Competition"));

- the timing of acquisitions by the Group and its competitors (see Chapter 3, Section 5.1.12 (“Acquisitions”));
- the launching of software packages by the Group (see Chapter 3, Section 5.1.3 (“Errors or defects in software packages”));
- the launching of software packages by competitors of the Group (see Chapter 3, Section 5.1.7 (“Competition”)).

Acquisitions

The Group did not carry out any acquisitions with respect to the financial year ended 31 December 2015. On the other hand, it did launch acquisition procedures on the US company Appcelerator, the acquisition of which was finalised on 14 January 2016. The acquisition of this company was made by Axway Inc., a subsidiary which is wholly owned by Axway Software SA. The purpose of this acquisition was to pursue and to reinforce the Group’s move into digital technology. The Group hopes that this acquisition will be profitable for it, will allow the release of identified synergies, and will in particular help to retain key employees, but the Company cannot guarantee that it will achieve that objective.

More generally, it should be noted that any future acquisition is important for the Group, especially since the Group’s ability to increase its revenue and its profit might depend in part on its ability to identify other potential acquisition targets, and to carry out these acquisitions at an acceptable cost, while integrating them into its existing product offering. Should it fail to achieve these objectives, the Group might not be able to implement its acquisition strategy.

The Group cannot, however, provide any guarantee that it will be able to successfully integrate any companies that may be acquired, deliver the anticipated synergies, build loyalty among employees of the acquired companies or ensure that these acquisitions will be profitable. Any future difficulties in these areas would be likely to have an adverse impact on the Group’s financial results, financial position and prospects.

Changes in the range of business activities

The Group’s revenue is generated by software package licensing together with contracts for maintenance and professional services, in particular, the Cloud. In any given period, the results of the Group’s operations would be very different should there be a marked shift in favour of one or another of these revenue sources.

3.5.2 Risks associated with the Group’s assets

Risk related to intangible assets

Intangible assets mainly comprise goodwill. As of 31 December 2015, goodwill amounted to €251.8 million (see Chapter 4) arising from the acquisition of companies in recent years and certain allocated intangible assets. Every year, the Group’s executive management team tests its intangible assets for impairment. Acquisitions or disposals, revisions in standards, fluctuations in exchange rates or interest rates, changes in the Group’s profitability, whether resulting from internal or external factors, might have a material adverse impact on the Group’s business results or financial position.

Intellectual property risks

The Group’s business is built upon the software packages it has developed over a number of years, either in their entirety or on the basis of acquired software packages or licences. Continuing to use and develop these software packages is primordial to ensure the Group’s future success. The Group’s operations rely on the protection of its intellectual property rights, in particular, copyright, patent rights, trademark rights, and professional secrecy.

The Group sees to the filing of patents for its software packages in the countries where the applicable law offers such an opportunity, such as the United States. Otherwise, the Group holds copyrights on the software packages, and seeks to ensure the enforcement of its rights with regard to third parties having recourse to registrations with private companies or agencies such as Logitas.

Nevertheless, an effective protection of copyrights, patent rights, trademark rights, and professional secrecy, could be unavailable or limited in certain countries where intellectual property rights are not protected the way they are in the United States or in Western Europe, or where it may be impossible, because of the existence of previous rights held by third parties. There exists a risk, especially in countries not offering sufficient legal protection, that a third party may make a claim of ownership of intellectual property rights on a portion or all of the software packages, in the lack of sufficient legal protection, thus permitting third parties to develop and to exploit the Group’s intellectual property rights. This could have unfavourable impacts on the Group’s activities. It is therefore recommended to put into place a process making it possible for its intellectual property rights to be respected. It would, however, be time-consuming and costly, both with respect to in-house resources used as well as to external service providers called upon to help the Group defend itself. Moreover, the Group could consequently be hindered in its activities, both in research and in commercial development, for the portfolio of software packages concerned. If such a risk should occur, the Group would not be able to maintain its competitive position in the market, which could have a significant negative effect on the operations, results and revenue of the Group.

Market risks

a. Interest rate risk

The Company is exposed to an interest rate risk in connection with a medium-term credit facility (with a contractual maturity of five years as of the date of the initial listing) granted in the amount of €125 million under a "club deal". In addition to this loan, bank overdrafts in the amount of €20 million are also available.

At the date of this document, the Company had entered into interest rate hedging agreements with three banks to cover the risk linked to the syndicated loan in the event of a rise in Euribor rates. Under these agreements, the Company pays the three banks fixed interest at a known rate (0.40). In return, the banks pay the Company the interest based on the three-month Euribor, thereby giving the Company a fixed interest rate on its debt and enabling it to keep track of its maximum debt ratio.

The Group's exposure to interest rate risks and hedging instruments is detailed in Note 29.3 a), page 160, of Chapter 4 "Annual consolidated financial statements".

b. Foreign exchange risk

The wide geographic distribution of the Group's operations entails the use of several different currencies. A significant portion of the Group's assets, liabilities, revenue and expenses is denominated in currencies other than the euro, mainly the U.S. dollar, and to a lesser extent the Swedish krona and the pound sterling, while the consolidated financial statements are denominated in euros. Consequently, fluctuations in these currencies, and especially the US dollar, against the euro, have had a material impact on the Group's financial position and business results, and might also have such an impact in the future (see Note 32.3 of Chapter 4). For Axway, the dollar zone is a region where the Company has commercial activities which generate revenue, as well as development and support activities which carry expenses, including personnel costs. For this reason, fluctuations in exchange rates for the US dollar against the euro affect Axway's revenues and costs to a nearly equivalent extent and thus have only a limited overall impact, especially with respect to margin levels.

The Group's exposure to foreign-exchange risk is reviewed in detail in Note 29.3 b), pages 160–161 of Chapter 4 "Annual consolidated financial statements".

On the date of this document, the Company does not envisage putting into place any exchange-rate hedges for commercial operations.

c. Equity risk

At the date of this document, the Group does not hold a portfolio of investment securities and does not consider itself as exposed to equity risk.

An additional analysis of this risk is given in Note 29.3 c) on page 161 in Chapter 4 "Consolidated financial statements".

Risks associated with various national legal frameworks

The Group carries out its operations in over 15 countries throughout the world, and therefore finds itself subject to the applicable legislation in each of these countries. Most of these countries have laws on foreign investments and on companies under foreign ownership conducting business within their territories. These laws may be amended at any time and the Group's operating costs in a given country may prove to be higher than anticipated. These amendments may also alter tax regimes or make it more difficult to bring funds into or out of these countries, with the risk of excess costs. Owing to its worldwide presence, the Group is also confronted with other types of risks, such as: unfavourable developments in tariffs, taxes, export controls, and other commercial barriers, unexpected amendments to legislative and regulatory requirements, and economic and political instability in some countries. Any occurrence of this type of risk event might have a material adverse impact on the Group's business results.

3.5.3 Financial and liquidity risks

The Company aims to ensure that it has access at any time to the financial resources necessary to sustain ongoing activities and make the investments required for its future development.

The Company has carried out a review of its liquidity risk and believes that it is able to meet its future payments.

The Axway Group has a medium-term line of credit (with a contractual maturity of five years as of the date of the initial listing) of €125 million with various banking institutions (Club Deal, comprising the following banks: BNP Paribas, CIC Lyonnaise de Banque, Crédit Agricole Corporate and Investment Bank, HSBC France, Crédit Lyonnais and Société Générale).

In addition to this medium-term credit facility, bank overdrafts in the amount of €20 million are also available. However, the Company's net debt may not exceed certain limits in order to maintain compliance with three ratios set under covenants (R1, R2 and R3), applicable from the moment funds are made available and calculated on the basis of Axway's consolidated financial statements (under IFRS):

$$\textbf{R1} = \frac{\textbf{Net financial debt}}{\textbf{EBITDA}}$$

This ratio must remain below 3, up until 30 June 2018 exclusive, be less than 2.5 as from such date and until 30 June 2020, and less than 2.0 as from such date. Net financial debt as included in the calculation for these ratios does not take into account liabilities related to employee profit sharing.

$$\textbf{R2} = \frac{\textbf{EBITDA}}{\textbf{Cost of net financial debt}}$$

This ratio must be higher than 5.

$$\textbf{R3} = \frac{\textbf{Net financial debt}}{\textbf{Total shareholders' equity}}$$

This ratio must be lower than 1.

The cost of net financial debt as included in the calculation for these ratios does not take into account liabilities related to employee profit sharing.

At the end of December 2015, the calculation of these ratios gives the following result: R1 = -0.98, R2 = 111.40, R3 = -0.12

The Group's repayments schedule is reviewed in detail in Note 29.2 of Chapter 4 "Consolidated financial statements".

Apart from these financial ratios, the Company has made a certain number of representations and warranties, and has undertaken commitments with its banks, all of which are in keeping with standard procedures for this type of financing, particularly with respect to restructuring efforts, acquisitions and disposals of certain assets, and the granting of a pledge on Axway's business assets, including in particular, the clientele, lease rights, equipment, goods, tooling, brand name, commercial name, and corporate name. For information, at 31 December 2015, all intangible assets taken together represented a gross value of €47.5 thousand and a net carrying amount of €31 thousand (see Note 15 of Chapter 4).

3.5.4 Credit risk

At present, the Group's clients are the main source of any credit risk to which it might be exposed. The Group's software packages are designed to handle millions of transactions and are particularly useful for major organisations engaged in high-volume business activities. This also implies that a single licensing agreement may represent several million euros. Given its broad revenue base, the Group is not dependent on any particular client (see Chapter 3, Section 5.1.1 ("Uncertainties related to the global economic environment")). However, even while the Group's clients are of first rank (see Note 32.1 of Chapter 4 "Maturity of trade receivables"/"Statements of changes in provisions for doubtful receivables"), it cannot be assumed that the Group will not be exposed to an eventual client insolvency, for a significant amount. In addition, the geographic scope of its operations exposes the Group to longer payment cycles.

Consequently, default by a client might have a material adverse impact on the Group's business results and its cash flow generation.

3.5.5 Legal risks

Disputes – Legal and arbitration proceedings

Upon the date of the present Registration Document, and as far as the Company is aware, there are no known governmental, legal or arbitration proceedings, in progress or to which it might be exposed, likely to have, or having had, a material impact on the financial position or profitability of the Company and/or the Group, during the past 12 months.

Risks connected to suspension of partnership agreements

While the share of revenue connected to partnership agreements is still weak, the development of partnerships constitutes an axis of development for the Group, notably in countries where the Group is still not well established (especially in the emerging countries of Singapore, Hong Kong, and China). Consequently, the suspension of one or more partnership agreements could have, in the future, a material adverse impact on the Group's operations, financial position, or revenue. In the absence of a mechanism which would be particularly apt for use in decreasing the risk of suspension of partnership agreements, the Group strives to maintain its contractual relationships with its partners.

Risks associated with the non-renewal of maintenance agreements

The Group's maintenance agreements are concluded for periods ranging from one to three years, subject to automatic renewal for successive one-year periods, and the rate of non-renewal of these maintenance agreements is currently less than 4.9%. Accordingly, the Group's exposure to the risk of non-renewal of these maintenance agreements is low. In the absence of a mechanism which would be particularly apt for use in decreasing the risk of non-renewal of maintenance agreements, the Group strives to maintain its contractual relationships with its clients.

Risks connected to suppliers

The Company intends to develop its hybrid product offers, bringing together components installed on premise and provision of outsourced software services for the "Cloud computing" demand. The development of these professional outsourced services will lead the Company to call more frequently upon suppliers, to whom it subcontracts all or part of such services. A failure on the part of one or more service suppliers could, in the future, have a negative impact on the operations, the financial position, or the revenue of the Company.

3.5.6 Relations with the Sopra Group

Sopra Steria Group SA and Sopra GMT, the lead holding company of Sopra Steria Group SA and of Axway Software SA, the founders, and Geninfo, retain an influence on the Company, and have the option of making important decisions concerning the Company, since they control the Company (and thus the Group) because of their combined ownership of approximately 59.57% of the shares and 67.47% of the voting rights (see Chapter 7, Section 2).

Furthermore, Sopra Steria Group SA will appoint the members of the Company's Board of Directors and will thus have an influence on certain strategic decisions, such as investment and divestment plans that may be carried out by the Company.

Lastly, Sopra GMT provides a certain number of services to Sopra Steria Group SA and Axway Software (see Chapter 2, Section 3).

3.5.7 Policy with respect to insurance

At the date of this document, the Company has implemented, for itself and for the Group, as necessary, an insurance programme to protect against the risks to which the Group is exposed, namely liability coverage for the Group's operations and property damage coverage for the Group's assets.

This insurance programme covers the risks associated with its operations in information systems engineering, the design, production, distribution, development, sales and marketing, publishing and/or installation and maintenance of all equipment, software packages and other software products, consulting, systems integration, training and technical assistance, and the design and production of computer-aided management or manufacturing systems.

This insurance programme has been taken out with a top-tier insurer, in consultation with and as selected by a broker appointed by the Company.

In the opinion of the Group, the insurance policies described below take into account the risks incurred by the Group. However, it is not inconceivable that the Group may be required to pay compensation for losses not covered by the insurance programme put in place.

1) Professional liability insurance, operations liability insurance, cyber insurance policy

The Group has taken out an insurance policy combining professional liability coverage with premises and operations liability coverage the purpose of which is to provide protection for the Group's various entities against the financial consequences of any liability they might incur due to bodily injury, property damage or economic loss, whether consequential or direct, caused to third parties and resulting from the Group's operations, professional negligence or the goods manufactured, sold and/or delivered by the Group. This insurance programme consists of a "master" policy, supplemented by "local" policies in the countries where the Group has subsidiaries.

The master policy serves to provide broader coverage to the insured than that provided by the local policy and to increase the limits of coverage by supplying additional amounts as necessary. It thus includes "difference in conditions" (DIC) and "difference in limits" (DIL) clauses.

The Company has also decided to supplement the Group's professional liability and operations liability insurance programme by subscribing to a cyber insurance policy. This policy, subscribed for the benefit of all of the Group's subsidiaries, has as its purpose to ensure the risks incurred by the Group in the framework of the upswing in its Cloud operations and more generally, possible damages which the Group could incur because of cyber attacks.

2) Employer's liability insurance

The purpose of this insurance policy is to cover the reimbursement of financial losses incurred by the Company (involving persons covered by laws relating to workplace accidents), comprised of supplementary contributions and compensation provided for in Articles L. 452-2 and L. 452-3 of the French Social Security Code.

These financial losses are covered if they result from workplace accidents having occurred or occupational diseases having manifested and been declared during the policy's validity period.

3) Directors' and officers' liability insurance

The Group's senior executives are covered by a specific liability insurance policy, taken out by the Group, whose purpose is mainly to provide protection for company officers against the financial consequences of claims brought against them that may be attributed to any act of professional negligence committed during their term in office and to cover civil and criminal legal defence costs.

4) Property damage and computer all risks insurance

The Group benefits from a "Property damage/Business interruption" insurance policy, the purpose of which is to cover the property (sites, equipment, terminals, etc.) of the various entities of the Axway Group against any risks of loss or damage (resulting, for example, from fires or natural catastrophes) and losses from business interruption experienced by the Group.

5) Assistance

On behalf of those of its employees, corporate officers, senior executives and directors who are often required to travel in the course of their work, the Group has taken out an insurance policy offering coverage in the event of death, accident or illness occurring during work-related travel.

6) Claim history under the Group's policies and insurance programmes

In the last three years, no major claim has been reported by any of the Group's entities under the policies described above (or others covering the Group in the past).

Subject to the indications included in this section, as a general rule the Group's claim history is very low, which has meant that it has been able to benefit from relatively low premiums and favourable conditions for coverage.

3.6 INFORMATION ON COMPANY OFFICERS

The information required under Article L. 225-102 of the French Commercial Code regarding the list of company officers and their compensation can be found in Chapter 2, Section 1 of this Registration Document.

3.6.1 Information on transactions in securities by directors and those persons mentioned in Article L. 621-18-2 of the French Monetary and Financial Code

Pursuant to Article 223-26 of the General Regulation of the *Autorité des marchés financiers*, the following transactions involving Axway shares fell within the scope of Article L. 681-18-2 of the French Monetary and Financial Code during fiscal year 2015:

Category(1)	Name	Function	Transaction type(2)	Transaction date	Number of securities	Unit price	Transaction amount
Member of the Board of Directors	Kathleen CLARK BRACCO	Director	E	16/12/14	3,081	€16.10	€49,588

(1) Category a. members of the Board of Directors, Chief Executive Officer, Sole Chief Executive Officer, Managing Director.
(2) Transaction type:
A. Acquisition;
D. Disposal;
S. Subscription;
E. Exchange.

3.6.2 Employee share ownership

Pursuant to the provisions of Article L. 225-102 of the French Commercial Code, Company shares were held by its employees or by employees of its affiliates, within the meaning of Article L. 225-180 of the French Commercial Code, at 31 December 2015, as follows:

- 3,330 shares under a company savings plan; and
- 21,900 shares under direct ownership;
- representing a total of 0.12% of the Company's share capital at 31 December 2015.

No shares were held by employees and/or former employees of the Company or its affiliates through mutual funds, in application of Article L. 225-180 of the French Commercial Code.

Company employee share ownership is the result of the 2012 bonus share allocation (hereinafter "PAGA 2012"), the terms and conditions of which are described in Section 3 of this Registration Document in accordance with the eighteenth resolution of the Combined General Meeting of 28 April 2011 and the decision taken by the Company's Board of Directors on 14 February 2012.

PAGA 2012 is governed by the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code.

3.7 INFORMATION REQUIRED BY THE ACT 2006-387 OF 31 MARCH 2006 RELATING TO PUBLIC TAKEOVER BIDS (ARTICLE L. 225-100-3 OF THE FRENCH COMMERCIAL CODE)

1. The Company's ownership structure is set out in Chapter 7, Section 2 of the Registration Document.
2. There are no restrictions in the Articles of Association on the transfer of shares, which are freely transferable, except where provided otherwise under applicable laws or regulations (Article 11 of the Articles of Association).

   The Company and the markets have been informed of the shareholder agreements put into place between shareholders acting in concert with respect to the Company. The contents of this information is detailed in Chapter 6, Section 2.3 of this Registration Document, in implementation of Article L. 233-11 of the French Commercial Code.
3. Any direct or indirect interests in the Company's capital of which the latter has been informed pursuant to Articles L. 233-7 and L. 233-12 are set out in Chapter 7, Section 2 of the Registration Document.
4. In accordance with the provisions of Article 31 (see Chapter 8, Section 3 of this Registration Document) of the Articles of Association, any shares held in registered form by the same shareholder for at least two (2) years have a double voting right. With this proviso, there are no special controlling rights under Article L. 225-100-3, paragraph 4, of the French Commercial Code.
5. There is no control mechanism provided under an employee share ownership scheme.
6. Agreements between shareholders of which the Company is aware and that may result in restrictions on share transfers and the exercise of voting rights can be found in Chapter 7 Section 2 of the Registration Document.
7. The regulations applicable to the appointment and replacement of the members of the Board of Directors comply with applicable legal and regulatory requirements and are set forth in Article 14 of the Articles of Association.

   The Articles of Association may be modified by the Company in accordance with applicable legal and regulatory provisions.
8. The powers of the Board of Directors are set out in Article 17 of the Articles of Association. "The Board of Directors determines the overall business strategy of the Company and supervises its implementation. It examines any and all matters related to the efficiency and effectiveness of business operations and reaches decisions about any and all issues concerning the Company, within the limits of the corporate purpose and except for those matters which, by law, can only be decided on by the shareholders in a General Meeting."

   Moreover, the Board of Directors has the delegated powers set out in Chapter 7, Section 5 of this Registration Document.
9. The agreements entered into by the Company that could be amended or terminated in the event of a change in control at the Company mainly concern the syndicated credit facilities arranged on 25 July 2014.
10. There are no agreements providing for the payment of compensation to members of the Board of Directors or employees upon resignation or dismissal without just cause or should their employment contracts be terminated following a public tender offer.

3.8 PARENT COMPANY FINANCIAL STATEMENTS, CONSOLIDATED FINANCIAL STATEMENTS AND APPROPRIATION OF EARNINGS

During the next General Shareholders' Meeting convened to approve the annual and consolidated financial statements for the year ended 31 December 2015, the shareholders will be asked to:

- approve the annual financial statements for the year ended 31 December 2015 showing a profit of €9,321,571.52;
- approve the non-tax deductible expenses referenced in Article 39-4 of the French Tax Code, amounting to €55,840 and the corresponding tax expense of €18,613;
- approve the consolidated financial statements for the year ended 31 December 2015 showing a consolidated net profit for the period for the Group share of €27,855,864.

The shareholders will also be asked to approve the appropriation of earning as follows:

- net profit to be appropriated for the year:
  - profit for the period: €9,321,571.52,
  - amount carried forward: €2,303.20,
  - amounting to a total of €9,323,874.72;
- appropriation of earnings:
  - legal reserve: €41,155.60,
  - dividends: €8,309,566.40,
  - discretionary reserves: €973,152.72,
  - total: €9,232,874.72.

3.9 SUMMARY OF RESULTS OF AXWAY SOFTWARE FOR THE PAST FIVE FISCAL YEARS

(in euros)	2015	2014	2013	2012	2011
Capital at end of financial year					
Share capital	41,547,832	41,136,276	40,930,354	40,642,076	40,301,282
Number of ordinary shares outstanding	20,773,916	20,568,138	20,465,177	20,321,038	20,150,641
Number of bonds convertible into shares					
Operations and results for the financial year					
Revenue excluding VAT	172,148,256	156,668,622	140,823,095	135,959,288	134,567,882
Results before tax, employee profit sharing, depreciation, amortisation and provisions	10,966,245	50,009,463	12,636,275	16,152,038	25,594,204
Corporate income tax	-9,829,433	-4,803,562	-5,332,396	-2,557,207	-5,135,529
Employee profit-sharing and incentive schemes owed inrespect of the financial year	567,488	1,049,317	1,222,312	1,070,259	938,662
Results after tax and employee profit sharing, depreciation, amortisation and provisions	9,321,572	50,557,004	13,492,187	15,083,037	8,623,387
Distributed earnings	8,309,566	8,227,255	8,186,071	7,112,363	5,037,360
Earnings per share					
Results after tax and employee profit sharing, but before depreciation, amortisation and provisions	0.97	2.61	0.82	0.87	1.48
Results after tax and employee profit sharing, depreciation, amortisation and provisions	0.45	2.46	0.66	0.74	0.43
Dividend awarded per share	0.40	0.40	0.40	0.35	0.25
Employee data					
Average number of employees during the financial year	705	626	622	616	608
Total payroll for the financial year	47,725,975	41,213,578	39,678,256	36,916,934	34,817,799
Total benefit paid for the financial year (social security, employee welfare, etc.)	21,692,547	18,811,294	18,710,694	17,612,693	16,571,046

3.10 OTHER REPORTS

Report of the Board of Directors on the use of delegations of authority granted by the Combined General Meeting of 22 June 2015 and other delegations of authority which expired during the fiscal year

Dear Shareholders,

The purpose of this report, prepared in accordance with Articles L. 225-129-5 and R. 225-116 of the French Commercial Code, is to inform the Meeting of the use of the current delegations of authority granted to the Board by the General Shareholders' Meeting in accordance with the provisions of Articles L. 225-129-1 and L. 225-129-2 of the French Commercial Code.

I. Use of the delegations of authority granted with respect to the Combined General Meeting of 4 June 2013

The power granted to the Board of Directors by **the twentieth resolution of the Combined General Meeting** to increase the share capital through the capitalisation of reserves, retained earnings, additional paid-in capital or other items **was not used**.

The power granted to the Board of Directors by **the twenty-first resolution of the Combined General Meeting** to increase the share capital by issuing ordinary shares and/or securities convertible into ordinary shares while maintaining preferential subscription rights and/or securities giving entitlement to the allocation of debt securities **was not used.**

The power granted to the Board of Directors by **the twenty second resolution of the Combined General Meeting** to increase the share capital by issuing ordinary shares and/or securities convertible into ordinary shares while cancelling preferential subscription rights and/or securities giving entitlement to the allocation of debt securities, by private placement, **was not used.**

The power granted to the Board of Directors by **the twenty third resolution of the Combined General Meeting** to increase the share capital by issuing ordinary shares and/or securities convertible into ordinary shares while cancelling preferential subscription rights and/or securities giving entitlement to the allocation of debt securities, within the scope of a public offering, **was not used.**

The authorisation granted to the Board of Directors by **the twenty-fourth resolution of the Combined General Meeting** to increase the size of the initial issue for the issue of ordinary shares or securities convertible into ordinary shares, with or without maintaining preferential subscription rights, decided pursuant to resolutions 21 to 23, **was not used.**

The power granted to the Board of Directors by **the twenty-fifth resolution of the Combined General Meeting** to issue ordinary shares and/or securities convertible into ordinary shares to compensate contributions in kind made to the Company and comprising equity securities or convertible securities, outside public exchange offers, **was not used.**

The authorisation granted to the Board of Directors by **the twenty-sixth resolution of the Combined General Meeting** to set the issue price of ordinary shares or any securities convertible into ordinary shares, in the event of cancellation of preferential subscription rights, for up to 10% of the capital per year, **was not used.**

The authorisation granted to the Board of Directors by **the twenty-eighth resolution of the Combined General Meeting** to increase the share capital by issuing ordinary shares reserved for Axway Group employees who are members of a company savings plan **was not used.**

II. Use of the delegations of authority granted by the Combined General Meeting of 4 June 2014

The authorisation given to the Board of Directors by **the fifteenth resolution of the Combined General Meeting** of 4 June 2014, for purposes of awarding bonus shares of the Company, was used up to 0.17%, thus leaving a percentage of 3.83% of the resolution. However, such portion which was not used was, furthermore, made void by the twenty-eighth resolution adopted by the Combined General Meeting of 22 June 2015.

Other delegations of authority granted by the Combined General Meeting of 4 June 2014 had not been used by the Board for the year ended 31 December 2014. A summary table of outstanding delegations and uses made is available in Chapter 6, Section 5 of this Registration Document.

III. Use of the delegations of authority granted by the Combined General Meeting of 22 June 2015

Other delegations of authority granted by the Combined General Meeting of 22 June 2015 had not been used by the Board for the year ended 31 December 2015. A summary table of outstanding delegations and uses made is available in Chapter 7, Section 5 of this Registration Document.

Paris, 20 April 2016

The Board of Directors

Board of Directors' report concerning stock options (drawn up in accordance with the provisions of Article L. 225-184 of the French Commercial Code)

Dear Shareholders,

The purpose of this report, prepared in accordance with Article L. 225-184 of the French Commercial Code, is to inform the Meeting of the operations carried out, pursuant to the provisions of Articles L. 225-177 to L. 225-187 of the French Commercial Code, concerning Company stock options awarded and exercised during the past financial year.

I. Stock options granted during the fiscal year ended 31 December 2015

A summary of the operations carried out in 2015 under the various stock option plans set up by the Company is set out below.

a. Stock options granted to executive officers during the fiscal year ended 31 December 2015

Stock options awarded to each executive officer by the Company and all Group companies during the fiscal year

Name of executive officer	Number and date of plan	Type of options (purchase or subscription)	Valuation of options based on the method used for the consolidated financial statements	Number of options awarded during the year	Exercise price	Option exercise period
-	-	-	-	-	-	-

b. Options granted during the fiscal year ended 31 December 2015 by the Company or its affiliates

For the fiscal year ended 31 December 2015, no stock options were granted either by the Company or by its affiliates, to their corporate officers and/or employees.

c. Stock options granted to the top 10 employees (non-company officers) during the fiscal year ended 31 December 2015

Share subscription options granted to the top 10 employees (non company officers) and options exercised by them	Total number of options awarded	Weighted average price	Date
Options granted during the financial year by the Company and any company within the option award scope, to the 10 employees of the Company, and of any company within this scope, who received the most options in this way (aggregate information)	-	- €	-

d. Stock options granted to all employee beneficiaries during the fiscal year ended 31 December 2015 and breakdown of these options by category of beneficiaries

Stock options granted to employee beneficiaries during the financial year under review			
Total number of stock options granted by the Company and any company within the option award scope during the financial year under review	**Date of plan**	**Exercise price**	**Expiry date**
-	-	- €	-
Breakdown of stock options awarded during the financial year under review			
Top management	-	-	-
Employee levels 4, 5 and 6 and/or key employees	-	-	-

II. Stock options exercised during the fiscal year ended 31 December 2015

a. Stock options exercised by executive officers during the fiscal year ended 31 December 2015

STOCK OPTIONS EXERCISED DURING FISCAL YEAR ENDED BY EACH EXECUTIVE OFFICER

Name of executive officer	Number and date of plan	Number of options exercised during the year	Exercise price
Pierre Pasquier	-	-	-
Christophe Fabre	-	-	-
Jean-Marc Lazzari	-	-	-
TOTAL	**-**	**-**	**-**

b. Stock options exercised by the top ten employees (non-company officers) during the fiscal year ended 31 December 2015

Share subscription options exercised by the top ten employee beneficiaries (non-company officers)	Total number of options exercised/ shares purchased	Weighted average price	Plan No. 1	Plan No. 2	Plan No. 3	Amendment No. 1 to Plan No. 3
Company options exercised during the financial year by the 10 employees of the Company or any company within the option award scope, who subscribed for the largest number of shares (aggregate information)	151,398	€14.97	-	-	140,778	10,620

III. Options cancelled during the fiscal year ended 31 December 2015

For information purposes only, during the fiscal year ended 31 December 2015:

- 72,300 share subscription options were cancelled under Plan No. 3 of 2011;
- 43,500 share subscription options were cancelled under Amendment No. 1 to Plan No. 1 of 2011;
- No share subscription options were cancelled under Amendment No. 2 to the 2011 Plan.

Paris, 20 April 2016

The Board of Directors

Special report of the Board of Directors on bonus share grants (drawn up in accordance with the provisions of Article L. 225-197-4 of the French Commercial Code)

Dear Shareholders,

The purpose of this report, prepared in accordance with Article L. 225-197-4 of the French Commercial Code, is to inform the Meeting of the operations carried out during the past financial year under the Company's bonus share grant schemes.

I. Bonus share allocation plan set up in 2012

As a reminder, in its eighteenth resolution, the Combined General Meeting of 28 April 2011, after having read the Board of Directors' report and the Statutory Auditors' special report, and subject to the condition precedent of the admission of the Company's shares to trading on the NYSE Euronext Paris regulated market and in accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code:

1. authorised the Board of Directors to grant, free of charge, on one or more occasions, at its choice, either existing shares of the Company or shares to be issued, to qualifying employees or company officers (within the meaning of Article L. 225-197-1 II paragraph 1 of the French Commercial Code) of the Company or to certain categories of such employees or officers and of companies and economic interest groups affiliated with the Company pursuant to the conditions defined in Article L. 225-197-2 of the French Commercial Code;
2. resolved that the total number of shares awarded, whether they consist of existing shares or shares to be issued, may not exceed 1% of the Company's share capital on the date of the Board of Directors' decision to award them, taking into account the number of shares to be issued, if applicable, pursuant to the adjustments required to preserve the rights of the beneficiaries of the bonus shares, this ceiling being independent from the overall ceiling set by the fifteenth resolution of the Combined General Meeting of 28 April 2011.

The Board, at its meetings of 4 October 2011, 3 November 2011 and 14 February 2012, in application of the aforementioned resolution, decided to award bonus shares to all qualifying corporate officers and employees of the Company and its affiliates within the meaning of Article L. 225-197-2 of the French Commercial Code, and laid down the terms and conditions for the award of the bonus shares within the scope of a first Plan involving 76,950 shares (the 2012 Plan), the main characteristics of which are the following:

- an equal allocation of 45 shares per employee, it being specified that on that date the value of the Company's shares was €15 per share;
- the 2012 Plan applies to 1,710 Group employees, provided that:
  - the employees have an open-ended or fixed-term employment contract with the Company or one of its subsidiaries, and
  - on the allocation date, the employees have been working for the Company or one of its subsidiaries for at least three months.

Moreover, the Board resolved that, due to the different fiscal and social-security regulations in the various countries in which the Group employees work, the duration of the vesting period and lock-in period (if any) may vary from one country to another. For this reason, the Company launched an international Plan as well as a specific Plan for Spain and Italy, of which the main characteristics are the following:

- the vesting period runs from 14 February 2012 to 1 February 2014 inclusive. The shares shall be transferred to the beneficiaries provided that, on 14 February 2014, they are eligible company officers within the meaning of Article L. 225-197-1 II paragraph 1 of the French Commercial Code, or employees of the Company and have been so continuously since the award of the bonus shares;
- the bonus share lock-in period is as follows:
  - 14 February 2014 to 13 February 2016 for France and other Group companies,
  - 14 February 2014 to 13 February 2017 for Spain and Italy.

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Moreover, in order to enable employees in France to place their bonus shares in their company savings plan, in accordance with the provisions of Article L. 3332-14 of the French Labour Code, the Company signed an agreement with its Works Council on 10 February 2012 on the distribution of the bonus shares, providing for equal allocation of those shares.

Within the scope of the 2012 bonus share allocation plan:

- 45 bonus shares were awarded to the Company's Chief Executive Officer, holding such position up to 22 June 2015, Christophe Fabre, by the Board on 14 February 2012, in accordance with the provisions of Article L. 225-197-2 of the French Commercial Code, in respect of his office and duties within the Company; on that date, the value of the Company's shares was €15 (closing price); it being specified that no bonus shares were awarded to the Company's other corporate officers in respect of their duties for the year ending 31 December 2012;
- no bonus shares were awarded to corporate officers of the Company by companies which it controls within the meaning of Article L. 233-16 of the French Commercial Code, in respect of those corporate officers' roles or duties within those companies; and
- summary table of performance-based shares awarded to each company officer under the present 2012 Plan.

PERFORMANCE-BASED SHARES AWARDED TO EACH COMPANY OFFICER

Performance-based shares awarded by the General Meeting of Shareholders during the fiscal year to each company officer by the issuer or by any Group company	Number and date of allocation of plan	Number of shares allocated during the year	Valuation of shares based on the method used for the consolidated financial statements	Vesting date	Availability date	Performance requirement
Christophe Fabre – Chief Executive Officer	PAGA Plan No. 1 dated 14 February 2012	45	€13.20 per share, i.e. a total of €594 for the 45 shares	13 February 2016	The bonus shares awarded must be kept by the Chief Executive Officer throughout his tenure at the head of the Company	No performance requirement was specified as the PAGA 2012 set up by the Company is not subject to such a requirement
Pierre Pasquier		-	-	-	-	-
TOTAL		**45**	**€594**	**-**		

II. Bonus shares awarded during the fiscal year ended 31 December 2015

During the course of the fiscal year ended 31 December 2015, a bonus share allocation plan, the features of which are detailed below, was put into place by the Company.

The Combined General Meeting of 4 June 2014, in its fifteenth resolution, and after having reviewed the Board of Director's report and the Statutory Auditors' special report, and pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code:

1. authorised the Board of Directors to grant, free of charge, on one or more occasions, at its choice, either existing shares of the Company or shares to be issued, to qualifying employees or company officers (within the meaning of Article L. 225-197-1 II paragraph 1 of the French Commercial Code) of the Company or to certain categories of such employees or officers and of companies and economic interest groups affiliated with the Company pursuant to the conditions defined in Article L. 225-197-2 of the French Commercial Code;
2. resolved that the total number of shares awarded, whether they consisted of existing shares or shares to be issued, could not exceed 4% of the Company's share capital on the date of the Board of Directors' decision to award them, not taking into account the number of shares to be issued, if applicable, pursuant to the adjustments required to preserve the rights of the beneficiaries of the bonus shares.

The Board, at its meeting of 14 April 2015, in application of the aforementioned resolution, approved the conditions for the allocation of bonus shares to the benefit of employees, and set the conditions and criteria for the award of bonus shares within the scope of a second Plan involving 35,000 shares (the 2015 Plan) and of which the main characteristics are the following:

- a bonus allocation of 35,000 rights to the bonus allocation of 35,000 shares, subject to meeting the various conditions precedent detailed below, it being specified that as of the date of 4 May 2015, the effective date of the allocation of the rights to allocation of bonus shares, the value of the shares of the Company was €20.30 per share;

- the vesting period of such rights to the awarding of bonus shares is four years. However, each one-quarter of such rights to bonus shares shall be deemed to have been definitively vested in the beneficiary of such 2015 Plan if he has been in regular active attendance in the year(s) up to the year-end in question. Any vesting of a right to the awarding of bonus shares recorded previously cannot be challenged following a departure taking place after the report of such vesting but before the expiration of the end of the four (4) year vesting period of such right; and
- this 2015 bonus share allocation plan was only considered as effective as from 4 May 2015, the date on which the contractual documents were signed by the beneficiary and the Chief Executive Officer of the Company, duly authorised by the Board of Directors.

Paris, 20 April 2016

The Board of Directors

Board of Directors' report on the authorisation granted by the General Shareholders' Meeting to issue redeemable share warrants (BSAARs) for the benefit of employees and corporate officers of the Company or its Group

The Board of Directors did not use the authorisation granted by the twenty-fifth resolution of the Combined General Meeting of 22 June 2015 to award BSAARs to employees and to corporate officers of the Company or its Group.

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CONSOLIDATED FINANCIAL STATEMENTS

These statements represent the consolidated financial statements of Axway Software SA and its subsidiaries.

4.1 CONSOLIDATED STATEMENT OF NET INCOME

		2015	2014	2013
(in thousands of euros)	**Notes**	**Amount**	**Amount**	**Amount**
Revenue	**4**	**284,612**	**261,590**	**237,545**
Employee costs	5	-180,150	-169,335	-148,564
Purchases and external expenses	6	-62,371	-56,721	-52,263
Taxes and duties		-2,504	-2,506	-2,101
Depreciation, amortisation and provisions	7	-6,249	-4,039	-3,919
Other ordinary operating income and expenses		11,158	10,695	6,770
Operating profit on business activity		**44,496**	**39,685**	**37,468**
as % of revenue, excl. tax		***15.6%***	***15.2%***	***15.8%***
Expenses related to stock options and similar	8	-550	-811	-1,352
Amortisation of allocated intangible assets	9	-6,044	-5,318	-3,679
Profit from recurring operations		**37,902**	**33,556**	**32,437**
as % of revenue, excl. tax		***13.3%***	***12.8%***	***13.7%***
Other operating income and expenses	10	-10,493	-2,298	-5,271
Operating profit		**27,409**	**31,258**	**27,166**
as % of revenue, excl. tax		***9.6%***	***11.9%***	***11.4%***
Cost of net financial debt	11	-361	-1,355	-348
Other financial income and expenses	12	-1,292	434	-982
Income taxes	13	2,101	-3,647	9,759
Net income from associates		-	-	-
Net income from continuing operations		**27,856**	**26,690**	**35,595**
Net income from discontinued operations		-	-	-
Consolidated net income		**27,856**	**26,690**	**35,595**
as % of revenue, excl. tax		***9.8%***	***10.2%***	***15.0%***
Minority interests		1	204	-
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE PARENT		**27,856**	**26,486**	**35,595**

EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

(in euros)	Notes	2015	2014	2013
Basic earnings per share	**14**	**1.35**	**1.29**	**1.75**
Fully diluted earnings per share	**14**	**1.33**	**1.27**	**1.72**

Other comprehensive income statement items

(in thousands of euros)	2015	2014	2013
Consolidated net income	**27,856**	**26,690**	**35,595**
Other comprehensive income statement items:			
Actuarial gains and losses on retirement obligations	1,580	-756	527
Impact of taxes	-405	260	-181
Subtotal of items non-recyclable to profit or loss	**1,175**	**-496**	**346**
Minority interests	-0	-202	
Foreign exchange gains and losses	17,036	20,259	-7,853
Change in derivatives	288	-155	-95
Impact of taxes	-23	-23	-16
Subtotal of items recyclable to profit or loss	**17,301**	**19,879**	**-7,964**
Total other comprehensive income, net of tax	**18,476**	**19,383**	**-7,618**
COMPREHENSIVE INCOME	**46,332**	**46,073**	**27,977**
Minority interests	0	2	-
Attributable to Group	**46,332**	**46,071**	**27,977**

4.2 STATEMENT OF CASH FLOWS

(in thousands of euros)	**2015**	**2014**	**2013**
Consolidated net profit (including minority interests)	**27,856**	**26,690**	**35,595**
Net charges to depreciation, amortisation and provisions	13,773	8,313	8,011
Unrealised gains and losses relating to changes in fair value	-2,248	-662	-196
Share-based payment expenses	550	811	1,352
Other calculated income and expenses	-	-	390
Gains and losses on disposal	620	83	130
Cash from operations after cost of net debt and tax	**40,552**	**35,236**	**45,282**
Cost of net financial debt	361	1,355	674
Income taxes (including deferred tax)	-2,101	3,647	-9,759
Cash from operations before cost of net debt and tax (A)	**38,813**	**40,238**	**36,197**
Tax paid (B)	-2,527	-3,875	-4,325
Changes in operating working capital requirements (included liabilities related to employee benefits) (C)	13,317	10,956	-3,540
Net cash from operating activities (D) = (A+B+C)	**49,602**	**47,319**	**28,332**
Purchase of property, plant and equipment and intangible assets	-4,723	-4,659	-3,004
Proceeds from sale of property, plant and equipment and intangible assets	8	-	12
Purchase of financial assets	-608	-	-378
Proceeds from sale of financial assets	-	297	22
Impact of changes in the scope of consolidation	-127	-49,719	-291
Changes in loans and advances granted	223	-335	-
Net cash from (used in) investing activities (E)	**-5,227**	**-54,416**	**-3,639**
Proceeds on shares issued	-	-	-
Proceeds on the exercise of stock options	3,085	1,292	2,207
Purchase and proceeds from disposal of treasury shares	-	-	-139
• Dividends paid to shareholders of the parent company	-8,227	-8,210	-7,101
• Dividends paid to minority interests of consolidated companies	-	-	-
Change in borrowings	-40,984	7,744	-4,400
Net interest paid (including finance leases)	-361	-1,355	-673
Other cash flow relating to financing activities	339	-685	362
Net cash from (used in) financing activities (F)	**-46,148**	**-1,214**	**-9,744**
Effect of foreign exchange rate changes (G)	1,071	3,715	-1,154
CHANGE IN NET CASH AND CASH EQUIVALENTS (D +E +F +G)	**-702**	**-4,597**	**13,795**
Opening cash position	44,568	49,165	35,370
Closing cash position	43,866	44,568	49,165

4.3 STATEMENT OF CONSOLIDATED FINANCIAL POSITION

ASSETS

(in thousands of euros)	Notes	31/12/2015	31/12/2014	31/12/2013
Goodwill	15	251,838	236,472	189,284
Intangible assets	16	40,909	45,632	28,847
Property, plant and equipment	17	7,772	6,936	6,277
Financial assets and other non-current assets	18	1,780	1,377	15,403
Deferred tax assets	19	45,240	40,712	30,287
Non-current assets		**347,539**	**331,129**	**270,098**
Stock and work in progress		323	222	433
Trade receivables	20	73,856	84,852	64,432
Other current receivables	21	22,204	17,968	7,858
Cash and cash equivalents	22	44,664	44,574	49,176
Current assets		**141,048**	**147,615**	**121,899**
TOTAL ASSETS		**488,587**	**478,744**	**391,997**

SHAREHOLDERS' EQUITY AND LIABILITIES

(in thousands of euros)	Notes	31/12/2015	31/12/2014	31/12/2013
Share capital		41,548	41,136	40,930
Capital reserves		113,152	109,267	106,650
Consolidated reserves and other reserves		158,062	121,620	75,197
Profit (loss) for the period		27,856	26,486	35,595
Shareholders' equity – Group share		**340,617**	**298,510**	**258,372**
Minority interests		**3**	**3**	**1**
TOTAL SHAREHOLDERS' EQUITY	**23**	**340,620**	**298,512**	**258,373**
Financial debt – long-term portion	24/25	7,518	46,374	28,519
Deferred tax liabilities	19	7,055	9,484	5,351
Other non-current liabilities	25	8,621	9,384	10,152
Non-current liabilities		**23,194**	**65,243**	**44,022**
Financial debt – short-term portion	24	1,465	1,322	9,472
Trade payables	26	8,483	7,931	6,589
Deferred income		66,609	61,088	39,694
Other current liabilities	27	48,215	44,648	33,847
Current liabilities		**124,773**	**114,989**	**89,602**
TOTAL LIABILITIES		**147,966**	**180,232**	**133,624**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**488,587**	**478,744**	**391,997**

4.4 STATEMENT OF CHANGE IN SHAREHOLDERS' EQUITY

(in thousands of euros)	Share capital	Reserves associated to capital	Treasury shares	Reserves and consolidated income	Other comprehensive income statement items	Total attributable to the Group	Minority interests	Total
As of 31/12/2012	**40,642**	**102,631**	**-470**	**84,680**	**6,467**	**233,950**	**1**	**233,951**
Capital transactions	288	1,919	-	-	-	2,207	-	2,207
Share-based payments	-	1,345	-	-	-	1,345	-	1,345
Transactions in treasury shares	-	-	-139	132	-	-7	-	-7
Ordinary dividends	-	755	-	-7,855	-	-7,100	-	-7,100
Changes in scope of consolidation	-	-	-	-	-	-	-	-
Other changes	-	-	-	-7	7	-	-	-
Transactions with shareholders	**288**	**4,019**	**-139**	**-7,730**	**7**	**-3,555**	**-**	**-3,555**
Profit for the year	-	-	-	35,595	-	35,595	-	35,595
Other comprehensive income statement items	-	-	-	-1	-7,618	-7,619	-	-7,619
Total comprehensive profit for the year	**-**	**-**	**-**	**35,594**	**-7,618**	**27,976**	**-**	**27,976**
As of 31/12/2013	**40,930**	**106,650**	**-609**	**112,545**	**-1,144**	**258,372**	**1**	**258,373**
Capital transactions	206	1,137	-	-50	-	1,293	-	1,293
Share-based payments	-	805	-	-	-	805	-	805
Transactions in treasury shares	-	-	-126	-6	-	-133	-	-133
Ordinary dividends	-		-	-8,211	-	-8,211	-0	-8,211
Changes in scope of consolidation	-	-	-	-	-	-	-	-
Other changes		675	-	-363	-1	311		311
Transactions with shareholders	**206**	**2,617**	**-126**	**-8,630**	**-1**	**-5,934**	**-0**	**-5,935**
Profit for the year	-	-	-	26,486	-	26,486	204	26,690
Other comprehensive income statement items	-	-	-	-	19,586	19,586	-202	19,384
Total comprehensive profit for the year	**-**	**-**	**-**	**26,486**	**19,586**	**46,072**	**2**	**46,074**
As at 31/12/2014	**41,136**	**109,267**	**-735**	**130,401**	**18,441**	**298,510**	**3**	**298,512**
Capital transactions	412	2,673	-	-	-	3,085		3,085
Share-based payments		542		-	-	542		542
Transactions in treasury shares			359	-	-	359		359
Ordinary dividends				-8,227	-	-8,227		-8,227
Changes in scope of consolidation				-	-	-		-
Other changes		670	-	-653	-	17		17
Transactions with shareholders	**412**	**3,885**	**359**	**-8,880**	**-**	**-4,224**	**-**	**-4,224**
Profit for the year	-	-	-	27,856	-	27,856	1	27,856
Other comprehensive income statement items	-	-	-	-	18,476	18,476	-0	18,476
Total comprehensive profit for the year	**-**	**-**	**-**	**27,856**	**18,476**	**46,332**	**0**	**46,332**
AS AT 31/12/2015	**41,548**	**113,152**	**-376**	**149,377**	**36,917**	**340,617**	**3**	**340,620**

4.5 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Contents for the notes to the consolidated financial statements

This is the fifth publication for the Group following its listing on the NYSE Euronext in Paris on 14 June 2011.

The consolidated financial statements were prepared in accordance with the accounting principles and policies in force at 31 December 2015, on the bases described below in order to provide an overview of the business activities included in Axway's scope of consolidation.

Axway, the market leader in governing the flow of data, is a software company with more than 11,000 customers in the private and public sectors in 100 countries. For more than a decade, Axway has provided leading organizations with technology solutions that better manage the flow of strategic data around the organization to the outside world between partners, within B2B communities, to the cloud and to mobile peripherals. Our solutions are offered for on-premise or cloud-based management with a full range of services. They span B2B integration, managed file transfer, API and identity management, and email security.

Axway Software (historically the parent company of the Group) is a French société anonyme. Its registered office is located at Parc des Glaisins 74940 Annecy-le-Vieux (France) and the Executive Management is based in Phoenix, Arizona.

The consolidated financial statements of Axway Software for the year ended 31 December 2015 were approved by the Board of Directors meeting of 23 February 2016.

ACCOUNTING POLICIES AND PRINCIPLES

Note 1 Summary of the main accounting policies

The main accounting policies applied for the preparation of the consolidated financial statements are presented below. They have been applied consistently for all of the fiscal years presented.

1.1 Basis of preparation

The consolidated financial statements for the year ended 31 December 2015 were prepared in accordance with:

- IFRS standards as adopted by the European Union. This information is available on the European Commission website: http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission;
- IFRS standards as published by the IASB.

The financial statements were prepared mainly using the historical cost convention, except for employee benefits, payments in equity instruments, and financial debt and derivatives, which are measured at fair value.

1.2 Application of new standards and interpretations

a. New mandatory standards and interpretations

The new standards, amendments to existing standards and interpretations, which must be applied for the accounting periods beginning on or after 1 January 2015 did not have any material impact on the Group's financial statements and income. These primarily relate to:

- Annual improvements (2011-2013 cycle) Annual improvements process 2011-2013 cycle;
- IFRIC 21 *Levies.*

b. Standards and interpretations in the process of being adopted by the European Union and applicable in advance at 31 December 2015

- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions*;
- Amendment to IAS 16 and IAS 38 *Clarification of acceptable methods of depreciation and amortisation;*
- Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Exemption from drawing up consolidated financial statements;*
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;*
- Amendments to IFRS 11 *Acquisition of interests in joint operations;*
- Amendment to IAS 1 *Disclosure Initiative: presentation of financial statements;*
- Annual improvements (2010-2012 cycle) Annual improvements process 2010-2012 cycle;

- Annual improvements (2012-2014 cycle) Annual improvements process 2012-2014 cycle;

The Group has chosen not to apply these standards and interpretations in advance.

c. Standards and interpretations published by the IASB but not yet adopted by the European Union and for which early application was not authorised at 31 December 2015

The Group does not apply them. These primarily relate to:

- Amendment to IAS 27 "Equity method in separate financial statements",
- IFRS 9 *Financial Instruments*;
- IFRS 14 *Regulatory Deferral Account*;
- IFRS 15 *Revenue from Contracts with Customers.*

d. Format of the financial statements

With regard to the presentation of the consolidated financial statements, Axway Software has decided to apply Recommendation 2009-R.03, dated 2 July 2009, of the *Conseil national de la comptabilité* dealing with the format of the income statement, the cash flow statement and the statement of changes in shareholders' equity.

However, the format of the income statement as presented in previous years has been altered to improve the presentation of the Company's performance. This relates particularly to a new line item *Operating profit* on business activity, which is now positioned before *Profit from recurring operations*, an indicator used internally by the management to assess the Company's performance. This indicator corresponds to *Profit from recurring operations* before expenses related to the cost of services rendered by beneficiaries of share subscription options and before amortisation of the intangible assets concerned.

1.3 Consolidation method

- Axway Software is the consolidating company.
- The companies over which Axway Software has full control have been consolidated using the full consolidation method. The Group is deemed to control an entity when the following conditions are met:
  - the Group has power over the entity (the ability to manage its relevant business activities, *i.e.* those that have a significant impact on the entity's profitability), through the ownership of voting rights or other rights; and
  - the Group is exposed to or is entitled to variable returns due to its ties with the entity; and
  - the Group has the ability to exercise its power over the entity in such a way as to affect the amount of the returns it obtains from it.
- Axway Software does not exert significant influence or joint control over any entity.
- Axway Software Group does not, directly or indirectly, control any *ad hoc* company.
- Transactions between entities included in the scope of consolidation, as well as unrealised balances and profits on operations between Group companies are eliminated.
- The accounts of all consolidated companies are prepared at 31 December. These accounts have, where applicable, been restated to ensure the consistency of accounting and valuation rules applied by the Group.
- The scope of consolidation is presented in Note 2.

1.4 Foreign currency translation

a. Functional and presentation currencies

Items included in the financial statements of each entity included in the scope of consolidation are measured using the currency of the primary economic environment in which each entity operates, *i.e.* its "functional currency".

The consolidated financial statements are presented in euros, the functional and presentation currency of the parent company Axway Software.

b. Translation of the financial statements of foreign subsidiaries

Group subsidiaries' functional currencies are their local currencies in which most of their transactions are denominated. The accounts of all entities included in the scope of consolidation whose functional currency differs from the Group's presentation currency are translated into euros as follows:

- assets and liabilities are translated at rates applying at the balance sheet date;
- income, expenses and cash flows are translated at average rates for the period;
- all resulting foreign exchange differences are recognised as a distinct equity component under Foreign exchange gains and losses.

Foreign exchange differences arising from the translation of net investments in foreign operations are recorded as a separate component of equity under the heading *Translation reserves* in accordance with IAS 21. Foreign exchange differences relating to intercompany loans are considered as an integral part of the Group's net investment in the foreign subsidiaries in question.

When a foreign operation is divested, the applicable accumulated translation difference is transferred to profit or loss as part of the gain or loss arising on disposal.

Goodwill and fair value adjustments arising on acquisition of foreign operations are treated as assets and liabilities of the operation and, as such, are translated at rates applying at the balance sheet date.

No entity operating in a hyper-inflationary economy is included in the scope of consolidation.

The applicable rates of exchange are presented in Note 35.

c. Translation of foreign currency transactions

Transactions denominated in foreign currencies are translated to entities' functional currencies at rates applying on the transaction dates. The foreign exchange gains and losses arising on settlement, as well as those arising from the adjustment of foreign currency denominated monetary assets and liabilities to rates applied at the balance sheet date, are recognised in profit or loss with the exception of amounts recognised directly in shareholders' equity with respect to cash flow hedging or hedging of the net investment in foreign operations.

1.5 Significant estimates and accounting judgements

The preparation of financial statements implies the use of estimates and assumptions in measuring certain consolidated assets and liabilities as well as certain income statement items. The management is also required to exercise judgement in the application of the Group's accounting policies.

Such estimates and judgements, which are continually updated, are based both on historical information and on reasonable anticipation of future events according to the circumstances. However, given the uncertainty implicit in assumptions as to future events, the related accounting estimates may differ from the actual results.

a. Significant assumptions and accounting estimates

The main assumptions and accounting estimates liable to leave scope for material adjustments to the carrying amount of assets and liabilities in subsequent periods are as follows:

- the measurement of goodwill (see Notes 1.7 and 15);
- the measurement of retirement commitments (see Notes 1.18 and 25);
- the recognition of income (see Note 1.21);
- the measurement of deferred tax assets (see Notes 1.13 and 19);
- the measurement of provisions (see Notes 1.20 and 25).

b. Significant judgements in the application of accounting policies

With the exception of those policies requiring accounting estimates, no judgement exercised by Management has had a material impact on the amounts recognised in the financial statements.

1.6 Business combinations

The Group applies IFRS 3 (revised version) to the identified assets acquired and liabilities assumed as a result of business combinations. The acquisition of an asset or a group of assets that do not constitute a business combination is recognised under the standards applicable to these assets (IAS 38, IAS 16 and IAS 39).

All business combinations are recognised by applying the acquisition method, which consists of:

- the measurement and recognition at fair value as of the acquisition date of the identifiable assets acquired and liabilities assumed. The Group identifies and allocates these items on the basis of contractual provisions, economic conditions and its accounting and management principles and procedures;
- the measurement and recognition at the acquisition date of the difference referred to as "goodwill" between:
  - the purchase price for obtaining control of the acquiree plus the amount of any minority interests in the acquire, and
  - the net amount of the recognised identifiable assets acquired and liabilities assumed.

The acquisition date is the date on which the Group effectively obtains control of the acquiree.

The purchase price of the acquiree corresponds to the fair value, at the acquisition date, of the elements of consideration remitted to the seller in exchange for control of the acquiree, to the exclusion of any element serving as consideration for any transaction separate from the attainment of control.

If the initial accounting for a business combination can only be determined provisionally for the reporting period in which the combination was effected, the acquirer recognises the combination using provisional values. The acquirer must then recognise adjustments to these provisional values related to the completion of initial accounting within 12 months of the acquisition date.

1.7 Goodwill

For each business combination, the Group may elect to recognise under its balance sheet assets either proportionate goodwill (corresponding only to its percentage of ownership interest) or full goodwill (also including the goodwill corresponding to minority interests).

Should the calculation of goodwill result in a negative difference (in the case of an acquisition conducted under advantageous conditions), the Group recognises the resulting gain as a bargain purchase in profit or loss.

1.8 Intangible assets

a. Assets purchased

These relate to software packages recorded at cost as well as software packages, customer relations and distributor relations recognised at fair value in connection with the allocation of the purchase prices of entities acquired in business combinations. These assets are amortised using the straight-line method over five to fifteen years, depending on their estimated useful lives.

b. Assets generated internally

In application of IAS 38 *Intangible assets*:

- all Research and Development costs are charged to the income statement in the year they are incurred;
- project development costs are capitalised if, and only if, all of the following can be demonstrated:
  - the technical feasibility of completing the intangible asset so that it will be available for use or sale,
  - the intention to complete the intangible asset and use or sell it,
  - the ability to use or sell the intangible asset,
  - the manner in which the intangible asset will generate probable future economic benefits,
  - the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset,
  - the ability to measure reliably the expenditure attributable to the intangible asset during its development.

None of the development expenses for software are recognised under intangible assets if one of the conditions described above has not been met.

In view of the specific nature of the software development business, the determining criteria concern the technical feasibility necessary for completion and the manner in which the asset will generate probable future economic benefits.

The risks and uncertainties inherent in software development do not allow the technical feasibility of a product to be demonstrated before a demo version that can be shown to a prospective customer is available. The differences between a demo version and the final version are generally minor, which means that the costs incurred in this phase of development, which may be capitalised, are not significant.

1.9 Property, plant and equipment

Property, plant and equipment essentially comprise fixtures and fittings, office furniture and equipment and IT equipment.

Items of property, plant and equipment are measured at acquisition cost less accumulated depreciation and any impairment losses. No amounts have been revalued.

Depreciation is based on the straight-line method according to the expected useful economic lives of each non-current asset category as follows:

Fixtures and fittings	10 years
Equipment and tooling	3 to 5 years
Furniture and office equipment	5 to 10 years

Depreciation is applied against asset acquisition costs after deduction of any residual value. Residual asset values and expected useful lives are reviewed at each balance sheet date.

1.10 Leases

a. Finance leases

Leases on property, plant and equipment under which the Group retains substantially all the risks and rewards incidental to ownership of the assets are treated as finance leases. The related assets are recognised at the fair value of the leased assets, or if lower, at the present value of the minimum payments due under the leases.

Axway does not have any finance lease contracts in its own name; however it uses certain assets that are held by the Sopra Steria Group under finance leases.

b. Operating leases

Leases under which the Group retains substantially all the risks and rewards incidental to ownership of the assets are treated as operating leases. Payments under these contracts are recognised as an expense on a straight-line basis over the duration of the applicable leases.

1.11 Impairment of assets

a. Cash-generating units

Under IAS 36 *Impairment of assets*, an impairment test must be conducted at each reporting date where there is an indication of impairment of an asset. Where there is such an indication, the entity must estimate the recoverable value of the asset.

Irrespective of whether there is any indication of impairment, an entity must also:

- test intangible assets with indefinite useful lives annually;
- test the impairment of goodwill acquired in a business combination annually.

In practice, impairment testing is most relevant to goodwill which comprises the main portion of Axway Software's consolidated non-current assets.

Impairment testing is performed at the level of the cash generating units (CGUs) to which assets are allocated. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The Group's segmentation into cash-generating units is consistent with the operating structure of its businesses, its management and reporting structure and its segment reporting structure. Impairment testing involves comparing cash-generating units' carrying amounts with their recoverable amounts. A cash-generating unit's recoverable amount is the higher of its fair (generally market) value, less costs to sell, and its value in use.

The Group provides IT solutions enabling the automatic management of data exchange within and outside the Company.

Part of Axway's recent expansion has been through external growth, the main acquisitions having been as follows: Cyclone Commerce in the United States in 2006, Actis in Germany in 2007, Tumbleweed in the United States in 2008, Vordel in Ireland in 2012 and Systar in France in 2014.

All of the products developed internally or related to acquisitions are integrated in a common technical platform.

Axway operates as an international software developer. Its main markets are the USA and Europe. The technical platform's various software packages are distributed by sales subsidiaries that pay royalties on the income they earn from licences and maintenance.

In view of the global nature of products and markets, a breakdown by country of the contribution to the Group's results would not be meaningful. Cash inflows related to business in different countries are thus not considered to be separate from the cash inflows generated by the activities of other countries, and Axway as a whole is considered as the smallest grouping of assets that generates broadly independent cash inflows. Since Axway operates as a software developer on a global market, the Group is treated as a single cash-generating unit for the purposes of impairment testing.

b. Methods for measuring value in use

In accordance with IAS 36, where the carrying amount of a cash-generating unit to which goodwill has been allocated is tested for impairment and exceeds its fair value less costs to sell (or where it is not possible to determine the fair value less costs to sell), the carrying value of the CGU is compared to its value-in-use.

The value-in-use is determined using the present value of future cash flows method:

- cash flows for a plan period of five years, with cash flows for the first year of the plan based on the budget;
- cash flows beyond the five-year plan period used in value-in-use calculations are increased in line with historic long-term growth rates adjusted for inflation.

Cash flow projections for the explicit period are determined by taking into account:

- the general growth rate of the economy;
- the impact of technological advances in the sector.

The cash flows are discounted using a discount rate equal to:

- the ten-year risk-free money rate;
- supplemented by the market's risk premium multiplied by a sensitivity coefficient (ß) specific to the entity.

c. Measurement of impairment losses

Impairment losses are recognised to the extent of any excess of a CGU's carrying amount over its recoverable amount. Impairment losses are first allocated against goodwill and are charged to profit or loss as part of *Other operating income and expenses.* Impairment losses on goodwill cannot be reversed.

1.12 Financial assets

The Group classifies its financial assets into the following categories:

- assets measured at fair value through profit or loss;
- assets held to maturity;
- loans and receivables; and
- assets available for sale.

Classification depends on the purposes for which financial assets were acquired. Management decides on the appropriate classification at the time of initial recognition and performs a reassessment at each interim or annual reporting date.

Financial assets are carried in the balance sheet at their initial fair value. Their subsequent measurement corresponds, depending on their classification, either to fair value or to amortised cost.

a. Assets measured at fair value through profit or loss

This category comprises derivatives, financial assets held for trading (*i.e.* acquired with a view to resell in the near term) and those designated upon initial recognition as at fair value through profit or loss. Changes in the fair value of assets of this category are recognised in profit or loss.

b. Held to maturity assets

Held to maturity investments are non-derivative financial assets with fixed or determinable payments that the Group has the intention and ability to hold to maturity. If any such asset is disposed of prior to maturity all other assets of the category must obligatorily be reclassified as available for sale. Assets held to maturity are otherwise measured, after initial recognition, at amortised cost.

The Group currently holds no assets classified within this category.

c. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They comprise the financial assets arising when the Group remits funds, or provides goods and services, to an individual or entity. Loans and receivables are initially recognised at fair value then subsequently measured at amortised cost using the effective interest rate method.

The Group has identified within this category:

- non-current financial assets comprising receivables associated with non-consolidated investments as well as guarantee deposits for leased property. Impairment losses are recognised for receivables associated with non-consolidated investments whenever their estimated recoverable amounts are lower than their carrying amounts; and
- current trade receivables. Current trade receivables are initially measured at the nominal amounts invoiced which generally equate to the fair value of the consideration to be received. The impact of discounting would be negligible given that the Group's average credit period is in sixty days. If necessary, impairment losses are recognised on an individual basis reflecting any problems of recovery.

d. Available for sale assets

Assets available for sale are those non-derivative financial assets not entering any of the above categories, whether or not the Group intends to dispose of them. Changes in the fair value of these assets are recognised directly in shareholders' equity with the exception of impairment losses and foreign exchange gains and losses which are recognised in profit or loss.

The Group includes in this category investments in non consolidated entities over which it neither exercises control nor any significant influence.

As such investments comprise equity instruments whose price is not quoted in an active market, and whose fair value cannot otherwise be reliably measured, they are maintained at cost less any impairment losses. Their recoverable amount is estimated based on criteria such as the Group's share of an entity's net assets and its outlook for growth and profitability. An impairment loss recognised cannot subsequently be reversed.

1.13 Deferred tax

Deferred tax is recognised using the balance sheet liability method based on temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheet and their tax base.

Deferred tax assets and liabilities are measured for each entity or taxable unit on the basis of the tax rates in force, or substantially adopted, at the balance sheet date and expected to apply when assets will be realised or liabilities settled.

Deferred tax assets relating to both temporary differences and tax losses carried forward are recognised only to the extent that it appears probable that the future tax savings they represent will be achieved.

1.14 Financial derivatives

Derivatives are initially recognised at fair value on the date of signing the contract. They are later revalued at their fair value. The accounting treatment of the associated profit or loss depends on whether the derivative has been designated as a hedging instrument and, if so, on the nature of the hedged item.

The Group designates a number of derivatives such as:

- hedges of the fair value of assets or liabilities recognised in the balance sheet or of firm forward commitments (fair value hedge); or
- hedges of a specific risk associated with an asset or liability recognised or a future, highly probable transaction (cash flow hedge); or
- hedges of a net investment in a foreign operation (net investment hedge).

The fair value of a hedging derivative instrument is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Changes in the fair value of derivative instruments that qualify for hedge accounting impact the shareholders' equity.

Derivatives held for trading purposes are classified as current assets or liabilities if settled within a year of the closing, otherwise they are classified under non-current assets or liabilities. The Group also classifies derivatives as speculative instruments, which cannot qualify as designated and effective hedging instruments within the meaning of IAS 39. The changes in their fair value are recorded in the income statement as Other financial income and expenses.

1.15 Cash and cash equivalents

Cash and cash equivalents comprise cash, bank demand deposits, other highly liquid investments with maturities not exceeding three months and bank overdrafts. Bank overdrafts are included as part of *Financial debt – short-term portion*.

Under IAS 7, cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The Group applies the classification of UCITS as updated by the *Association française de gestion* (AFG), the *Association française des trésoriers d'entreprise* (AFTE) and the Association française des investisseurs institutionnels (AF2I), adopted as a reasonable basis for recognition by the *Autorité des marchés financiers* (AMF) in its position No. 2012-13 on the classification of UCITS as cash equivalents:

- UCITS classified by the AMF as "euro-denominated" money-market instruments are presumed to satisfy four key criteria. In accordance with AMF Recommendation No. 2011-13 on the classification of UCITS as cash equivalents, a regular assessment of historical performance is carried out in order to confirm that the risk of a change in the value of these instruments is negligible, especially in times of crisis or market tension;
- the eligibility of other UCITS to be considered as "cash equivalents" is not automatic but must be established with reference to the four criteria.

Cash equivalents are recognised at their fair value; changes in fair value are recognised in the income statement under *Other financial income and expense.*

1.16 Share-based payments

a. Share subscription options

The application of IFRS 2 to Axway relates to options for share subscription and allocations of bonus shares granted to employees. As allowed under the standard, the Group will only adjust its financial statements for options granted on or after 7 November 2002 and exercisable after 1 January 2005.

The fair values of the share subscription options allocated before 2011 were determined using the binominal model recommended by IFRS 2.

The exercise price of the options under the 2011 plan was determined using the average of the closing prices for the twenty trading days prior to the date on which the decision was made to allocate options. This value is consistent over the plan's duration.

The value attributed to the options is analysed as a cost of services rendered by employees in return for the options and is recognised on a linear basis over the vesting period.

This charge is recognised in the income statement under *Stock option plans and similar expenses*, balanced by a credit to an issue premiums account recognised under *Capital reserves within shareholders' equity.* There is thus no net impact on shareholders' equity.

The calculation performed reflects the total number of options held at each balance sheet date by eligible employees.

Under the regulations governing the various stock option plans, shares resulting from the exercise of options may not be sold or converted into bearer shares during the statutory lock-up period.

b. Bonus shares

The expense recognised, as per IFRS 2, for a bonus share allocation plan is equal to the fair value of shares granted to employees multiplied by the probable number of shares to be delivered to the beneficiaries who will be present on the vesting date (this number of shares is revised during the vesting period depending on the estimated changes in employee turnover).

The fair value of the bonus shares is determined on the date of allocation based on the market price of the share adjusted to take into account the characteristics and conditions of share allocation. This amount is not reassessed later in the event of changes in the fair value.

The expense corresponding to the benefit granted to the employees in the form of bonus shares is recognised in the net profit using the straight-line method over the vesting period under the heading *Expenses related to stock options and similar.*

1.17 Treasury shares

All Axway shares held by the parent company are recognised at their acquisition cost, deducted from shareholders' equity.

Gains or losses on the sale of treasury shares are added or deducted net of tax from consolidated reserves.

1.18 Employee benefits

a. Short-term employee benefits and defined contribution post-employment benefits

The Group recognises the amount of short-term employee benefits, as well as the contributions due in respect of mandatory state-sponsored pension plans, under *Employee costs*. As the Group has no commitments beyond these contributions, no provision was recognised for these plans.

b. Defined-benefit plans and other long-term employee benefits

These plans relate mainly to France, for the payment of pensions in accordance with collective bargaining agreements.

The defined-benefit plans are borne directly by the Group, which provides for the cost of the future benefits based on conditions below.

The Group uses the projected unit credit method to determine the value of its defined-benefit obligation. This method stipulates that each period of service gives rise to an additional unit of benefit rights and values separately each of the units to obtain the final commitment.

The above calculations reflect various actuarial assumptions relating to matters such as the estimated periods of future service of employees, future salary levels, life expectancy and employee turnover.

The resulting benefit obligation is then discounted using an appropriate interest rate for first-rate corporate bonds denominated in the currency of payment of benefits and with a maturity approximating with the estimated average maturity of the benefit obligation.

A change in these estimates and hypotheses may lead to a significant change in the amount of the commitment.

The amount of the provision recognised for retirement and similar commitments corresponds to the present value of the obligation in respect of defined benefits. Actuarial differences resulting from changes in the value of the discounted obligation in respect of defined benefits include on the one hand, the effects of differences between previous actuarial assumptions and actual data, and on the other hand, the effect of changes in actuarial assumptions.

Actuarial differences are fully recognised in shareholders' equity for all of the Group's defined-benefit plans, pursuant to IAS 19 revised.

There are no pension commitments, medical cover, or long service awards. No new benefits or changes in regime resulting from legal, collective-bargaining or contractual provisions occurred during the fiscal year.

1.19 Financial debt

Financial debt essentially comprises:

- bank loans: these are initially recognised at fair value less transaction costs. Bank borrowings are subsequently recognised at amortised cost; any difference between the capital amounts borrowed (net of transaction costs) and the amounts repayable is recognised in profit or loss over the duration of the borrowings using the effective interest rate method;
- liabilities related to employee profit sharing recorded as blocked current accounts: these are subject to adjustment to take into account the differential between the contractual interest rate applied and the applicable regulatory rate ceiling. For any given year, this difference applies to liabilities requiring the recognition of an additional charge under staff costs. This difference reduces the financial expenses over the following five years;
- current bank overdraft facilities.

Financial debt payable within 12 months of the balance sheet date is classified within current liabilities.

1.20 Provisions

A provision is recognised when an obligation exists with respect to a third party originating as of the balance sheet date and when the loss or liability is probable and may be reliably estimated.

To the extent that this loss or liability is not probable or may not be reliably estimated, a contingent liability is disclosed by the Group among its commitments given.

1.21 Revenue recognition

The applicable standard is IAS 18 *Revenue*.

Services provided within the scope of the Group's software operations include:

- the right of use under licence of the software provided;
- maintenance;
- of associated services: installation, settings, adaptation, training, etc.

a. In general, separate contracts are concluded with clients for licences and maintenance on the one hand, and ancillary services on the other hand

In this situation, the various elements comprising contracts are accounted for as follows:

- licence revenue is recognised immediately on delivery as licence sale agreements constitute, in substance, a sale of rights. Delivery must be considered to have taken place when all contractual obligations have been fulfilled, *i.e.* when any remaining services to be provided are insignificant and not liable to endanger the client's acceptance of goods supplied or services rendered;

- maintenance revenue is recognised on a time basis, and is generally billed in advance;
- ancillary services revenue is generally provided on the basis of time spent and is recognised when the services are performed, *i.e.* usually when invoiced. Ancillary services are sometimes provided within the scope of fixed-price contracts, in which case they are recognised using the percentage-of-completion method described in paragraph e below.

b. Sometimes, contracts comprising multiple elements (licence, maintenance, ancillary services, etc.) may be negotiated on a fixed-price basis

In this situation, the amount of revenue attributable to the licence is obtained by the difference between the total contract amount and the fair value of its other components, *i.e.* maintenance and ancillary services. The fair value of the other components is determined when possible on the basis of the list prices applying in the case of a separate sale or alternatively, on the basis of management's best estimate. The residual amount attributed to the licence is recognised at the time of delivery.

c. In fairly rare instances, ancillary services may be considered essential to the operation of a software package

This may be the case for very complex projects, the completion of which may be subject to particular risks. The project is then examined as a whole and is the focus of specific monitoring by the Quality Department. They are accounted for using the percentage-of-completion method described in paragraph e. below.

d. Technical assistance, consulting, training and projects provided on an ongoing contract basis

These services are recognised when performed, *i.e.* in general at the time of invoicing.

Operations are reviewed at each balance sheet date:

- services already performed but not yet, or only partially, invoiced are measured on the basis of billable time and the contractual billing rates. They are recognised as revenue and are included in the balance sheet under the *Accrued income* item *Trade receivables*;
- services already billed but not yet entirely performed are deducted from invoiced revenue and included in the balance sheet under the *Deferred revenue*, item *Other current liabilities.*

e. Services covered by fixed-price contracts

Under such contracts the Group commits itself to a price, a result and a deadline. Revenue and profit generated by a contract are recognised on the basis of a technical assessment, in line with the Group's quality procedures, of the contract's degree of completion.

1.22 Segment information

Internal business management information is made available to Axway's management based on the Developer/Distributor (licenses, maintenance, services) model. Segment information for Axway is presented according to this organisation.

1.23 Earnings per share

Earnings per share as stated in the income statement are calculated on the basis of the Group's share in the net profit as follows:

- basic earnings per share are based on the weighted-average number of shares in issue during the fiscal year, calculated according to the dates when the funds arising from cash share issues were received and, in respect of shares issued for contributions-in-kind *via* equity, the date on which the corresponding new Group companies were consolidated for the first time;
- diluted earnings per share are calculated by adjusting the Group share of net profit and the weighted-average number of shares outstanding for the diluting effect of exercising share subscription option plans in force at the end of the fiscal year. The share buyback method has been applied at the market price, based on the average share price throughout the year.

Note 2 Key events and scope of consolidation

2.1 Change in the scope of consolidation

a. Newly-consolidated entities

There has not been any acquisition during the fiscal year ended 31 December 2015.

b. Reorganisation of legal entities

The Group wishes to keep only one subsidiary per Country.

Axway Software, as the sole shareholder of Systar SA, announced the dissolution without liquidation of Systar SA, with legal effect as of 18 January 2015.

The assets of Systar Inc. and Systar Ltd, were respectively transferred to Axway Inc. and Axway Ltd (UK). Vordel Ltd (UK) was wound up.

2.2 List of consolidated companies at 31 December 2015

Company	Country	% control	% held	Consolidation method
Axway Software	France	-	-	Parent company
Axway Distribution France SAS	France	100%	100%	FC
Axway SAS	France	100%	100%	FC
Axway UK Ltd	United Kingdom	100%	100%	FC
Axway Ireland	Ireland	100%	100%	FC
Axway Nordic AB	Sweden	100%	100%	FC
Axway GmbH	Germany	100%	100%	FC
Axway BV	Netherlands	100%	100%	FC
Axway Belgium	Belgium	99.9%	99.9%	FC
Axway Srl	Italy	100%	100%	FC
Axway Software Iberia	Spain	100%	100%	FC
Axway Software do Brasil LTDA	Brazil	100%	100%	FC
Axway Romania Srl	Romania	100%	100%	FC
Axway Bulgaria EOOD	Bulgaria	100%	100%	FC
Axway Inc.	United States	100%	100%	FC
Axway Pte Ltd	Singapore	100%	100%	FC
Axway Software China	China	100%	100%	FC
Axway Ltd	Hong Kong	100%	100%	FC
Axway Software Sdn Bhd	Malaysia	100%	100%	FC
Axway Pty Ltd	Australia	100%	100%	FC
Systar Ltd	United Kingdom	100%	100%	FC
Systar Inc.	United States	100%	100%	FC

FC: Fully consolidated.

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Note 3 Comparability of the accounts

There were no new legal entities in the consolidated financial statements as of 31/12/2015.

No *pro forma* information is required.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Note 4 Revenue

4.1 Revenue by activity

(in millions of euros)	2015		2014		2013	
Licences	80.5	28.3%	79.6	30.4%	75.6	31.8%
Maintenance	137.7	48.4%	120.5	46.1%	106.3	44.8%
Services	66.4	23.3%	61.5	23.5%	55.6	23.4%
TOTAL REVENUE	**284.6**	**100.0%**	**261.6**	**100.0%**	**237.5**	**100.0%**

4.2 International activity

(in millions of euros)	2015		2014		2013	
France	95.2	33.5%	103.4	39.5%	82.5	34.7%
International	189.4	66.5%	158.2	60.5%	155.0	65.3%
TOTAL REVENUE	**284.6**	**100.0%**	**261.6**	**100.0%**	**237.5**	**100.0%**

Note 5 Employee costs

5.1 Breakdown of employee costs

(in thousands of euros)	2015	2014	2013
Salaries	141,228	131,796	115,579
Social charges	38,052	36,458	31,675
Employee profit sharing	869	1,081	1,310
TOTAL	**180,150**	**169,335**	**148,564**

5.2 Workforce

No. of employees at 31 December	2015	2014	2013
France	680	698	610
International	1,204	1,263	1,173
TOTAL	**1,884**	**1,961**	**1,783**

Average No. of employees	2015	2014	2013
France	691	671	626
International	1,232	1,242	1,164
TOTAL	**1,922**	**1,914**	**1,790**

5.3 Employee profit-sharing and incentive schemes

Pursuant to the application of IAS 32 and IAS 39, liabilities in respect of profit sharing were restated, as described in Notes 1.19 and 24.1.

In 2015, employee profit sharing totalled €591 thousand in respect of Axway Software. This compares with €1,054 thousand in 2014 and €986 thousand in 2013.

Note 6 Purchases and external expenses

6.1 Purchases

(in thousands of euros)	2015	2014	2013
Purchases of subcontracting services	14,054	11,804	10,180
Purchases held in inventory of equipment and supplies	1,263	960	804
Purchases of merchandise and change in stock of merchandise	2,591	2,543	2,885
TOTAL	**17,907**	**15,307**	**13,869**

Purchases of subcontracting services in 2015 related to subcontracting to Sopra India (€3.4 million) and Sopra Steria Group (€2.9 million).

6.2 External expenses

(in thousands of euros)	2015		2014		05/07/1905	
Leases and charges	10,157	22.8%	9,751	23.5%	9,188	23.9%
Maintenance and repairs	3,967	8.9%	2,961	7.2%	2,100	5.5%
External structure personnel	-	0.0%	75	0.2%	332	0.9%
Remuneration of intermediaries and fees	5,204	11.7%	5,231	12.6%	4,006	10.4%
Advertising and public relations	3,195	7.2%	2,657	6.4%	3,186	8.3%
Travel and entertainment	11,353	25.5%	11,556	27.9%	10,436	27.2%
Telecommunications	2,853	6.4%	3,568	8.6%	3,563	9.3%
Sundry	7,736	17.4%	5,614	13.6%	5,583	14.5%
TOTAL	**44,464**	**100%**	**41,414**	**100%**	**38,394**	**100%**

Note 7 Depreciation, amortisation and provisions

(in thousands of euros)	2015	2014	2013
Amortisation of intangible assets	488	407	345
Depreciation of property, plant and equipment	2,619	2,644	2,423
Depreciation and amortisation of non-current assets under lease-purchase agreement	-	-	-
Depreciation and amortisation of deferred charges	-	-	-
Depreciation and amortisation	**3,107**	**3,051**	**2,768**
Impairment of current assets net of unused reversals	1,557	230	187
Provisions for contingencies and losses net of unused reversals	1,585	758	964
Provisions and impairment	**3,142**	**988**	**1,151**
TOTAL	**6,249**	**4,039**	**3,919**

Note 8 Expenses related to stock options and similar

For 2015, the cost of services provided by the personnel in consideration for the options received was recognised for the amount of €220 thousand. Information on share subscription option plans that are still active are presented in Note 23.2.

Expenses related to the bonus share allocation plan implemented in February 2012 amounted to €112 thousand.

An additional plan for the allocation of bonus shares to employees in the United States was put into place in April 2015. The charge for this new bonus share allocation plan was €218 thousand.

Note 9 Amortisation of allocated intangible assets

This item corresponds to the amortisation expense in respect of intangible assets obtained in connection with acquisitions of companies (mainly Vordel, Tumbleweed and then Systar in 2014) of €6,044 thousand in 2015, €5,318 thousand in 2014 and €3,679 thousand in 2013.

Note 10 Other operating income and expenses

The following non-recurring expenses are recognised under this item:

- €10,368 thousand in restructuring expenses for our operations in France, Germany, England, Sweden, and in the United States;
- €125 thousand in specific costs related to the acquisition of the Systar Group and to research into the buyout of the Appcelerator in the United States.

Non-recurring expenses for 2014 were:

- €1,200 thousand in fees relating to specific costs in respect of the acquisition of the Systar Group, research into the buyout of a foreign company which never came to fruition and the acquisition of business goodwill in Australia;
- €817 thousand relating to a reassessment notification from URSSAF.

Non-recurring expenses for FY 2013 were expenses relating to the costs arising from the dispute with the US government agency GSA, in the amount of €5,185 thousand.

Note 11 Cost of net financial debt

(in thousands of euros)	2015	2014	2013
Income from cash and cash equivalents	286	231	327
Interest charges	-648	-1,586	-675
TOTAL	**-361**	**-1,355**	**-348**

In 2015, interest expenses were connected to fees for non-use of medium-term borrowing, and to the interest expense in the first half, prior to the redemption of the revolving credit facility (RCF).

Note 12 Other financial income and expenses

Foreign exchange gains and losses mainly relate to commercial transactions denominated in foreign currencies.

Foreign exchange gains and losses relating to intercompany loans are considered as an integral part of the Group's net investment in the foreign subsidiaries concerned and are recognised as a distinct component of equity under Foreign exchange gains and losses in application of IAS 21.

(in thousands of euros)	2015	2014	2013
Foreign exchange gains and losses	**-1,220**	**583**	**-720**
Reversals of provisions	86	156	-
Other financial income	-	-	44
Total foreign exchange gains/losses and other financial income	**-1,134**	**739**	**-676**
Charges to provisions	-41	-159	-12
Discounting of retirement commitments	-167	-267	-199
Discounting of employee profit sharing	-	-	3
Discounting of earn-outs on companies acquired	-	-	-
Change in the value of derivatives	162	234	-
Net carrying amount of financial assets sold	-	-9	-
Other financial expenses	-113	-103	-98
Total other financial expenses	**-158**	**-304**	**-306**
TOTAL OTHER FINANCIAL INCOME & EXPENSES	**-1,292**	**434**	**-982**

Discounting of retirement commitments: see Note 25.1.

Discounting of employee profit sharing: see Note 24.1.

Note 13 Income tax expense

13.1 Analysis

(in thousands of euros)	2015	2014	2013
Current tax	-2,729	-7,087	-5,743
Deferred tax	4,830	3,440	15,502
TOTAL	**2,101**	**-3,647**	**9,759**

13.2 Reconciliation between the theoretical and effective tax charge

(in thousands of euros)	2015	2014	2013
Net Profit	27,856	26,690	35,595
Income taxes	2,101	-3,647	9,759
Goodwill impairment	-	-	-
Profit before tax	25,756	30,337	25,836
Theoretical tax rate	**34.43%**	**34.43%**	**34.43%**
Theoretical tax charge	**-8,868**	**-10,445**	**-8,895**
Reconciliation			
Permanent differences	458	-94	1,131
Impact of non-capitalised losses for the year	-546	-931	-289
Use of non-capitalised tax loss carry forwards	321	885	3,902
Impact of research tax credits	3,241	3,264	2,632
CVAE reclassification (net of tax)	-891	-1,396	-815
Capitalisation of tax loss carry forwards from previous years	6,203	4,481	13,761
Tax rate differences – France/Other countries	1,781	1,505	469
Prior year tax adjustments	-	-	-
Other	402	-916	-2,137
Actual tax charge	**2,101**	**-3,647**	**9,759**
Effective tax rate	**-8.16%**	**12.02%**	**-37.77%**

Details of deferred tax: see Note 19.

13.3 Tax impact of gains and losses recognised directly in shareholders' equity

	2015			2014			05/07/1905		
(in thousands of euros)	Gross	Impact of taxes	Net	Gross	Impact of taxes	Net	Gross	Impact of taxes	Net
Foreign exchange gains and losses	17,963	-927	17,036	20,931	-672	20,259	-7,852	-108	-7,960
Actuarial gains and losses on retirement obligations	1,803	-628	1,175	-756	260	-496	527	-181	346
Change in derivatives	288	-23	265	-155	-23	-178	-96	92	-4
TOTAL	**20,054**	**-1,578**	**18,476**	**20,019**	**-435**	**19,585**	**-7,421**	**-197**	**-7,618**

Note 14 Earnings per share

(in euros)	2015	2014	2013
Net profit – Group share	27,855,864	26,486,195	35,594,729
Weighted average number of ordinary shares in circulation	20,639,417	20,551,415	20,379,481
BASIC EARNINGS PER SHARE	**1.35**	**1.29**	**1.75**

(in euros)	2015	2014	2013
Net profit – Group share	27,855,864	26,486,195	35,594,729
Weighted average number of ordinary shares in circulation	20,639,417	20,551,415	20,379,481
Weighted average number of securities retained in respect of dilutive items	262,754	325,169	320,622
Weighted average number of shares retained for the calculation of diluted net earnings per share	20,902,171	20,876,584	20,700,103
FULLY DILUTED EARNINGS PER SHARE	**1.33**	**1.27**	**1.72**

The method for calculating earnings per share is described in Note 1.23. The only dilutive instruments existing at present are the stock options mentioned in Note 23.2 and the bonus shares allocated as part of the Plans of 14 February 2012 and of 29 April 2015.

Only potentially dilutive ordinary shares, excluding those with an accretive effect, were considered in the calculation of the fully diluted earnings per share. Potential ordinary shares resulting from share subscription options whose exercise price increased by the fair value of services yet to be received from the option holders is greater than the average share price (€20.90) during the period, were considered as accretive.

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NOTES TO THE CONSOLIDATED BALANCE SHEET

Note 15 Goodwill

15.1 Changes in goodwill

The principal movements in 2014 and 2015 were as follows:

(in thousands of euros)	Gross value	Impairment	Net carrying amount
31 December 2013	**198,178**	**8,894**	**189,284**
Adjustments on business combinations	33,165		33,165
Foreign exchange gains and losses	13,906	-118	14,023
31 December 2014	**245,248**	**8,776**	**236,472**
Systar acquisition	190		190
Foreign exchange gains and losses	15,220	43	15,176
31 DECEMBER 2015	**260,658**	**8,820**	**251,838**

15.2 Determination of goodwill for business combinations

There has not been any acquisition since the fiscal year ended December 31, 2015.

Goodwill recorded during 2014 concerns the acquisition of Systar SA and was measured at the date of acquisition using the method set out in Note 1.7.

This goodwill was not final at 31 December 2014. The measurements concerning the various intangible items acquired (software packages, customer relations, etc.) had been made and the purchase contract providing for a price adjustment clause dependent on the subsidiary's future cash flows had been recognised.

This goodwill was, however, made final in 2015 within the stipulated allocation period of 12 months. It increased by €190 thousand due to the downward adjustment of €190 thousand in net assets acquired recorded in deferred tax assets connected to losses carried forward.

(in thousands of euros)	**As at 31/12/2015**
Acquisition price	
Discounted value of earn-outs	
Acquisition cost	**-**
Net assets acquired, excluding existing goodwill	-190
Intangible assets allocated net of deferred taxes	
GOODWILL	**190**

15.3 Impairment tests

The aim of the annual impairment tests is to assess whether goodwill is impaired. This is the case when the carrying amount of the cash-generating unit (CGU) to which the goodwill tested is allocated is lower than its recoverable value. The recoverable value of a cash-generating unit is the higher of its value in use or its fair value less costs to sell. As Axway represents a single CGU, the impairment test for goodwill consists of comparing the overall carrying amount of the Group to its recoverable value.

Impairment tests carried out at the end of 2013, 2014 and 2015 did not give rise to the recognition of impairment.

For 2015, the fair value less costs to sell the Axway cash-generating unit was determined from its stock market value. The costs to sell are estimated at 2% of Axway's fair value. Thus, at the close of trading on 31 December 2015, the fair value of the Axway CGU, *i.e.* its market capitalisation, was €506.9 million, and the fair value less costs to sell was €496.7 million. The carrying amount of the Axway CGU is the amount of its consolidated shareholders' equity at 31 December, *i.e.* €340.6 million. Based on the above, the recoverable value is higher than the carrying amount, and it was therefore unnecessary to recognise any impairment of the goodwill allocated to the Axway CGU at 31 December 2015.

For 2014, application of this same approach had resulted in maintenance of the value of goodwill, the stock market value less selling costs, being determined at €332.6 million for an amount of consolidated shareholders' equity of €298.5 million.

15.4 Foreign exchange gains and losses

Changes in exchange rates relate mainly to fluctuations in the euro compared to the following currencies:

Change euro/currency *(in thousands of euros)*	**31/12/2015**	**31/12/2014**	**31/12/2013**
USD	14,724	15,296	-5,092
SEK	466	-1,268	-719
Other currencies	-14	-4	-10
TOTAL	**15,176**	**14,023**	**-5,821**

Note 16 Intangible assets

(in thousands of euros)	Gross value	Depreciation and amortisation	Net carrying amount
31 December 2013	**48,820**	**19,973**	**28,847**
Changes in scope of consolidation	19,863	2,136	17,727
Acquisitions	2,924	-	2,924
Disposals	-111	-28	-83
Other changes	249	-1	251
Foreign exchange gains and losses	1,913	223	1,691
Depreciation and amortisation	-	5,725	-5,725
31 December 2014	**73,659**	**28,027**	**45,632**
Changes in scope of consolidation	-	-	-
Acquisitions	983	-	983
Disposals	-3,056	-3,053	-3
Other changes	2,913	2,913	-
Foreign exchange gains and losses	1,271	445	825
Depreciation and amortisation	-	6,528	-6,528
31 DECEMBER 2015	**75,770**	**34,860**	**40,909**

Intangible assets essentially include non-proprietary software used in the Group's ordinary course of business as well as software and client and distributor relations acquired as part of external growth transactions. These mainly consist of:

- technologies belonging to Vordel and Tumbleweed, for which the amortisation periods are ten years and fifteen years respectively (from November 2012 for Vordel and September 2008 for Tumbleweed);
- Systar technologies for which the amortisation periods vary between eight and twelve years (from April 2014),

No expense incurred in developing the Group's solutions and software was capitalised, either in 2015 or in previous years.

Note 17 Property, plant and equipment

(in thousands of euros)	Furniture, fixtures and fittings	IT equipment	Total
Gross value			
31 December 2013	**6,871**	**16,613**	**23,484**
Foreign exchange gains and losses	256	1,372	1,628
Acquisitions	666	2,184	2,850
Disposals	-88	-1,011	-1,099
Other changes	-838	617	-221
Changes in scope of consolidation	554	987	1,541
31 December 2014	**7,421**	**20,761**	**28,183**
Foreign exchange gains and losses	171	1,185	1,356
Acquisitions	1,702	2,310	4,012
Disposals	-993	-8,190	-9,183
Other changes	-9	-	-9
Changes in scope of consolidation	-	-	-
31 DECEMBER 2015	**8,293**	**16,066**	**24,358**
Depreciation and amortisation			
31 December 2013	**3,805**	**13,402**	**17,207**
Foreign exchange gains and losses	214	1,230	1,445
Provisions	767	1,876	2,644
Reversals	-49	-1,042	-1,092
Other changes	-657	479	-178
Changes in scope of consolidation	451	770	1,221
31 December 2014	**4,531**	**16,715**	**21,246**
Foreign exchange gains and losses	171	1,047	1,218
Provisions	1,294	1,753	3,047
Reversals	-784	-8,142	-8,925
Other changes	-52	52	0
Changes in scope of consolidation	-	-	-
31 DECEMBER 2015	**5,160**	**11,426**	**16,587**
Net value			
31 December 2014	**2,890**	**4,046**	**6,936**
31 DECEMBER 2015	**3,132**	**4,639**	**7,772**

- Investments made by the Group in property, plant and equipment primarily include office equipment in France and abroad, and information technology equipment (central systems, work stations, and networks).
- Amounts included under disposals during the year mainly correspond to the scrapping of computer equipment each year after taking inventory and to premises for which leases were not renewed that the Group no longer occupies.

Note 18 Other non-current financial assets

18.1 Financial asset categories

The Group's non-current financial assets consist of loans and receivables.

(in thousands of euros)	31/12/2015	31/12/2014	31/12/2013
Loans and receivables	1,780	1,371	1,186
Derivatives	-	-	-
TOTAL	**1,780**	**1,371**	**1,186**

18.2 Loans and receivables

(in thousands of euros)	31/12/2015	31/12/2014	31/12/2013
Tax receivables (other than corporate income tax)	**-**	**6**	**14,217**
Loans	0	-	-
Deposits and other non-current financial assets	1,781	1,374	1,187
Provisions for loans, deposits and other non-current financial assets	-1	-3	-1
Loans, deposits and other non-current financial assets – net value	**1,780**	**1,371**	**1,186**
TOTAL	**1,780**	**1,377**	**15,403**

Tax receivables corresponded in 2013 to research tax credits (CIR) with a maturity of more than 12 months and which relate to France. These Research Tax Credit receivables were sold to Natixis Bank in 2014. The receivables sold in 2014 with respect to the 2011, 2012 and 2013 Research Tax Credits amounted to respectively €5,793 thousand, €3,578 thousand and €6,538 thousand. The total amount sold in 2015 with respect to the 2014 Research Tax Credit was €7,573. The tax administration reimbursed Natixis in 2015 for the amount of the 2011 Research Tax Credit, which was €5,793 thousand. Total receivables sold and not reimbursed to Natixis Bank by the tax administraiton therefore amounted to €17,689 thousand.

Deposits and other non-current financial assets consist mainly of guarantees given for the leased premises. Non-remunerated deposits are maintained at their nominal value, given that the effect of discounting is not significant.

Note 19 Deferred tax assets and liabilities

19.1 Breakdown by maturity

(in thousands of euros)	31/12/2015	31/12/2014	31/12/2013
Deferred tax assets (DTA)			
• less than one year	7,353	7,212	4,692
• more than one year	37,887	33,499	25,595
TOTAL DTA	**45,240**	**40,712**	**30,287**
Deferred tax liabilities (DTL)			
• less than one year	-430	-905	-847
• more than one year	-6,625	-8,579	-4,504
TOTAL DTL	**-7,055**	**-9,484**	**-5,351**
DEFERRED NET TAX	**38,185**	**31,227**	**24,936**

19.2 Change in net deferred tax

(in thousands of euros)	31/12/2015	31/12/2014	31/12/2013
At 1 January	**31,227**	**24,936**	**10,833**
Changes in scope of consolidation	-190	-385	-246
Tax – income statement impact	4,830	3,586	15,502
Tax – equity impact	-500	237	-90
Foreign exchange gains and losses	2,818	2,853	-1,063
AT 31 DECEMBER	**38,185**	**31,227**	**24,936**

19.3 Breakdown of net deferred tax by type

(in thousands of euros)	31/12/2015	31/12/2014	31/12/2013
Differences related to consolidation adjustments			
Actuarial gains and losses on retirement obligations	155	810	361
Software depreciation and amortisation of revalued software	2,775	3,808	4,399
Fair value of amortisable allocated intangible assets	-4,580	-5,069	-2,306
Financial derivatives	16	39	64
Discounting of employee profit sharing	223	87	92
Tax-driven provisions	-430	-1,371	-2,289
Activated tax losses	6,886	4,574	1,692
Other	273	45	136
Temporary differences from tax returns			
Provision for retirement benefits	2,107	1,860	1,645
Provision for employee profit sharing	204	361	339
Provision for “Organic” tax	45	45	78
Activated research tax credits	543	1,518	983
Activated tax losses	28,737	24,506	19,733
Other	1,230	15	9
TOTAL	**38,185**	**31,227**	**24,936**

When the cost of acquiring Systar was allocated in 2014 (known today as Axway Software), €17.7 million in intangible assets identified as amortisable and allocated separately from goodwill were recognised. As at 31 December 2015, the net value of these intangible assets stood at €14.7 million, generating a deferred tax liability of €5.0 million.

This deferred tax liability coming from the former entity Systar SA (known today as Axway Software) was partially offset by the restatement of the R&D expense capitalisation, which led to the recognition of a deferred tax asset of €1.6 million and by the capitalisation of the former Systar entity's tax losses which could still be carried forward in the amount of €2.7 million.

Deferred tax assets were recorded for fiscal year 2015 in the amount of €2.9 million for the Axway Software entity and €1.2 million for the Axway GmbH entity. The tax losses for these two entities can be explained by the restructuring plans which took place during the course of the fiscal year.

Capitalisation in the amount of €28.7 miilion in the parent company financial statements came from the Axway Inc. entity (+€4.2 million capitalised between 2014 and 2015).

With regard to the *cotisation sur la valeur ajoutée des entreprises* (CVAE) component of the *contribution économique territoriale* (CET), the replacement for the professional tax introduced by the Finance Law for 2010, the Group has decided to recognise this component under corporate income tax in order to ensure consistency with the treatment of similar taxes in other countries. This approach is also consistent with the position adopted by Syntec Informatique and made public on 10 February 2010.

19.4 Deferred tax assets not recognised by the Group

(in thousands of euros)	31/12/2015	31/12/2014	31/12/2013
Tax losses carried forward	24,654	26,605	28,646
Temporary differences	1,447	748	817
TOTAL	**26,101**	**27,353**	**29,463**

19.5 Maturity of tax losses carried forward

(in thousands of euros)	31/12/2015	31/12/2014	31/12/2013
N+1	-	603	2,159
N+2	17,858	2,827	603
N+3	23,866	26,163	11,102
N+4	16,372	21,453	23,949
N+5 and subsequent years	85,106	86,853	100,147
Tax losses carried forward with a maturity date	143,210	137,899	137,960
Tax losses which may be carried forward indefinitely	39,362	30,067	15,121
TOTAL	**182,572**	**167,967**	**153,081**
Deferred tax basis – portion used	102,492	83,252	71,506
Deferred tax basis – unused portion	80,080	84,715	89,441
Deferred tax – used	35,624	29,080	22,408
Deferred tax – unused	24,654	26,605	28,646

As of 31 December 2015, the deferred tax assets not capitalised on the tax losses carried forward amounted to €24.7 million and mainly concerned the following subsidiaries: Axway Inc. (€18.7 million), Systar Inc. (€1.4 million),Axway UK (€1.0 million), Axway Pte Ltd in Singapore (€1.0 million), Axway Srl in Italy (€0.7 million), Axway Hong Kong (€0.7 million), Axway Romania (€0.6 million) and Axway Brazil (€0.5 million).

Tax losses carried forward for Axway Inc. essentially came from acquisitions of Cyclone in 2006 and Tumbleweed Communications Corp. in 2008. These losses are subject to an overall time limit (20 years) as well as an annual limit on their use ($8.1 million) imposed by US tax regulations following a change in shareholding structure.

From 2010, the earning prospects of the American subsidiary permitted capitalisation to approximately two years of forecast results. At 31 December 2013, the accrued earning capacity of fiscal years 2011 and 2012 and its projected maintenance over the years to come, improved primarily through the contribution of the API Server offer, led to the capitalisation of the tax losses to approximately five years of forecast result, *i.e.* $28.8 million. At 31 December 2014, capitalised tax losses stood at $31.1 million (in deferred tax assets). The non-capitalised tax losses which may be carried forward amounted to $73.5 million (taxable base).

At 31 December 2015, capitalised tax losses stood at $31.3 million (in deferred tax assets). The non-capitalised tax losses which may be carried forward amounted to $58.1 million (taxable base).

Note 20 Trade receivables

(in thousands of euros)	31/12/2015	31/12/2014	31/12/2013
Trade receivables	67,820	59,255	60,375
Accrued income	6,948	26,348	5,506
Accrued credit notes	-	-	-487
Provision for doubtful debtors	-911	-751	-962
TOTAL	**73,856**	**84,852**	**64,432**

Net trade receivables, expressed in terms of days of revenue, corresponded to 85 days of revenue at 31 December 2015, against 105 days at 31 December 2014. This ratio is calculated by comparing "Net trade" receivables with the revenue generated during the year.

Accrued income mainly relates to fees for licences and services, which are recognised according to the methods set out in Note 1.21.

Note 21 Other current receivables

(in thousands of euros)	31/12/2015	31/12/2014	31/12/2013
Employees and social security	798	391	160
Tax receivables (other than corporate income tax)	6,201	2,649	1,117
Corporate income tax	10,590	9,436	3,655
Other receivables	-577	1,081	197
Prepaid expenses	5,193	4,411	2,729
Financial derivatives	-	-	-
TOTAL	**22,204**	**17,968**	**7,858**

Tax receivables of €6.2 million relate mainly to deductible VAT.

Note 22 Cash and cash equivalents

The cash flow statement is presented on page 126.

(in thousands of euros)	31/12/2015	31/12/2014	31/12/2013
Investment securities	-	-	-
Cash	44,664	44,574	49,176
Cash and cash equivalents	**44,664**	**44,574**	**49,176**
Current bank overdrafts	-798	-6	-11
TOTAL	**43,866**	**44,568**	**49,165**

Net cash and cash equivalents include available liquid funds (cash and positive bank balances), liquid marketable securities that meet the definition of cash equivalents as indicated in Note 1.15, bills of exchange presented for collection and due before the balance sheet date and temporary bank overdrafts.

Note 23 Shareholders' equity

The consolidated statement of changes in shareholders' equity is presented on page 128.

23.1 Changes in share capital

At 31 December 2014, the share capital stood at €41,136,276, comprising 20,568,138 fully paid-up shares with a nominal value of €2.00 each.

In 2015, 205,778 subscription options were exercised, creating 205,778 new shares at a price of €2.00.

At 31 December 2015, the share capital stood at €41,547,832, comprising 20,773,916 fully-paid up shares with a nominal value of €2.00 each.

Following the authorisation issued by the General Shareholders' Meeting of 28 April 2011, the Board of Directors ratified, on 14 February 2012, the plan to award bonus shares to employees of the Group. Under IFRS 2 *Share-based Payment,* the value of the bonus shares granted calculated at the award date of the rights is expensed over the vesting period, *i.e.* two to four years. This plan will in due course result in the creation of some 50,000 shares, or 45 shares per eligible employee.

In April 2015, the Board of Directors granted certain employees 35,000 bonus shares, subject to a lock-up period of four years. At 31 December 2015, all bonus shares were in circulation, and none of them had been cancelled.

23.2 Share subscription option plans

	Initial position		Option exercise period		Position at 1 January		Changes in the period, number of options:			Position as at 31/12/2015	
Grant date	**Number of options**	**Exercise price**	**Start date**	**Expiry date**	**Number of options**	**Exercise price**	**awarded**	**cancelled**	**exercised**	**Number of options**	**Exercise price**
Plan No. 2 – 2010 stock option plan, maximum issue of 1,990,000 shares General Shareholders' Meeting of 25/11/2010											
25/11/2010	5,000	€145.00	30/06/2012	31/12/2015	-	€17.11	-	-	-	-	€17.11
Total	**5,000**				**-**		**-**	**-**	**-**	**-**	**€17.11**
Plan No. 3 – 2011 stock option plan, maximum issue of 1,033,111 shares * General Shareholders' Meeting of 28/04/2011											
18/11/2011	516,175	€14.90	18/05/2014	18/11/2019	395,753	€14.90	-	-12,150	-187,028	196,575	€14.90
18/11/2011	516,175	€14.90	18/11/2016	18/11/2019	394,200	€14.90	-	-60,150		334,050	€14.90
28/03/2013	131,250	€15.90	28/09/2015	28/03/2021	96,000	€15.90	-	-13,000	-18,750	64,250	€15.90
28/03/2013	131,250	€15.90	28/03/2018	28/03/2021	96,000	€15.90	-	-30,500		65,500	€15.90
03/01/2014	50,000	€21.86	02/07/2016	03/01/2022	50,000	€21.86		-	-	50,000	€21.86
03/01/2014	50,000	€21.86	03/01/2019	03/01/2022	50,000	€21.86		-	-	50,000	€21.86
Total	**1,394,850**				**1,081,953**		**-**	**-115,800**	**-205,778**	**760,375**	
TOTAL OF PLANS	**1,399,850**				**1,081,953**		**-**	**-115,800**	**-205,778**	**760,375**	

* *Increased by amendment to 1,295,611 in June 2013.*

- 205,778 share subscription options were exercised during fiscal year 2015.
- 115,800 share subscription options were cancelled in 2015 following the departure of the holders.
- No further allocation was made under Plan No. 1 and 2.
- The fair values of the share subscription options allocated under Plan No. 1 and Plan No. 2 were determined using the binominal model recommended by IFRS 2.
- The fair value of the share subscription options allocated under Plan No. 3 was determined using the same binomial model and the following assumptions: average expected life of 4.5 to 6 years; expected volatility of 29.44%; dividend yield of 1.39% and risk-free interest rate of 2.48%. Expected volatility was determined on the basis of the volatility expected for stocks in comparable sectors.
- The average closing share price in 2015 was €20,90.
- The amount recognised in respect of 2015, in accordance with the method indicated in Note 1.16 Share-based Payment, was €220 thousand. This current expense relating to the valuation of services provided by beneficiaries in exchange for the granting of stock options was recorded in the income statement. No non-recurring expenses were recognised in relation to the cost of services rendered by employees benefiting from share subscription options whose right to exercise their options was maintained despite their departure from the Group in 2015.

23.3 Bonus share allocation plan

This plan concerns an allocation of bonus shares to the Group's employees ratified by the Board of Directors on 14 February 2012 and leading to the creation of approximately 50,000 shares in the long term.

Under IFRS 2 *Share-based Payment,* the fair value of the bonus shares granted calculated at the award date of the rights is expensed over the vesting period, *i.e.* two to four years. This expense amounted to €112 thousand for 2015.

In April 2015, the Board of Directors granted certain employees 35,000 bonus shares, subject to a lock-up period of four years. At 31 December 2015, all bonus shares were in circulation, and none of them had been cancelled. The charge for this new bonus share allocation plan for FY 2015 was €218 thousand.

23.4 Capital reserves

(in thousands of euros)	31/12/2015	31/12/2014	31/12/2013
Share issue, merger and contribution premium	109,038	105,819	103,877
Legal reserve	4,114	3,448	2,773
TOTAL	**113,152**	**109,267**	**106,650**

The principal movements in 2015 were as follows:

- Appropriation of 2014 profit to the legal reserve: €670 thousand;
- Issue premium related to the capital increase resulting from the exercise of 205,778 subscription options: €2,673 thousand;
- Premium related to the 2012 and 2015 bonus share plan and stock options still to be exercised: €542 thousand.

23.5 Dividends

Upon approval of the 2014 financial statements, the General Shareholders' Meeting of Axway Software held on 22 June 2015 decided to distribute a dividend of €0.40 per share, representing a total of €8,227 thousand.

This dividend was scheduled for payment on 3 July 2015.

It is proposed to the 2016 General Shareholders' Meeting approving the 2015 financial statements to distribute a dividend of €0.40 per share, which, based on the number of shares existing at 31 December 2015, amounts to €8,310 thousand.

23.6 Capital management objectives, policy and procedures

The Company's capital consists solely of the items disclosed in the balance sheet. There are no financial liabilities considered as components of capital and, conversely, there are no equity components not considered to be part of the Company's capital.

The Company does not operate under any external capital constraints, other than the net debt to equity ratio, which, under the covenants stipulated in the syndication contract, must remain below 1 throughout the loan period.

The Company has entered into a liquidity contract to ensure the liquidity of transactions and regular trading of its shares, in order to avoid share price fluctuations that are not justified by market trends. The amount covered by the liquidity account enabling the intermediary to carry out transactions under the contract is €1.1 million.

Note 24 Financial debt

24.1 Net debt

(in thousands of euros)	Current	Non-current	31/12/2015	31/12/2014	31/12/2013
Bank loans	87	4,255	4,342	44,499	35,064
Finance lease liabilities		40	40	44	-
Employee profit sharing	580	3,223	3,803	3,148	2,916
Other financial liabilities		-	-	-	-
Current bank overdrafts	798	-	798	6	11
FINANCIAL DEBT	**1,465**	**7,518**	**8,983**	**47,696**	**37,991**
Investment securities	-	-	-	-	-
Cash and cash equivalents	-44,664	-	-44,664	-44,574	-49,176
NET DEBT	**-43,199**	**7,518**	**-35,681**	**3,122**	**-11,185**

Bank loans

In July 2014, Axway Software contracted a multi-currency €125 million revolving line of credit with six banks for the purpose of financing of acquisitions as well as the Group's general funding needs. This line of credit is non-depreciable and has a maturity of July 2019 with a 1+1 type renewal option.

The interest rate is Euribor for the applicable drawdown period plus a spread adjusted every six months in relation to the change in the ratio: Net debt/EBITDA. The net debt figure used does not include employee profit-sharing liabilities.

These lines are subject to a utilisation and non-utilisation commission.

Three financial ratios must be met under covenants entered into with partner banking establishments (see Note 32.3).

A €45 million drawdown was made at 31 December 2014 to finance the acquisition of Systar, and was reimbursed in March 2015. A loan of €5 million was signed on 31 March 2015 with the Banque Publique d'Investissement (BPI) for a five-year term. This loan is very flexible (without any financial covenant) and at a good rate, with an annual percentage rate of 0.8%.

Employee profit sharing

Axway Software's profit-sharing reserves are managed in current accounts that cannot be accessed for five years, on which interest accrues at a fixed rate. An agreement struck in 2002 also enables employees to opt for external management in multi-company mutual funds.

Pursuant to the application of IAS 32 and IAS 39, liabilities in respect of profit sharing were restated, as described in Note 1.19.

24.2 Statement of changes in net debt

(in thousands of euros)	31/12/2015	31/12/2014	31/12/2013
Net debt at 1 January (A)	**3,122**	**-11,185**	**6,751**
Cash from operations after cost of net debt and tax	**40,552**	**35,236**	**45,282**
Cost of net financial debt	361	1,355	674
Income taxes (including deferred tax)	-2,101	3,647	-9,759
Cash from operations before cost of net debt and tax	**38,813**	**40,238**	**36,197**
Income taxes paid	-2,527	-3,875	-4,325
Changes in working capital requirements	13,317	10,956	-3,540
Net cash from operating activities	**49,602**	**47,319**	**28,332**
Change related to investing activity	-4,715	-4,659	-2,992
Net interest paid	-361	-1,355	-673
Available net cash flow	**44,525**	**41,304**	**24,667**
Impact of changes in the scope of consolidation	-127	-49,719	-291
Financial investments	-384	-39	-356
Dividends	-8,227	-8,210	-7,101
Capital increase in cash	3,085	1,292	2,207
Other changes	-1,139	-2,652	-36
Total net change during the year (B)	**37,733**	**-18,022**	**19,090**
Impact of changes in exchange rates	1,071	3,715	-1,154
NET DEBT AT 31 DECEMBER (A-B)	**-35,681**	**3,122**	**-11,185**

Impact of changes in the 2015 scope of consolidation: - €0.1 million

The 2013 change was related to the price adjustment clause of the Vordel company acquisition, acquired in November 2012. The 2014 change concerned the acquisition of Systar in April and the acquisition of business goodwill in Brazil. The 2015 change concerned the correction of Systar's net assets acquired.

(in thousands of euros)	31/12/2015	31/12/2014	31/12/2013
Cost of acquisition (excluding earn-out)	-	-53,705	-
Net debt/Net cash of companies acquired	-127	3,987	-
Earn-outs disbursed for previous acquisitions	-	-	-291
TOTAL	**-127**	**-49,719**	**-291**

Note 25 Other non-current lliabilities

25.1 Provisions for post-employment benefits

These provisions primarily concern the defined-benefit plan in France which was not financed by hedging assets.

(in thousands of euros)	01/01/2015	Change in scope of consolidation	Provisions for the year	Reversals for the year (provisions used)	Reversals for the year (unused provisions)	Other changes	Change in actuarial differences	31/12/2015
France	7,754		641			-663	-1,162	6,571
Italy	648					-648		-
Germany	22		8					30
Bulgaria	-		6			24	-4	26
TOTAL	**8,425**	**-**	**655**	**-**	**-**	**-1,286**	**-1,166**	**6,628**
Impact (net of expenses incurred)								
Profit from recurring operations			488		-			
Financial items			167		-			
TOTAL			**655**		**-**			

In France, the defined-benefits scheme relates to the payment of retirement benefits. The Group provides for its commitments to employees in accordance with the provisions of the Syntec collective bargaining agreement with respect to the retirement scheme modified in 2004 pursuant to the retirement reform measures introduced by the Loi Fillon of 21 August 2003. Provisions for retirement benefits are recognised in accordance with the conditions in Note 1.18.

Actuarial assumptions used to calculate Axway Software's provision for retirement benefits

The main actuarial assumptions used in respect of Axway Software's plan are as follows:

	31/12/2015	31/12/2014	31/12/2013
Benchmark for discounting	Source: Bloomberg	Source: Bloomberg	Source: Bloomberg
Discount rate for commitments	2.41%	1.59%	2.80%
Future salary growth rate	2.50%	2.50%	2.50%
Age at retirement	age 65	age 65	age 65
Mortality table	Insee 2011-2013	Insee 2006-2008	Insee 2006-2008

Assumptions referring to mortality rates are based on published statistical data. Updating of mortality tables increased the commitment by €33 thousand.

Turnover tables are established for each company concerned by five-year age groups and are updated at each balance sheet date to reflect data on employee departures for the last five years.

Updating of five-year workforce turnover rates and assumptions relating to departure procedures reduced the commitment by €718 thousand.

Retirement benefit commitments are discounted using a discount rate corresponding to the interest rate of prime corporate bonds (carrying a rating of AA or higher) denominated in the payment currency, the maturity period of which is close to the average estimated length of the retirement obligation concerned.

Since 31 December 2009 and for the euro zone, the Group has used the rates published by Bloomberg as the benchmark for the discounting of its retirement obligations. A discount rate of 2.41% was used for 2015.

TABLE OF CHANGES IN AXWAY SOFTWARE'S PROVISION FOR RETIREMENT BENEFITS

(in thousands of euros)	Present value of obligations not financed	Unrecognised actuarial differences	Net commitments recognised in the balance sheet	Taken to the income statement
31 December 2013	**5,826**	**-**	**5,826**	**595**
Change in scope of consolidation		-	-	
Past service cost	417	-	417	417
Financial cost	172	-	172	172
Benefits paid to employees	-	-	-	-
Change in actuarial differences	677	-	677	-
31 December 2014	**7,092**	**-**	**7,092**	**589**
Change in scope of consolidation		-	-	
Past service cost	524	-	524	524
Financial cost	117	-	117	117
Benefits paid to employees	-	-	-	-
Change in actuarial differences	-1,162	-	-1,162	-
31 DECEMBER 2015	**6,571**	**-**	**6,571**	**641**

Analysis of the change in recognised actuarial differences in relation to Axway Software

Actuarial differences result solely from the changes in present value of the obligation, in the absence of plan assets.

These differences include the effects of changes in actuarial assumptions and the effects of the differences between the actuarial assumptions used and actual experience (experience adjustments detailed below).

The €1,162 thousand actuarial gain recognised for Axway Software in 2015 was the result of:

- experience impacts on liabilities (downward adjustment in the commitment of €249 thousand);
- the impact of the 0.82 point drop in the discount rate used compared with 2014 (downard adjustment in the commitment of €1,411 thousand).

Experience adjustments on Axway Software scheme liabilities are shown in the table below:

(in thousands of euros)	**31/12/2015**	**31/12/2014**	**31/12/2013**
Current value of obligation with respect to defined benefits	6,571	7,092	5,826
Experience adjustments on plan liabilities	249	-240	-263
Experience adjustments on plan liabilities (in % of commitments)	3.78%	-3.39%	-4.51%

The breakdown by maturity of the Axway Software's retirement benefit commitment in France, discounted at 2.41%, is shown in the table below:

(in thousands of euros)	**31/12/2015**
Present value of theoretical benefits to be paid by the employer:	
• less than 1 year	164
• 1 to 2 years	60
• 2 to 3 years	335
• 3 to 4 years	179
• 4 to 5 years	169
• 5 to 10 years	1,360
• 10 to 20 years	2,842
• more than 20 years	1,463
TOTAL COMMITMENT	**6,571**

25.2 Non-current provisions

CHANGES IN 2015 PROVISIONS (IN CURRENT AND NON-CURRENT LIABILITIES)

(in thousands of euros)	**01/01/2015**	**Change in scope of consolidation**	**Provisions for the year**	**Reversals for the year (provisions used)**	**Reversals for the year (unused provisions)**	**Other changes**	**31/12/2015**
Provisions for disputes	168		1,052	-15	-34	-99	1,072
Provisions for guarantees	710		-		-610	-	100
Other provisions for contingencies	99		11		-	76	186
Subtotal provisions for contingencies	**976**	**-**	**1,064**	**-15**	**-644**	**-24**	**1,357**
Provisions for tax	1,172	-	-	-	-	-	1,172
Restructuring provision			3,247			2	3,248
Other provisions for losses	141	-	95	-97	-56	648	732
Subtotal provisions for losses	**1,313**	**-**	**3,342**	**-97**	**-56**	**650**	**5,152**
TOTAL	**2,289**	**-**	**4,405**	**-112**	**-700**	**626**	**6,509**
Impact (net of expenses incurred)							
Profit from recurring operations			1,159				
Operating profit			3,247				
Financial items					-		
Income taxes			-		-		
TOTAL			**4,405**		**-**		

- A provision for charges of €648 thousand is recognised in the financial statements of Axway Srl in Italy. This provision concerns a defined-benefits plan pertaining to the payment of regulatory termination benefits (“trattamento di fine rapporto”). These payments are calculated as a proportion of the employee’s gross annual salary and are linked to the price index issued by the Italian Institute of Statistics (ISTAT).
- Provisions for disputes mainly relate to labour arbitration proceedings, severance pay and a number of trade disputes.
- Provision for tax was made to cover a tax risk relating to a pending tax inspection on the parent company for 2009, 2010 and 2011. The tax authorities notified an adjustment proposal corresponding to the amount of provision.
- The restructuring provision of €3,248 thousand essentially concerns the operations of Axway GmbH. The provision for guarantees on the delivery of software for this same subsidiary dropped by €610 thousand.

25.3 Other non-current liabilities

(in thousands of euros)	31/12/2015	31/12/2014	31/12/2013
Non-current asset liabilities – portion due in more than one year	781	-	-
Employee profit sharing during the year	3,223	2,766	791
Conditional advances	-	-	-
Financial derivatives	-	-	-
TOTAL	**4,004**	**2,766**	**791**

The *Employee profit sharing* line as of 31 December 2015 records Axway Software’s provisions for profit sharing liabilities for the fiscal year. These amounts increase financial debt for the following year.

Note 26 Trade payables

(in thousands of euros)	31/12/2015	31/12/2014	31/12/2013
Trade payables	7,573	7,170	6,306
Liabilities in respect of non-current assets	911	761	283
Trade payables – advances and payments on account, accrued credit notes	-	-	-
TOTAL	**8,483**	**7,931**	**6,589**

Note 27 Other current liabilities

(in thousands of euros)	31/12/2015	31/12/2014	31/12/2013
Employee data	18,581	17,990	14,372
Social security	10,382	11,917	9,488
VAT	11,796	10,854	5,380
Other tax liabilities (excluding corporate income tax)	5	2,116	2,065
Corporate income tax	927	921	2,357
Other payables	3,422	851	185
Restructuring provision	3,102	-	-
TOTAL	**48,215**	**44,648**	**33,847**

OTHER INFORMATION

Note 28 Segment information

GEOGRAPHICAL BREAKDOWN OF REVENUE

(in thousands of euros)	2015		2014		2013	
Europe	160,974	56.6%	162,911	62.3%	140,126	59.0%
Americas	109,707	38.5%	89,090	34.1%	90,681	38.2%
Asia Pacific	13,930	4.9%	9,589	3.7%	6,738	2.8%
TOTAL REVENUE	**284,611**	**100%**	**261,590**	**100%**	**237,545**	**100%**

GEOGRAPHICAL BREAKDOWN OF NON-CURRENT ASSETS

(in thousands of euros)	2015		2014	
France	86,935	28.8%	38,341	13.2%
International	215,364	71.2%	252,077	86.8%
TOTAL NON-CURRENT ASSETS*	**302,299**	**100.0%**	**290,418**	**100.0%**

* *Excluding financial instruments, deferred tax assets, and assets with respect to post-employment benefits.*

Note 29 Derivatives reported in the balance sheet

AT 31 DECEMBER 2015

	31/12/2015		Breakdown by class of derivative instrument					
(in thousands of euros)	Balance sheet value	Fair value	Assets and liabilities at fair value through profit and loss	Available for sale assets	Loans, receivables and other liabilities	Financial debt at amortised cost	Derivatives at fair value through profit or loss	Derivatives at fair value through equity
Financial assets	1,780	1,780	-	-	1,780	-	-	-
Trade receivables	73,856	73,856	-	-	73,856	-	-	-
Other current receivables	22,204	22,204	-	-	22,204	-	-	-
Cash and cash equivalents	44,664	44,664	44,664	-	-	-	-	-
FINANCIAL ASSETS	**142,505**	**142,505**	**44,664**	**-**	**97,841**	**-**	**-**	**-**
Financial debt – long-term portion	7,518	7,518	-	-	-	7,518	-	-
Other non-current liabilities	781	781	781	-	-	-	-	-
Financial debt – short-term portion	1,465	1,465	1,465	-	-	-	-	-
Trade payables	8,483	8,483	-	-	8,483	-	-	-
Other current liabilities	114,824	114,824	-	-	114,824	-	-	-
FINANCIAL LIABILITIES	**133,072**	**133,072**	**2,247**	**-**	**123,307**	**7,518**	**-**	**-**

The fair value of trade receivables, other current receivables, trade payables and other current liabilities is the same as the balance sheet value, owing to their very short settlement times.

AT 31 DECEMBER 2014

	31/12/2014		Breakdown by class of derivative instrument					
(in thousands of euros)	Balance sheet value	Fair value	Assets and liabilities at fair value through profit and loss	Available for sale assets	Loans, receivables and other liabilities	Financial debt at amortised cost	Derivatives at fair value through profit or loss	Derivatives at fair value through equity
Financial assets	1,373	1,373	-	-	1,373	-	-	-
Trade receivables	84,852	84,852	-	-	84,852	-	-	-
Other current receivables	17,972	17,972	-	-	17,972	-	-	-
Cash and cash equivalents	44,574	44,574	44,574	-	-	-	-	-
FINANCIAL ASSETS	**148,770**	**148,770**	**44,574**	**-**	**104,196**	**-**	**-**	**-**
Financial debt – long-term portion	46,374	46,374	-	-	-	46,374	-	-
Other non-current liabilities	-	-	-	-	-	-	-	-
Financial debt – short-term portion	1,322	1,322	1,322	-	-	-	-	-
Trade payables	7,931	7,931	-	-	7,931	-	-	-
Other current liabilities	105,736	105,736	-	-	105,736	-	-	-
FINANCIAL LIABILITIES	**161,363**	**161,363**	**1,322**	**-**	**113,667**	**46,374**	**-**	**-**

Note 30 Risk factors

30.1 Credit risk

a. Maturity of trade receivables

2015

(in thousands of euros)	Carrying amount	Of which: impaired	Of which: neither impaired nor past due at the balance sheet date	Of which: not impaired at the balance sheet date but past due, with the following breakdown: less than 30 days	between 30 and 60 days	between 61 and 90 days	between 91 and 180 days	between 181 and 360 days	more than 360 days
Trade receivables (including doubtful debts)	67,820	911	42,007	15,826	4,317	2,259	1,817	586	97

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b. Statement of changes in provisions for doubtful receivables

(in thousands of euros)	31/12/2015	31/12/2014	31/12/2013
Impairment of trade receivables at start of period	**751**	**962**	**2,136**
Provisions	751	249	774
Reversals	-615	-499	-1,912
Changes in scope of consolidation	-8	-	-
Foreign exchange gains and losses	31	40	-36
IMPAIRMENT OF TRADE RECEIVABLES AT END OF PERIOD	**911**	**751**	**962**

30.2 Liquidity risk

According to the definition given by the *Autorité des marchés financiers*, liquidity risk arises when assets are longer term than liabilities. This can result in an inability to repay short-term debt if the Company is unable to sell the asset in question or obtain bank credit lines.

At 31 December 2015, there was no liquidity risk. On the same date, the Group had €125 million in credit lines and €20 million in unused bank overdrafts, which totalled €145 million. Furthermore, the Group had cash and cash equivalent of €44.7 million.

The following table shows the non-discounted contractual cash flows of consolidated net debt at 31 December 2015:

(in thousands of euros)	Carrying amount	Total contractual flows	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Bank loans	4,342	4,330	765	1,019	1,019	1,019	509	
Finance lease liabilities	40	40	40					
Employee profit sharing	3,803	3,287	568	524	886	659	650	
Current bank overdrafts	798	798	798					
Financial debt	**8,983**	**8,455**	**2,170**	**1,543**	**1,905**	**1,677**	**1,159**	**-**
Investment securities	-	-	-	-	-	-	-	-
Cash and cash equivalents	-44,664	-44,664	-44,664	-	-	-	-	-
CONSOLIDATED NET DEBT	**-35,681**	**-36,209**	**-42,494**	**1,543**	**1,905**	**1,677**	**1,159**	**-**

30.3 Market risks

a. Interest rate risk

Interest rate risk is managed by the Group's Finance Department in liaison with the partner banking institutions.

Hedging of borrowings

When the multi-currency credit line was subscribed, a hedging contract was put in place to guard against the risks of a rise in the interest rate applicable to this line, the three-month Euribor.

At 31 December 2015, a SWAP contract concerning the drawdown made on the multi-currency credit line was under way. The notional amount hedged is 100% of the drawdown made over the total life of the borrowing, *i.e.* until redemption at 25 July 2019.

Summary of exposure to interest rate risk

The table below shows the Group's exposure to interest rate risk based on commitments at 31 December 2015.

As at 31/12/2015	Interest rate	31/12/2015	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Investment securities	Fixed rate	-	-	-	-	-	-	-
	Variable rate	-	-	-	-	-	-	-
Cash and cash equivalents	Fixed rate	44,664	44,664	-	-	-	-	-
	Variable rate	-						
Financial assets	**Fixed rate**	**44,664**	**44,664**	**-**	**-**	**-**	**-**	**-**
	Variable rate	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Bank loans	Fixed rate							
	Variable rate	-4,342	-848	-1,008	-1,000	-992	-493	
Finance lease liabilities	Fixed rate	-40	-40				-	-
	Variable rate	-						
Employee profit sharing	Fixed rate	-3,803	-583	-567	-1,016	-800	-837	-
	Variable rate	-						
Current bank overdrafts	Fixed rate	-						
	Variable rate	-798	-798	-	-	-	-	-
Financial liabilities	**Fixed rate**	**-3,843**	**-622**	**-567**	**-1,016**	**-800**	**-837**	**-**
	Variable rate	**-5,140**	**-1,647**	**-1,008**	**-1,000**	**-992**	**-493**	**-**
NET POSITION BEFORE HEDGING	**FIXED RATE**	**40,822**	**44,042**	**-567**	**-1,016**	**-800**	**-837**	**-**
	VARIABLE RATE	**-5,140**	**-1,647**	**-1,008**	**-1,000**	**-992**	**-493**	**-**
Interest rate hedging instruments	**Fixed-rate payer swap**	**18,000**	**18,000**					**-**
	Knock-in tunnel	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET EXPOSURE AFTER HEDGING	**FIXED RATE**	**22,822**	**26,042**	**-567**	**-1,016**	**-800**	**-837**	**-**
	VARIABLE RATE WITH CAP AND FLOOR	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	VARIABLE RATE	**-5,140**	**-1,647**	**-1,008**	**-1,000**	**-992**	**-493**	**0**

b. Foreign exchange risk

Foreign-exchange risk arises mainly from currency translation of financial statements for companies based in the USA, Brazil and Sweden. No specific hedge has been arranged for this type of risk.

The exposure to risk arising from trade transactions is limited, since each of the entities involved mainly carries out business in its own country and its own currency.

Furthermore, as part of its intra-group transactions, the Group is exposed to the risk of currency fluctuations in respect of:

- the invoicing of services provided from a centre located in Romania. The impact of these currency fluctuations on profit or loss is in principle negligible in view of the regularity of settlements;
- the invoicing of licence fees by the Group to subsidiaries operating in a functional currency other than the euro. The impact of these currency fluctuations on profit or loss became

more significant in 2015 for the Brazil subsidiary, which is invoiced in dollars;

- borrowings and loans in foreign currencies related to intra-group financings. The impact of these currency fluctuations is taken to shareholders' equity. These money flows are not systematically hedged. However, the Group contracts specific hedges, if appropriate, for all large individual foreign currency transactions.

At 31 December 2015, the net carrying amount of assets and liabilities recognised by Group entities in a currency other than their functional currency was as follows:

INTRA-GROUP COMMERCIAL TRANSACTIONS

(in thousands of euros)	AUD	BRL	EUR	GBP	SGD	USD	Other	Total
Assets	102	0	29,629	71	336	8,260	3,226	41,624
Liabilities	1,574	4,533	18,054	1,871	1,264	11,854	2,449	41,599
Foreign currency commitments	-	-	-	-	-		-	-
Net position before hedging	**-1,473**	**-4,533**	**11,574**	**-1,799**	**-928**	**-3,594**	**778**	**25**
Hedging instruments	-	-	-	-	-		-	-
NET POSITION AFTER HEDGING	**-1,473**	**-4,533**	**11,574**	**-1,799**	**-928**	**-3,594**	**778**	**25**

SENSITIVITY ANALYSIS

(in thousands of euros)	AUD	BRL	EUR	GBP	SGD	USD	Other	Total
Currency change assumption (appreciation)	5%	5%	5%	5%	5%	5%	5%	-
NET IMPACT ON PROFIT	**-74**	**-227**	**579**	**-90**	**-46**	**-180**	**39**	**1**
IMPACT ON EQUITY	**-**	**-**	**-**	**-**	**-**		**-**	**-**

CURRENT ACCOUNTS

(in thousands of euros)	AUD	BRL	EUR	GBP	SGD	USD	Other	Total
Assets	757	-	28,450	2,809	1,050	7,008	1,509	41,582
Liabilities	-	1,626	41,738	-	-	-	439	43,803
Foreign currency commitments	-	-	-	-	-	-	-	-
Net position before hedging	**757**	**-1,626**	**-13,287**	**2,809**	**1,050**	**7,008**	**1,070**	**-2,221**
Hedging instruments	-	-	-	-	-		-	-
NET POSITION AFTER HEDGING	**757**	**-1,626**	**-13,287**	**2,809**	**1,050**	**7,008**	**1,070**	**-2,221**

SENSITIVITY ANALYSIS

(in thousands of euros)	AUD	BRL	EUR	GBP	SGD	USD	Other	Total
Currency change assumption (appreciation)	5%	5%	5%	5%	5%	5%	5%	-
NET IMPACT ON PROFIT	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IMPACT ON EQUITY	**38**	**-81**	**-664**	**140**	**52**	**350**	**54**	**-111**

c. Equity risk

At 31 December 2015, Axway Software held 15,419 of its own shares, acquired under the terms of the share repurchase programmes authorised by the General Shareholders' Meeting at an average price of €24.40, for a total outlay of €376 thousand.

All transactions in treasury shares are taken directly to shareholders' equity. The impact at 31 December 2015 was +€359 thousand (see *Statement of changes* in consolidated shareholders' equity).

Note 31 Related-party transactions

31.1 Compensation of executive management

The items shown in the table below concern the directors and Executive Management.

(in thousands of euros)	31/12/2015	31/12/2014	31/12/2013
Short-term employee benefits(1)	1,064	884	889
Termination benefits	1,218	-	-
Equity compensation benefits	37	85	166
TOTAL	**2,319**	**969**	**1,055**

(1) Short-term employee benefits include the fixed and variable components of compensation, as well as benefits in kind and directors' fees.

The item Equity compensation benefits relates to the value of the services rendered by Christophe Fabre, which were compensated through the granting of options in 2011.

At its meeting of 22 June 2015, the Board of Directors of Axway, having noted the recommendations by the Remuneration Committee and having verified the achievement of applicable performance criteria, authorised, in the interests of Axway Software, a transaction with Christophe Fabre following the non-renewal of his terms of office as Director and Chief Executive Officer, under Article L. 225-42-1.

The expenses of €1.4 million recognised for this transaction under other operating income and expenses notably include the transaction-based remuneration, non-compete benefits, pay in lieu of notice, insurance premiums for retirement, related expenses and the removal of the continued employment criterion for the exercise of stock options.

The General Shareholders' Meeting of 22 June 2015 set the amount of directors' fees to be shared between the directors at €256.5 thousand.

31.2 Transactions with Sopra Group, Sopra companies, and GMT

The tables below detail the transactions between the Axway Group and Sopra Group SA, the companies in the Sopra Group, and the GMT holding company.

(in thousands of euros)	31/12/2015	31/12/2014	31/12/2013
Transactions with Sopra Steria			
Sale of goods and services	1,869	477	472
Purchase of goods and services	-2,934	-3,391	-3,550
Operating receivables	521	105	142
Operating payables	-166	-58	-147
Transactions with Sopra Steria affiliates			
Sale of goods and services	787	3,107	126
Purchase of goods and services	-4,052	-3,698	-4,079
Operating receivables	143	7	4
Operating payables	-404	-278	-471
Transactions with Sopra GMT			
Purchase of goods and services	-713	-218	-249
Operating payables	-	-	-82

The purchase of goods and services from the parent company concerns the use of premises, the use of IT resources, internal subcontracting and non-recurring expenses related to the spin-off of Axway Software from Sopra Group.

31.3 Subsidiaries and associated entities

Transactions and balances between Axway Software and its subsidiaries were fully eliminated in consolidation, since all of the subsidiaries are fully consolidated.

31.4 Relationships with other related parties

None

Note 32 Off-balance sheet commitments and contingent liabilities

32.1 Contractual obligations

Contractual obligations *(in thousands of euros)*	**Payments due per period** Less than 1 year	From 1 to 5 years	More than 5 years	**31/12/2015**	**31/12/2014**	**31/12/2013**
Long-term liabilities	87	4,255	-	4,342	44,499	35,064
Finance lease obligations	-	40	-	40	44	-
Employee profit sharing	580	3,223	-	3,803	3,148	2,916
Other financial liabilities	-	-	-	-	-	-
Current bank overdrafts	798	-	-	798	6	11
TOTAL COMMITMENTS RECOGNISED	**1,465**	**7,518**	**-**	**8,983**	**47,696**	**37,991**

Other commercial commitments *(in thousands of euros)*	**Amount of commitments per period** Less than 1 year	From 1 to 5 years	More than 5 years	**31/12/2015**	**31/12/2014**	**31/12/2013**
Credit lines	-	-	-	-	-	-
Letters of credit	-	-	-	-	-	-
Guarantees	-	596	459	1,055	997	677
Purchase obligations	-	-	-	-	-	-
Other commercial commitments	-	-	-	-	-	-
TOTAL COMMITMENTS NOT RECOGNISED	**-**	**596**	**459**	**1,055**	**997**	**677**

As part of the commitments received, Axway Software enjoys an unused overdraft line of €20 million.

Axway Software also has a €125 million multi-currency credit line (see paragraph 24.1), as of 31 December 2015.

The Group acquires some of its IT equipment, office fixtures and fittings and premises under operating lease contracts. The rental charges for the above totalled €10.2 million in 2015, €9.8 million in 2014 and €9.2 million in 2013.

At 31 December 2015, the minimum annual payments due in the future under non-cancellable lease contracts were as follows:

(in thousands of euros)	**Operating leases**
2016	9,488
2017	7,495
2018	6,044
2019	5,413
2020	5,077
2021 and beyond	2,098
TOTAL MINIMUM FUTURE LEASE PAYMENTS	**35,614**

32.2 Commitments given related to recurring operations

(in thousands of euros)	**31/12/2015**	**31/12/2014**	**31/12/2013**
Bank guarantees/deposits on leased premises	328	331	266
Other guarantees	91	89	11
Collateral, guarantees, mortgages and sureties	177	577	400
Severance pay related to the Chief Executive Officer positions	459	-	-
TOTAL	**1,055**	**997**	**677**

At its meeting of 21 October 2015, in accordance with recommendations of its Remuneration Committee, the Board of Directors approved the principle of severance payments for involuntary departure in favour of the Chief Executive Officer, Jean-Marc Lazzari. The maximum amount of such compensation complies with Recommendation No. 3 of the Middlenext Code. Performance criteria are set annually by the Board of Directors.

32.3 Covenants

Three financial ratios must be met under covenants entered into with partner banking establishments. These ratios are:

- net debt/EBITDA ratio of below 3.0 from the date of signing until 30 June 2018 and below 2.5 from 31 December 2018 and 2 from 31 December 2020. This ratio was -0.98 at 31 December 2015;
- EBITDA/financial expense ratio of above 5.0 throughout the term of the loan. This ratio was 111.41 at 31 December 2015;
- net debt/shareholders' equity ratio of lower than 1.0 throughout the term of the loan. This ratio was -0.12 at 31 December 2015.

At 31 December 2015, the Group complied with all the covenants and commitments included in this contract.

Note that the net debt figure used in the calculations does not include employee profit-sharing liabilities.

32.4 Contingent liabilities

No potential liabilities had to be taken into consideration.

32.5 Pledges, guarantees and surety

No pledge, guarantee or surety had been granted by Axway at 31 December 2015.

Note 33 Exceptional events and legal disputes

As far as the Group is aware, and notwithstanding the information provided in this report, there were no disputes or litigation known of or under way that may have a significant negative impact on the Group's financial position, at the date of this report.

Note 34 Events after the reporting period

On 14 January 2016, Axway acquired, in cash, 100% of Appcelerator, Inc., a U.S. company offering a benchmark mobile engagement platform with which organisations can carry out mobile projects and offer their clients an optimal mobile experience. Appcelerator, Inc. has 85 employees. On the date of document production, goodwill had not yet been determined.

Note 35 Conversion rates of foreign currencies

	Average rate for the period			Period-end rate		
€1/currency	**2015**	**2014**	**2013**	**2015**	**2014**	**2013**
Swiss franc	1.0676	1.2146	1.2309	1.0835	1.2024	1.2276
Pound sterling	0.7260	0.8061	0.8493	0.7340	0.7789	0.8337
Swedish krona	9.3545	9.0938	8.6505	9.1895	9.3930	8.8591
Romanian leu	4.4452	4.4439	4.4193	4.5240	4.4828	4.4710
Bulgarian lev	1.9558	1.9558	1.9558	1.9558	1.9558	1.9558
US dollar	1.1096	1.3267	1.3282	1.0887	1.2141	1.3791
Australian dollar	1.4765	1.4715	1.3770	1.4897	1.4829	1.5423
Hong Kong dollar	8.6023	10.2888	10.3018	8.4376	9.4170	10.6933
Singapore dollar	1.5251	1.6816	1.6618	1.5417	1.6058	1.7414
Yuan (China)	6.9730	8.1734	8.1655	7.0608	7.5358	8.3491
Rupee (India)	71.1752	80.9756	77.8753	72.0215	76.7190	85.3660
Real (Brazil)	3.6916	3.1198	4.1855	4.3117	3.2207	4.5221
Ringgit (Malaysia)	4.3315	4.3424	3.0824	4.6959	4.2473	3.2576

4.6 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders,

In accordance with our appointment as Statutory Auditors by your General Meetings, we hereby report to you for the year ended 31 December 2015, regarding:

- the audit of the accompanying consolidated financial statements of the Company Axway Software, as attached to this report;
- the justification of our assessments;
- the specific procedures required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We performed our audit in accordance with generally accepted French auditing standards. These standards require that we perform our audit in such a way as to obtain reasonable assurance that the consolidated financial statements are free from material misstatement. An audit involves the verification, on a test basis or through the use of any other selection methods, of the evidence supporting the amounts and disclosures included in the consolidated financial statements. An audit also includes an assessment of the accounting policies used and significant estimates made by the management, as well as an evaluation of the overall presentation of the financial statements. We believe that the evidence we have been able to gather provides a sufficient and appropriate basis to express our audit opinion.

We certify that the consolidated financial statements for the year are, with respect to IFRS as adopted in the European Union, regular and fair and provide a faithful presentation of the assets, the financial situation and earnings of the consolidated entity at the end of the financial year under review.

II JUSTIFICATION OF ASSESSMENTS

In accordance with the provisions of Article L. 823-9 of the French Commercial Code governing the justification of our assessments, we hereby report on the following matters:

- the Company allocates a provision for its retirement benefit commitments towards its employees based on the projected credit unit method, as indicated in Notes 1.18 and 25.1 to the consolidated financial statements. As part of our assessments, we examined the data used, assessed the actuarial assumptions retained, verified the overall consistency of these assumptions and the resulting valuations, as well as the appropriateness of the information provided in the notes to the consolidated financial statements;
- at each balance sheet date, the Company systematically performs an impairment test on goodwill, based on the methods described in Notes 1.11 and 15.3 to the consolidated financial statements. In the course of our assessments, we examined the appropriateness of the approach adopted in addition to the implementation methods of this impairment test and the overall consistency of the assumptions used and the resulting assessments;
- the Company recognises deferred tax assets in application of the procedures described in Notes 1.13 and 19 to the consolidated financial statements. In the course of our assessments, we verified the consistency of all the data and assumptions serving as the basis for the valuation of deferred tax assets.

These assessments form part of our overall audit approach of the consolidated financial statements and thus contributed to the formulation of our unqualified opinion expressed in the first section of this report.

III SPECIFIC VERIFICATION

We also performed the specific procedures in accordance with professional standards applicable in France and required by law in relation to the information relating to the Group provided in the management report.

We have no comments to make on the fairness and consistency with the consolidated financial statements.

Courbevoie and Paris, 22 April 2016
The Statutory Auditors

Auditeurs & Conseils Associés

Represented by François Mahé

Mazars

Represented by Bruno Pouget

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2015 PARENT COMPANY FINANCIAL STATEMENTS

The statements in this chapter describe the individual parent company financial statements of Axway Software SA.

5.1 BALANCE SHEET

ASSETS

(in thousands of euros)	2015	2014
Intangible assets	63,451	21,634
Property, plant and equipment	2,911	3,031
Financial investments	190,893	238,881
Non-current assets	**257,256**	**263,546**
Trade receivables	62,357	71,632
Other receivables, prepayments and accrued income	16,362	7,969
Cash and cash equivalents	7,751	58,809
Current assets	**86,470**	**138,410**
TOTAL ASSETS	**343,726**	**401,956**

LIABILITIES

(in thousands of euros)	2015	2014
Share capital	41,548	41,136
Premiums	105,053	102,380
Reserves	62,776	20,465
Carried forward	2	-19
Net profit for the year	9,322	50,557
Tax-driven provisions	1,220	3,681
Equity	**219,921**	**218,200**
Provisions	**11,658**	**6,842**
Financial debt	50,175	114,776
Trade payables	16,217	15,324
Tax and social charge payables	24,371	26,710
Other liabilities, accrals and deferred income	21,384	20,103
Liabilities	**112,147**	**176,914**
TOTAL LIABILITIES	**343,726**	**401,956**

5.2 INCOME STATEMENT

(in thousands of euros)	2015	2014
Net revenue	172,148	156,669
Other operating income	1,500	1,373
Operating income	**173,649**	**158,041**
Purchases consumed	67,529	59,252
Employee costs	69,419	60,025
Other operating expenses	26,030	22,531
Taxes and duties	3,431	3,331
Depreciation, amortisation and provisions	9,987	5,913
Operating expenses	**176,395**	**151,052**
Operating profit	**-2,747**	**6,989**
Financial income and expense	4,878	39,794
Pre-tax profit on ordinary activities	**2,131**	**46,783**
Exceptional income and expense	-2,072	20
Employee profit-sharing and incentive schemes	-567	-1,049
Corporate income tax	9,829	4,804
NET PROFIT	**9,322**	**50,557**

5.3 ANNEX TO THE 2015 PARENT COMPANY FINANCIAL STATEMENTS

1 SIGNIFICANT EVENTS, ACCOUNTING POLICIES AND VALUATION RULES

1.1 Significant events

Transfer of all Systar SA's assets

Systar was acquired in 2014 and was consolidated on 17 January 2015 through the transfer of all its assets to Axway's financial statements. This transfer of all assets generated a loss of €40.7 million, recognised in business goodwill.

Change of Chief Executive Officer

On 11 May 2015, the Board of Directors decided not to renew Christopher Fabre's terms of office as a director and as Chief Executive Officer at the end of the Combined General Meeting of 22 June 2015.

Jean-Marc Lazzari was appointed Chief Executive Officer of Axway at the Combined General Meeting of 22 June 2015.

Restructuring within the Group

At the beginning of the year, a decision was taken to reorganise the Group, to optimise our distribution network and consolidate the R&D centres.

This restructuring had a €4 million impact on Axway Software's financial statements.

1.2 Accounting policies and valuation rules

The annual financial statements were drawn up pursuant to French legal and regulatory provisions. They are defined by the new general accounting plan amended by ANC Regulation 2014-03 of the *Autorité des normes comptables* (Accounting Standards Authority) and approved by decree on 8 September 2014.

These principles were applied on a prudent basis and in accordance with the following underlying assumptions:

- going concern basis;
- consistency of accounting methods from one year to the next;
- accrual basis; and
- in accordance with general guidelines for the preparation and presentation of annual financial statements.

No change has been made in accounting policies during the periods under review.

Research and Development expenses

All research expenses are charged to the income statement in the year they are incurred.

Project development costs may be capitalised if all of the following can be demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the manner in which the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

No software development expenses have been recognised under intangible assets, as all of the conditions described above have not been met.

Following the transfer of all Systar's assets and liabilities, the Research and Development expenses which were capitalised by Systar were taken over by Axway Software and further amortised according to their initial amortisation schedule.

Software acquired

Software acquired corresponds mainly to the contribution made by Sopra Group in 2001 and to the acquisition of the intellectual property relating to the software of Cyclone and Tumbleweed from Axway Inc. in 2010 and 2011 and the LiveDashboard software from Access UK in 2012, and the transfer of all of Systar's assets in 2015.

The contributed software was recognised at the net carrying amount recorded in Sopra Group's financial statements at 31 December 2000. It is amortised on a straight-line basis over three, five or ten years.

The Cyclone and Tumbleweed software was recognised at the purchase cost, which was calculated by an independent expert in the USA. Amortisation for the Cyclone software is over six years for accounting purposes and one year for tax purposes. The Tumbleweed software is amortised over 12 years.

The LiveDashboard software is amortised over eight years.

The intellectual property contributed by Systar was totally amortised by the end of 2014.

Business goodwill

The business goodwill comes from the partial contribution of assets from the EAI (Enterprise Application Integration) division as well as from the transfer of all Systar's assets.

Business goodwill is not amortised systematically, but if appropriate, a provision may be set aside for impairment. Amortisation applied prior to 1 January 2001 in the financial statements of Sopra Group has been retained in the balance sheet assets.

The Company conducts impairment tests on its business goodwill each time that there is an indication of an impairment loss. It writes down the value of an asset if its current value (either the market value or the economic value, whichever is highest) is less than its carrying amount.

Property, plant and equipment

Property, plant and equipment are stated in the balance sheet at their acquisition cost or the pre-transfer carrying amount.

Depreciation is based on the straight-line method according to the useful economic lives of each non-current asset category as follows:

Fixtures and fittings	Five to ten years
Equipment and tooling	Three to five years
Furniture and office equipment	Five to ten years

Equity investments

On initial recognition, equity investments are recognised at their acquisition or subscription price.

The carrying amount of equity investments corresponds to their value in use.

Impairment is recognised if the value in use of equity investments, which includes the net assets of subsidiaries (see paragraph 2.1) and an analysis of the growth and profitability projections, is lower than the carrying amount in the financial statements. The analysis of growth projections may involve the discounting of future cash flows. In this case, cash flows are determined on the basis of available data and five-year forecasts. A growth rate in perpetuity of 2.2% is applied from the start of the sixth year. The cash flows resulting from these forecasts are then discounted using a discount rate of 9.4%.

Revenue

Services provided within the scope of the Group's software operations include:

- the right of use under licence of the software and solutions provided;
- maintenance;
- of associated services: installation, settings, adaptation, training, etc.

a. In general, separate contracts are concluded with clients for licences and maintenance on the one hand, and ancillary services on the other hand

In this situation, the various elements comprising contracts are accounted for as follows:

- the licence fee is recognised when delivery takes place, which is reputed to be the case when all contractual obligations have been fulfilled, *i.e.* when any remaining services to be provided are insignificant and not liable to endanger the client's acceptance of goods supplied or services rendered;
- maintenance is generally billed in advance and is recognised on a time basis;
- ancillary services are generally provided on the basis of time spent and are recognised when performed, *i.e.* in general when invoiced (see paragraph d. below). Ancillary services are sometimes performed within the scope of fixed-price contracts in which case they are then recognised using the percentage of completion method described in paragraph e. below.

b. Sometimes, contracts comprising multiple elements (licence, maintenance, ancillary services, etc.) may be negotiated on a fixed-price basis

In this situation, the amount of revenue attributable to the licence is obtained by the difference between the total contract amount and the fair value of its other components, *i.e.* maintenance and ancillary services. The fair value of the other components is determined when possible on the basis of the list prices applying in the case of a separate sale or alternatively, on the basis of management's best estimate. The residual amount attributed to the licence is recognised at the time of delivery.

c. In fairly rare instances, ancillary services may be considered essential to the operation of a software package

This may be the case for very complex projects, the completion of which may be subject to particular risks. The project is then examined as a whole and is the focus of specific monitoring. They are accounted for using the percentage of completion method described in paragraph e. below.

d. Technical assistance, consulting, training and projects provided on an ongoing contract basis

These services are recognised when performed, *i.e.* in general at the time of invoicing.

Operations are reviewed at each balance sheet date:

- services already performed but not yet, or only partially, invoiced are measured on the basis of billable time and the contractual billing rates. They are recognised as revenue and are included in the balance sheet under the Accrued income item Trade receivables;
- services already billed but not yet entirely performed are deducted from invoiced revenue and included in the balance sheet under the Other liabilities item Deferred income.

e. Services covered by fixed-price contracts

Under such contracts the Group commits itself to a price, a result and a deadline. Revenue and profit generated by a contract are recognised on the basis of a technical assessment, in line with the Group's quality procedures, of the contract's degree of completion.

Trade receivables

Trade receivables are recognised using the methods specified above.

A separate estimate is carried out for each trade receivable at the end of the fiscal year and impairment is recognised in the event of a risk of non-recovery linked to collective proceedings. Doubtful receivables for which legal proceedings have not been instigated are treated as accrued credit notes.

Transactions in foreign currencies

Expenses and income in foreign currencies are recognised for their counter-value upon the date of the transaction.

The receivables and liabilities in foreign currencies existing upon the close of the fiscal year are converted at the rate in force upon such date. The conversion difference is recorded in the balance sheet under the headings "foreign- exchange gains and losses".

Unrealised foreign-exchange losses which are not offset shall be the subject of a provision for risk.

The cash accounts in foreign currencies existing upon the close of the fiscal year are converted at the rate in effect upon such date. Exchange-rate gains or losses resulting from such conversion are recorded in the profit-and-loss statement.

Retirement benefits

Since 2004, Axway Software has provided for its retirement commitments in accordance with the provisions of the Syntec collective bargaining agreement regarding retirement and pensions.

Axway Software's obligation to its employees is determined on an actuarial basis, using the projected unit credit method: the employer's discounted obligation is recognised in proportion to the probable length of service of the employees, taking into account actuarial assumptions such as future compensation level, life expectancy and employee turnover. Changes in actuarial assumptions that affect the valuation of the obligation are recognised as actuarial gains and losses. Axway Software uses the corridor method.

2 NOTES TO THE BALANCE SHEET

2.1 Non-current assets

Intangible assets

(in thousands of euros)	Research and Development expenses	Concessions, patents, similar rights	Business goodwill	Total
Gross value				
At 1 January 2015	-	**41,291**	**6,609**	**47,900**
Acquisitions	-	774	-	774
Systar transfer of assets	32,055	2,141	40,650	74,847
Disposals	-	-	-	-
At 31 December 2015	**32,055**	**44,206**	**47,259**	**123,520**
Depreciation and amortisation				
At 1 January 2015	-	**26,231**	**35**	**26,266**
Provisions	3,064	4,188	-	7,251
Systar transfer of assets	24,411	2,141	-	26,552
Reversals	-	-	-	-
At 31 December 2015	**27,475**	**32,559**	**35**	**60,069**
Net value				
At 1 January 2015	**-**	**15,060**	**6,574**	**21,634**
At 31 December 2015	**4,581**	**11,647**	**47,224**	**63,451**

Intangible assets changed in 2015 following the consolidation of Systar into Axway Software's financial statements.

In particular, €40.7 million was recognised in business goodwill and €32.1 million in research expenses.

Research and Development expenses which were capitalised by Systar were taken over by Axway Software. Their amortisation will continue until they have been extinguished.

Software development costs, which totalled €24,394 thousand in 2015, are recorded in full as expenses (see Note 1.2).

Concessions, patents and similar rights consisted mainly of software and of goodwill contributed by Sopra Group in 2001, acquired from Axway Inc. in 2010 and 2011, from Access UK in 2012, and by the transfer of all of Systar's assets in 2015.

Property, plant and equipment

(in thousands of euros)	Technical intallations	Fittings and installations	Furniture and office equipment	Total
Gross value				
At 1 January 2015	**5,459**	**1,881**	**412**	**7,751**
Acquisitions	1,136	42	43	1,222
Systar transfer of assets	514	246	160	920
Internal reclassification	-	-82	82	0
Disposals	-	-246	-160	-406
At 31 December 2015	**7,109**	**1,841**	**537**	**9,487**
Depreciation and amortisation				
At 1 January 2015	3,935	654	132	4,720
Provisions	792	273	63	1,128
Systar transfer of assets	327	191	139	657
Exceptional depreciation	-	333	91	424
Internal reclassification	-	-11	11	0
Reversal	-	-212	-142	-354
At 31 December 2015	**5,053**	**1,228**	**294**	**6,576**
Net value				
At 1 January 2015	**1,524**	**1,227**	**280**	**3,031**
At 31 December 2015	**2,055**	**613**	**243**	**2,911**

Sopra Group has made available to Axway Software fully equipped offices, chiefly at the Annecy-le-Vieux and Puteaux 2 sites.

Purchases of technical installations consist solely of IT equipment.

The transfer of all of Systar SA's assets affected property, plant and equipment through the integration of IT equipment, fittings and installations and furniture.

The premises in Saint-Cloud which were occupied by were returned in 2015. The fittings and installations as well as the furniture were fully retired.

Financial investments

(in thousands of euros)	Equity investments	Receivables related to equity investments	Loans and other financial investments	Total
Gross value				
At 1 January 2015	**264,636**	**4,574**	**843**	**270,054**
Acquisitions/Increase	5,524	512	690	6,725
Disposals/Decrease	-52,328	-3,014	-422	-55,765
At 31 December 2015	**217,832**	**2,072**	**1,111**	**221,014**
Impairment				
At 1 January 2015	**31,155**	**7**	**11**	**31,173**
Provisions	2,018	1,491	-	3,509
Reversals	-4,550	-	-10	-4,560
At 31 December 2015	**28,623**	**1,497**	**1**	**30,121**
Net value				
At 1 January 2015	**233,482**	**4,568**	**832**	**238,881**
At 31 December 2015	**189,209**	**574**	**1,110**	**190,893**

Details concerning equity investments are provided in the “Subsidiaries and associated entities” tables presented in Note 3.4.2.

a. Gross amounts

In 2015, the change in equity investments was connected to Systar. The decrease stemmed from the transfer of all assets, and the increase came from the integration of the Systar Inc. and Systar Ltd. subsidiaries.

The decrease of receivables related to equity investments mainly corresponds to the absorption of the Systar current account during the transfer of all assets (€2,824 thousand). The increase concerns the change in the current account with our Hong Kong subsidiary (€609 thousand).

The increase in “Loans and other financial investments” was due to the change in the liquidity contract with Kepler for market making in Axway shares.

b. Impairment

The charge for equity investments corresponds to an adjustment of the value of the securities for Axway Nordic (€1,106 thousand), Systar Inc. (€782 thousand) and Systar Ltd (€127 thousand). The draw-down concerns Axway GMBH (€4 million) and Systar Inc. (€550 thousand).

The provision for investment-related receivables is due to a depreciation of the current account of Axway do Brazil (€1,491 thousand).

The provision for impairment of loans and other financial investments relates to the liquidity contract and the fluctuations in the share price (€10 thousand).

2.2 Other assets

Trade receivables

(in thousands of euros)	2015	2014
Non-Group clients	36,039	44,202
Accrued income	21,760	21,517
Group clients	6,311	5,907
Doubtful debtors	32	33
Provision for doubtful debtors	-1,785	-28
TOTAL	**62,357**	**71,632**

Trade receivables are recognised as assets and are stated net of all client-related debit and credit balances.

Impairments concerned *Doubtful debtors.*

Other receivables, prepayments and accrued income

(in thousands of euros)	2015	2014
Corporate income tax	9,922	5,334
Tax at source	-	142
VAT	533	372
Other receivables	973	685
Prepaid expenses	1,636	1,201
Translation differential - Assets	3,299	235
TOTAL	**16,362**	**7,969**

Research Tax Credit – transferred receivables

(in thousands of euros)	Nominal sold	Amount sold	Commission	Year of sale	Date of repayment	Off debt	Stock 31/12/2015
CIR 2012	3,627	3,578	15	2014	15/07/2016	no	3,627
CIR 2013	6,730	6,538	29	2014	17/07/2017	no	6,730
CIR 2014	7,734	7,573	32	2015	16/07/2018	no	7,734
TOTAL	**18,090**	**17,690**	**76**				**18,090**

Impairment of current assets

(in thousands of euros)	Amount at start of year	Provisions	Reversals	Amount at end of year
Impairment of trade receivables	28	1,758	1	1,785
TOTAL	**28**	**1,758**	**1**	**1,785**

The provision of €1.758 thousand concerns only receivables with our subsidiary Axway Software Do Brazil.

2.3 Equity

Share capital

Axway Software's share capital was €41,547,832 as at 31 December 2015. It comprised 20,773,916 shares, each with a nominal value of €2.

The Company held 15,419 treasury shares.

Changes in shareholders' equity

(in thousands of euros)	Share capital	Issue premiums	Legal reserve	Discretionary reserves	Net profit for the year	Tax-driven provisions	Carried forward	Total
Position at 1 January 2015	**41,136**	**102,380**	**3,448**	**17,017**	**50,557**	**3,681**	**-19**	**218,200**
Appropriation 2014 earnings	-	-	666	41,645	-50,557	-	19	-8,227
Additional 2014 earnings	-	-	-	-	-	-	2	2
Depr. And amort. Intellectual property	-	-	-	-	-	-2,461	-	-2,461
Option exercice	412	2,673	-	-	-	-	-	3,085
Profit (loss) for the period	-	-	-	-	9,322	-	-	9,322
Position at 31 December 2015	**41,548**	**105,053**	**4,114**	**58,662**	**9,322**	**1,220**	**2**	**219,921**

The total amount of dividends paid in 2015 was €8,227 thousand.

During the course of 2015, options were exercised, and gave rise to the creation of 205,778 shares. An issue premium was recognised for €2,673 thousand.

Tax-driven provisions corresponded to the amortisation over six years of Cyclone software for accounting purposes (€2,461 thousand in 2015).

Share subscription option plans

	Initial position		Option exercise period		Position at 1 January		Changes in the period, number of options:			Position as at 31/12/2015	
Grant date	Number of options	Exercise price	Start date	Expiry date	Number of options	Exercise price	awarded	cancelled	exercised	Number of options	Exercise price
Plan No. 2 – 2010 stock option plan, maximum issue of 1,990,000 shares General Shareholders' Meeting of 25/11/2010											
25/11/2010	5,000	€145.00	6/30/2012	31/12/2015	-	€17.11	-	-	-	-	€17.11
Total	**5,000**				**-**		**-**	**-**	**-**	**-**	€17.11
Plan No. 3 – 2011 stock option plan, maximum issue of 1,033,111 shares* General Shareholders' Meeting of 28/04/2011											
18/11/2011	516,175	€14.90	18/05/2014	18/11/2019	395,753	€14.90	-	-12,150	-187,028	196,575	€14.90
18/11/2011	516,175	€14.90	18/11/2016	18/11/2019	394,200	€14.90	-	-60,150		334,050	€14.90
28/03/2013	131,250	€15.90	28/09/2015	28/03/2021	96,000	€15.90	-	-13,000	-18,750	64,250	€15.90
28/03/2013	131,250	€15.90	28/03/2018	28/03/2021	96,000	€15.90	-	-30,500		65,500	€15.90
03/01/2014	50,000	€21.86	02/07/2016	03/01/2022	50,000	€21.86		-	-	50,000	€21.86
03/01/2014	50,000	€21.86	03/01/2019	03/01/2022	50,000	€21.86		-	-	50,000	€21.86
Total	**1,394,850**				**1,081,953**		**-**	**-115,800**	**-205,778**	**760,375**	
TOTAL OF PLANS	**1,399,850**				**1,081,953**		**-**	**-115,800**	**-205,778**	**760,375**	

* *Increased to 1,295,611 following an amendment in June 2013.*

- 207,778 share subscription options were exercised during fiscal year 2015.
- 115,800 share subscription options were cancelled in 2015 following the departure of the holders.
- No options were allocated under Plans No. 1 and 2.
- The fair values of the share subscription options allocated under Plan No. 1 and Plan No. 2 were determined using the binominal model recommended by IFRS 2.
- The fair value of the share subscription options allocated under Plan No. 3 was determined using the same binomial model and the following assumptions: average expected life of 4.5 to 6 years; expected volatility of 29.44%; dividend yield of 1.39% and risk-free interest rate of 2.48%. Expected volatility was determined on the basis of the volatility expected for stocks in comparable sectors.
- The average closing share price in 2015 was €20.90.
- The amount recognised in respect of 2015, in accordance with the method indicated in Note 1.16 Share-based Payment, was €220 thousand. This current expense relating to the valuation of services provided by beneficiaries in exchange for the granting of stock options was recorded in the income statement. No non-recurring expenses were recognised in relation to the cost of services rendered by employees benefiting from share subscription options whose right to exercise their options was maintained despite their departure from the Group in 2015.

2.4 Provisions for contingencies and losses

(in thousands of euros)	Amount at start of year	Provisions	TUP Systar	Reversals (used provisions)	Reversals (unused provisions)	Amount at end of year
Provisions for disputes	34	1,005	-	15	-	1,024
Provisions for foreign exchange losses	235	3,299	86	-	321	3,299
Provisions for retirement benefits	5,402	719	-	-	-	6,121
Provisions for restructuration	-	43	-	-	-	43
Provisions for tax	1,172	-	-	-	-	1,172
TOTAL	**6,842**	**5,066**	**86**	**15**	**321**	**11,658**

Provisions were recorded chiefly in relation to financial risks arising from retirement benefit commitments, exchange rate losses, Human Resources litigation, and litigation related to the tax audit.

The total commitment for retirement benefits amounted to €6,571 thousand. The cumulative amount of unrealised actuarial differences on the balance sheet at year-end 2015 was €450 thousand (see Note 1.2).

Assumptions relating to procedures for departures take into account changes in legislation in order to reflect the Group's best estimates at the balance sheet date:

- the Social Security Financing Act for 2008 introduced a contribution to be paid by the employer as part of the benefits due to an employee whose retirement is at the request of the employer. This contribution amounts to 50% and applies irrespective of the age of the employee;
- with effect from 1 January 2009, an employer may no longer unilaterally require employees to retire unless they have reached the age of 70. For employees between the ages of 65 and 70, the employer may not make any retirement decisions of its own accord before asking the employees whether or not they would like to retire voluntarily.

These successive changes are considered by the Group as changes in actuarial assumptions for the following reasons:

- the changes introduced by the new legal provisions do not have a direct impact on the gross amount received by employees;
- the agreements in existence as of the effective date of the law were not amended: benefits awarded to employees may change at a later date once a new agreement has been concluded;
- the abandonment of an existing departure procedure and the introduction of a new contribution to the benefits paid in the event of retirement at the request of the employer entail the adjustment by the Group of its actuarial assumptions as defined under IAS 19.

Other assumptions such as turn-over, mortality and discount rate are updated regularly to refine the calculation of retirement commitments.

2.5 Liabilities

Financial debt

(in thousands of euros)	Amount at start of year	New borrowings	Repayments	Amount at end of year
Syndicated facility	45,000	5,000	45,738	4,262
Employee profit sharing fund	2,958	727	388	3,297
Payables related to equity investments	32,833	13,731	4,838	41,727
Accrued interest on financial debt	33,985	889	33,985	889
TOTAL	**114,776**	**20,348**	**84,949**	**50,175**

In July 2014, Axway Software contracted a multi-currency €125 million revolving line of credit with six banks for the purpose of financing of acquisitions as well as the Group's general funding needs. This line of credit is non depreciable and has a maturity of July 2019 with a 1+1 type renewal option.

The interest rate is Euribor for the applicable drawdown period plus a spread adjusted every six months in relation to the change in the ratio: Net debt/EBITDA. The net debt figure used does not include employee profit-sharing liabilities.

These lines are subject to a utilisation and non-utilisation commission.

Three financial ratios must be met under covenants entered into with partner banking establishments (see Note 32.3).

A €45 million drawdown was made at 31 December 2014 to finance the acquisition of Systar, and was repaid in March 2015. A loan of €5 million was signed on 31 March 2015 with the Banque Publique d'Investissement (BPI) for a five-year term. This loan is very flexible (without any financial covenant) and at a good rate, with an annual percentage rate of 0.8%.

Employee profit sharing funds include the special profit-sharing reserve managed by Axway Software in current accounts that are locked up for a certain period. An agreement struck in 2011 also enables employees to opt for external management in multi company mutual funds.

Payables related to equity investments concerned solely current accounts with the Group's companies.

Financial debt ratios were observed at 31 December 2015.

Trade payables

(in thousands of euros)	2015	2014
Trade payables and related accounts	2,236	1,957
Accrued expenses	12,180	11,752
Trade payables - Group	1,801	1,615
TOTAL	**16,217**	**15,324**

Tax and social charge payables

(in thousands of euros)	2015	2014
Employee costs and related payables	7,490	8,130
Social security	9,465	9,644
VAT	7,171	8,698
Other tax	245	238
TOTAL	**24,371**	**26,710**

Other liabilities, accruals and deferred income

(in thousands of euros)	2015	2014
Client deposits	607	553
Liabilities in respect of non-current assets	161	11
Group and associates	750	750
Other liabilities	38	-
Deferred income	18,772	17,987
Translation differential – Liabilities	1,058	803
TOTAL	**21,384**	**20,103**

Deferred income comprises the portion of billings issued in advance on fixed-price and maintenance contracts.

3 NOTES TO THE INCOME STATEMENT

3.1 Revenue

Revenue breaks down as follows by business:

(in thousands of euros)	2015	2014
Licences	25.5%	29.6%
Support and maintenance	53.2%	49.6%
Integration and training services	21.3%	20.8%
REVENUE	**100.0%**	**100.0%**

Out of €172.1 million in revenue for 2015, €83.2 million was generated at the international level.

3.2 Compensation allocated to the members of governing and management bodies

Directors' fees totalling €262 thousand were paid to directors in February 2015.

Compensation paid in 2015 to governing and management bodies was €345 thousand.

3.3 Financial income

(in thousands of euros)	2015	2014
Dividends received from equity investments	8,323	41,720
Interest on bank borrowings and similar charges	-316	-855
Interest on employee profit sharing	-215	-194
Discounting of retirement benefits (provision)	-117	-172
Losses on receivables from equity investments	-	-973
Interest received and paid on Group current accounts	-245	-249
Positive and negative foreign exchange impact (including provisions)	-3,077	530
Other allocations to and reversals of financial provisions	486	-10
Other financial income and expense	39	-3
FINANCIAL ITEMS	**4,878**	**39,794**

The detail of dividends received is listed in the table of subsidiaries and associated entities (see Note 3.4.2).

3.4 Exceptional income

In 2015, the net exceptional loss of €2,072 thousand was primarily:

- acquisition expenses (€71 thousand);
- a donation (€108 thousand);
- restructuring costs (€4,047 thousand);
- cost for exiting premises (€75 thousand);
- exceptional impairment (€424 thousand);
- the retirement of non-current assets (€52 thousand);
- the valuation of treasury shares (€248 thousand);
- additional amortisation of the Cyclone intellectual property, in the amount of €2,461 thousand.

3.5 Employee profit sharing

Employee profit sharing, in the amount of €591 thousand, was determined following a statutory profit-sharing agreement between the Company and the Works Council.

3.6 Corporate income tax

Research tax credits

Axway Software received research tax credits for 2015 of €9,146 thousand.

Breakdown of tax between recurring and exceptional operations

(in thousands of euros)	**2015**	**2014**
Tax on recurring operations	768	2,084
Tax on exceptional items	-607	429
Additional contribution	247	246
Provisions for tax reassessment	-	85
Tax claim	-218	-
Tax adjustment 2014	-811	-
Research tax credit	-9,146	-7,517
Other tax credits	-61	-131
TOTAL CORPORATE INCOME TAX	**-9,829**	**-4,804**

Deferred and latent tax position

	Basis					
	Start of the year		Change		End of the year	
(in thousands of euros)	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Assets**	**Liabilities**
I. Certain or potential discrepancies						
Tax-drive provisions	--	--	--	--	--	--
Investment grants	--	--	--	--	--	--
Temporary non-deductible expenses						
• To be deducted the following year						
• *employee profit sharing*	1,054	-	-	-462	591	-
• *C3S*	130	-	1	-	130	-
• *construction work*	181	-	32	-	214	-
• To be deducted thereafter						
• *provision for retirment commitments*	5,402	-	719	-	6,121	-
• *other*	-	-	-	-	-	-
Temporary non-taxable income						
• net short-term capital gains	-	-	-	-	-	-
• capital gains on mergers	-	-	-	-	-	-
• long-term deferred capital gains	-	-	-	-	-	-
• translation differential - Liabilities		-803	-	-254		-1,058
Deducted expenses for tax purposes (or taxed income) that has not been recognised						
• deferred charges	-	-	-	-	-	-
Total	**6,767**	**-803**	**752**	**-717**	**7,057**	**-1,058**
II. Items to be offset						
Losses that may be carried forward for tax offset	**-**	**-**	**16,630**	**-**	**-**	**-**
Long-term losses	**-**	**-**	**-**	**-**	**-**	**-**
Other	**-**	**-**	**-**	**-**	**-**	**-**
III. Contingent tax item						
Capital gains on non-depreciable assets contributed on merger	**-**	**762**	**-**	**-**	**-**	**762**
Special reserve for long-term capital gains	**-**	**-**	**-**	**-**	**-**	**-**
Special reserve for construction profits	**-**	**-**	**-**	**-**	**-**	**-**
Other	**-**	**-**	**-**	**-**	**-**	**-**

4 OTHER INFORMATION

4.1 Maturities of receivables and payables at the balance sheet date

Receivables

(in thousands of euros)	Gross amount	Within one year	One to five years
Non-current assets			
Receivables related to equity investments	574	574	-
Other non-current financial assets	1,110	1,110	-
Current assets			
Doubtful receivables or disputes	32	-	32
Other trade receivables	64,110	64,110	-
Employee costs and related payables	58	58	-
Social security	271	271	-
VAT	533	533	-
Tax credit	10,024	39	9,985
Other tax	218	-	-
Group and associates	-	-	-
Other receivables	323	323	-
Accruals and deferred income	4,935	4,819	116
TOTAL	**82,188**	**71,837**	**10,133**

Other financial investments mainly relate to the liquidity contract and treasury shares.

Liabilities

(in thousands of euros)	Gross amount	Within one year	One to five year
Bank debt			
• Two years maximum at origin	889	889	-
• More than two years maximum to origin	4,262	1,000	3,262
Other financial debt	3,297	570	2,727
Group and associates	41,727	41,727	-
Trade payables	16,217	16,217	-
Employee costs and related payables	7,490	6,898	591
Social security	9,465	9,465	-
State and public bodies	**-**	**-**	**-**
• Corporate income tax	-	-	-
• VAT	7,171	7,171	-
• Other taxes and similar	245	245	-
Liabilities in respect of non-current assets	911	911	-
Other liabilities	607	607	-
Accruals and deferred income	19,829	19,829	-
TOTAL	**112,109**	**105,528**	**6,581**

4.2 Information concerning related parties

(in thousands of euros)	**Related parties**
Assets	
Advances and payments on account for non-current assets	-
Equity investments	189,209
Receivables related to equity investments	574
Loans	-
Trade receivables	26,422
Other receivables	-
Translation differential - Assets	3,298
Liabilities	
Convertible bonds	-
Other bonds	-
Bank debt	-
Other financial debt	-
Group and associates	41,727
Liabilities in respect of non-current assets	750
Trade payables	12,296
Other liabilities	-
Translation differential - Liabilities	1,044
Income statement	
Income from equity investments	8,323
Other financial income	15
Financial expense	259
Write-off of receivables (financial expense)	-
Provisions for impairment of equity investments (financial expense)	1,146
Provisions for impairment of trade receivables (financial expense)	1,758
Provisions for impairment of current accounts (financial expense)	1,491
Reversal of impairment of equity investments (financial income)	4,550
Reversal of impairment of trade receivables (financial income)	-
Reversal of impairment of current account (financial income)	-
Reversal of provisions for risks relating to subsidiaries (financial income)	-

4.3 Accrued income and expenses

(in thousands of euros)	
Accrued income	
Trade payables – Credit notes to be received	14
Trade receivables	23,330
Tax and social charge receivables	1,089
Other receivables	1
TOTAL	**24,434**
Accrued expense	
Accrued interest	102
Trade payables	12,443
Trade receivables – Credit notes to be issued	1,570
Tax and social charge payables	11,295
Other liabilities	-
TOTAL	**25,409**

Tax and social charge receivables correspond to the Tax Credit for Competitiveness and Employment (CICE) recognised as a deduction from employee costs in the amount of €290 thousand, to claims with the tax services for €218 thousand and URSSAF (Organisations for the payment of social security and family benefit contributions) for €270 thousand, as well as to a Patronage tax credit for €62 thousand.

4.4 Workforce

The average workforce in 2015 comprised 704 employees, and the number of employees at 31 December 2015 was 680.

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4.5 Fees for Statutory Auditors

The fees of the Statutory Auditors included in the income statement amounted to €216 thousand and correspond to the fees connected to statutory audits.

4.6 Off-balance sheet commitments

(in thousands of euros)	
Discounted notes not yet due	None
Bank guarantees in place of security deposits for leased premises	328
Bank guarantees for effective project completion	91
Bank guarantees for guaranteeing payment of tax liabilities	177
Bank guarantees for guaranteeing payment of supplier invoices	None
Unfunded retirement commitments (actuarial differences)	450
Guarantees given to subsidiaries to guarantee tender bids	None
Guarantees given to subsidiaries to guarantee leases	None
Severance of CEO's duties	459
Collateral, mortages ans sureties	None
Interest rate hedging instruments	cf. 4.30.3
Exchange rate hedging instruments	None

Bank guarantees

A bank guarantee of €225 thousand in place of a security deposit was arranged in 2012 when the Puteaux 1 lease was taken over.

In May 2013, a similar guarantee amounting to €41 thousand was arranged when setting-up the new Puteaux 3 site, to which a supplemental amount of €62 thousand was added on in 2015, following the lease of a new floor.

Bank guarantees for effective project completion stood at €91 thousand at 31 December 2015.

Guarantees of €177 thousand were established in August 2014 to ensure the payment of tax liabilities.

Retirement commitments

At the end of 2015, the unfunded part of the retirement commitment stood at €450 thousand.

Severance pay

Severance pay for the Chief Executive Officer was set at $500 thousand (or €459 thousand at the rate of the dollar on 31 December 2015).

4.7 Exceptional events and legal disputes

To the Company's knowledge, there are no exceptional events or legal disputes that may impact its financial position, business or results.

4.8 List of subsidiaries and associated entities

The reader is invited to refer to Chapter 3, Section 3.4.2 ("List of subsidiaries and associated entities") of this Registration Document.

5.4 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

To the Shareholders,

In accordance with our appointment as Statutory Auditors by your General Shareholders' Meetings, we hereby report to you for the year ended 31 December 2015, regarding:

- the audit of the accompanying annual financial statements of Axway Software enclosed to this report;
- the justification of our assessments;
- specific procedures and disclosures required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I OPINION ON THE ANNUAL FINANCIAL STATEMENTS

We performed our audit in accordance with generally accepted French auditing standards. These standards require that we perform our audit in such a way as to obtain reasonable assurance that the annual financial statements are free from material misstatement. An audit involves the verification, on a test basis or through the use of any other selection methods, of the evidence supporting the amounts and disclosures included in the annual financial statements. An audit also includes an assessment of the accounting policies used and significant estimates made by the management, as well as an evaluation of the overall presentation of the financial statements. We believe that the evidence we have been able to gather provides a sufficient and appropriate basis to express our audit opinion.

In our opinion, the financial statements give a true and fair view of the state of the financial position and the assets and liabilities of the Company and of the results of operations for the year then ended, in accordance with French accounting regulations.

II JUSTIFICATION OF ASSESSMENTS

In accordance with the provisions of Article L. 823-9 of the French Commercial Code governing the justification of our assessments, we hereby report on the following matters:

- the assets of the Company Axway Software mainly consist of equity investments, for which the accounting policies are described in Note 1.2. Our work involved assessing the criteria used to estimate the carrying amount of these investments. In the context of our assessments, we verified the rationale for the approach adopted as well as the consistency of all of the hypotheses used and the resulting valuations;
- the Company allocates a provision for its retirement benefit commitments towards its employees based on the projected credit unit method, as indicated in Notes 1.2 and 2.4. In the course of our assessments, we examined the data used, we assessed the actuarial assumptions retained, verified the overall consistency of these assumptions and the resulting measurements.

The assessments made in this way form part of our audit approach with respect to the annual financial statements, taken together, and therefore contributed to the formation of our opinion, as expressed in the first section of this report.

III SPECIFIC PROCEDURES AND DISCLOSURES

We also performed the other procedures required by law in accordance with professional standards applicable in France.

We have no matters to report as to the fair presentation and consistency with the financial statements of the information provided in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Regarding the information provided pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code on compensation and benefits in kind paid to company officers as well as commitments granted in their favour, we have verified its consistency with the financial statements or with the data used to prepare these financial statements, and, as applicable, with the information collected by your Company from companies controlling or controlled by it. On the basis of this work, we certify the accuracy and truthfulness of this information.

In application of the law, we are assured that the various information relating to the investments and control and the identity of the owners of the capital were provided in the management report.

Courbevoie and Paris, 22 April 2016
The Statutory Auditors

Mazars	**Auditeurs & Conseils Associés**
represented by Bruno Pouget	represented by François Mahé

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COMBINED GENERAL MEETING OF 21 JUNE 2016

This chapter presents and explains the resolutions that will be presented at the time of the General Shareholders' Meeting on 21 June 2016.

6.1 EXPLANATORY STATEMENT

Dear Shareholders,

We wish to meet with you in a Combined General Meeting on 21 June 2016, for the purposes of presenting to you the parent company and consolidated financial statements for the financial year ended on 31 December 2015, on the one hand, and to submit a certain number of resolutions for your approval, on the other hand, the substance of which will be specified below.

Within the framework of the approval of the parent company and consolidated financial statements closed on 31 December 2015, we are presenting to you the annual management report, incorporated into the Registration Document filed with the AMF.

The present Board of Directors' report has as its purpose to explain the contents of the resolutions submitted for your approval, and to indicate to you the vote that is recommended by the Company's Board of Directors.

1. Resolutions No. 1 to No. 4 proposed by the Board of Directors

In light of the Statutory Auditors' Reports and of the Board of Director's management report, we propose to you the following:

- to approve the annual financial statements for the financial year ended 31 December 2015, which show a profit of €9,321,571.52 and to approve the transactions reflected in those financial statements or summarised in those reports (1st resolution);
- to give full discharge to the members of the Board of Directors, without reservation, for the performance of their duties for the financial year ended 31 December 2015 (2nd resolution);
- to approve the consolidated financial statements for the year ended 31 December 2015, showing consolidated net profit – attributable to the Group – of €27,855,864 and the transactions reflected in those financial statements or summarised in those reports (3rd resolution); and
- approve the appropriation of earnings and the proposed dividend per share. In that regard, we note that the total amount of dividends distributed may be adjusted upward if new shares are issued upon exercise of stock subscription options and/or if bonus shares are awarded (4th resolution).

2. Resolutions No. 5 to No. 7 proposed by the Board of Directors

The Company has entered into regulated agreements with Mr Christophe Fabre, its former Managing Director, and with Mr Jean-Marc Lazzari, Managing Director since 22 June 2015. The Company is also submitting for your approval the conclusions of the special report of the Statutory Auditors on regulated agreements and commitments of the Company. The above-cited agreements and commitments pertain to Articles L. 225-38 *et seq.* of the French Commercial Code.

We thus propose that you approve the following:

- the commitments made to the benefit of Mr Christophe Fabre following the non-renewal of his position as a director and as the Managing Director of the Company (5th resolution).

  With concern for good governance and transparency, on the basis of the recommendations of the Nomination, Ethics and Governance Committee as well as of the Remuneration Committee, it has been decided to submit the commitments made to the benefit of Mr Christophe Fabre for the overall authorisation of the Board of Directors, in implementation of the provisions of Articles L. 225-38 *et seq.* and L. 225-42-1 of the French Commercial Code. The said Board, at its meeting of 22 June 2015, authorised the conclusion of a settlement with Mr Christophe Fabre, in the context of the termination of his position as a director and as the Managing Director of the Company.

  In this respect, this settlement provides for, in particular, following the resignation of Mr Christophe Fabre from his other offices within the Axway Group, the following:

  - the payment by the Company to Mr Christophe Fabre of a comprehensive flat final settlement indemnity, in the amount of $900,006;
  - the satisfaction of the condition of attendance, with respect to the 80,000 share subscription options which were allocated to him by the Company and for which the vesting period is current, the other conditions initially set remaining applicable;

- a no-compete commitment for a term of 18 months at the expense of Mr Christophe Fabre, and in consideration of which an indemnity is planned, at the expense of the Company, for a flat amount of $239,994.

The Board of Directors, after having verified the satisfaction of the performance conditions which it decided to apply when necessary, namely, (i) positive organic growth for the Company for the financial year ended 31 December 2014, and (ii) the implementation of a strategic approach, authorised the signing of this settlement and the payment of such sums.

The Board decided to submit this agreement to the procedure for regulated agreements, even though all of the conditions had not been met, because of a concern for good governance and market transparency;

- severance payments, authorised by the Board of Directors, to the benefit of the Managing Director, Mr Jean-Marc Lazzari (6th resolution).

In accordance with Article L. 225-42-1 of the French Commercial Code and pursuant to the recommendations of its Remuneration Committee, the Board of Directors, at its meeting of 21 October 2015, authorised the principle of severance payments for involuntary departure, to the benefit of the Managing Director, Mr Jean-Marc Lazzari.

This severance pay in the event of the termination of service is only due in the case of forced departure of the Managing Director from the Company. The payments will not be due if (i) Mr Jean-Marc Lazzari leaves his positions on his own initiative, or (ii) in the case of serious misconduct or gross negligence on his part, or (iii) in the case of fault which is unrelated to his positions, or (iv) in the event of departure of the Sopra Steria Group.

The maximum amount of severance compensation that may be paid is $500,000. This amount has been set in such way that it aligns with the recommended conditions of the rules of good governance in such matters. In this regard, it complies with Recommendation No. 3 of the Middlenext Code, since it represents less than two (2) years of compensation (fixed and variable). Such amount will be calculated according to the criteria set out below. In the event of dismissal during the 2015 financial year, 50% of the amount of the severance pay will be due if Axway Software's organic growth with respect to such financial year is positive (at constant scope), and 50% of the remaining severance pay will be due if the Board of Directors considers that the strategic plan has been implemented. Starting from the 2016 financial year, the Board of Directors shall define each year the performance conditions to be met by Mr Jean-Marc Lazzari in order to receive such severance payments. This annual setting of performance criteria, starting from 2016, is aimed at adjusting the performance criteria that Mr Jean-Marc Lazzari must meet based on the Company's annual strategy.

The Board of Directors believes that the General Management of the Axway Group must address numerous challenges. Establishing severance pay to the benefit of the Managing Director makes it possible to maintain the latter in his position, and to preserve the interests of the Company, and more broadly, those of the Axway Group. The establishment, the amount, as well as the performance criteria to be met are, on the one hand, (i) in conformity with market practices, the AMF's recommendations, as well as the recommendations of the Middlenext Code, to which the Company adheres, and, (ii) on the other hand, linked to the performance and margin objectives that the Company, and more broadly, the Axway Group, must achieve;

- the conclusions of the special report of the Statutory Auditors on regulated agreements and commitments (7th resolution).

3. Setting of the amount of the directors' fees for the financial year ended 31 December 2016 (8th resolution)

We propose to you that the amount of the directors' fees be set at €262,500, to be distributed between the members of the Board of Directors for the current year. We also inform you that the amount of the directors' fees proposed for the financial year ending 31 December 2016 is identical to the amount allocated for the financial years ended 31 December 2015 and 2014. It has not changed independently of the change in scope of the beneficiaries.

4. Renewal of authorisations with a view to the buyback by the Company of its own shares in implementation of Articles L. 225-209 *et seq.* of the French Commercial Code (9th resolution)

The Combined General Meeting of 22 June 2015 authorised the Board of Directors, for an eighteen (18) month period, to implement a Company share buyback programme, pursuant to the provisions of Article L. 225-209 of the French Commercial Code.

Pursuant to such authorisation, the Company entered into a liquidity agreement with Kepler Capital Markets on 10 June 2012, for a term of twelve (12) months, renewable automatically. Under this agreement, Kepler Capital Markets conducts stock market trades on behalf of the Company in order to promote transaction liquidity and stabilise the shares, as well as to avoid changes in the stock price that are not justified by market trends.

We propose to you that this authorisation be renewed, and consequently, to authorise the Board of Directors, with an option of subdelegation, for an eighteen (18) month period, under legal conditions, to proceed one or more times, and at the times as it shall determine, with the buyback of the Company's shares, pursuant to the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code and with those of the General Regulations of the *Autorité des marchés financiers* (AMF), within the limit of 10% of the number of shares which make up the share capital of the Company at the time of the buyback, or 5% of the number of shares which make up the share capital of the Company at the time of the purchase, with respect to those shares acquired by the Company with a view to their conservation and their ultimate remittal as payment or as an exchange, within the framework of a merger, spin-off, or asset contribution transaction.

We would like to remind you that in any event, share purchases carried out in this manner must not result in the Company holding more than 10% of the shares making up the Company's share capital on the date such purchases are made.

These buybacks may be carried out for any permitted purpose or purpose that would be permitted pursuant to applicable laws and regulations, particularly with a view to:

- covering Company share purchase option plans benefiting Company or Group employees and corporate officers, or certain among them;
- awarding Company shares to corporate officers, employees, and former employees, or certain among them, in respect of their equity interest, within the framework of the Group's expansion, or of a company savings plan;
- awarding bonus shares under the scheme provided for under Articles L. 225-197-1 *et seq.* of the French Commercial Code to employees, corporate officers, or certain among them, of the Company or of the Group, and more generally, to proceed with any allocation of shares in the Company to such employees and corporate officers;
- retaining shares in the Company that are bought back for subsequent exchange or use as consideration in acquisitions, mergers, spin-offs and contribution in line with market practices permitted by the *Autorité des marchés financiers*;
- delivering Company shares upon exercise of rights attaching to securities giving access to capital, as well as to carry out any transactions required to cover the Company's obligations with respect to these securities;
- enabling market-making in shares *via* an investment services provider under a market-making agreement that complies with the AMAFI Code of Ethics, in line with market practices permitted by the *Autorité des marchés financiers*; and
- proceeding with the total or partial cancellation of shares purchased pursuant to the authorisation granted by the Combined General Meeting of 22 June 2015 under the terms of its 16th resolution.

The maximum share buyback price in connection with the share buyback programme would be set at €37 per share (or the countervalue of such amount on the same date in any other currency), excluding acquisition costs, or a maximum total amount of €76,956,044 that the Company may devote to share purchases (excluding acquisition costs), an amount which is calculated on the basis of the share capital determined as of 28 February 2016.

The buybacks may be carried out, one or more times, by any means authorised by the laws and regulations in force, on the market and/or outside of the market, on a multilateral negotiation system, with a systematic internaliser or by mutual agreement, in particular by means of acquisition or transfer of blocks, or, the use of financial derivatives. Such authorisation cannot be used during the period of a public offering.

Such authorisation would be given for a period of eighteen (18) months and would terminate the current authorisation, granted on 22 June 2015, for the portion not yet utilised.

5. Authorisation given to the Board of Directors to proceed, to the benefit of employees and corporate officers of the Company or of its Group, with the issue of redeemable warrants for the subscription and/or acquisition of shares (BSAAR), without a preferential right of subscription (10th resolution)

The authorisation given to the Board of Directors to proceed, to the benefit of employees and corporate officers of the Company or of its Group, with the issue of redeemable warrants for the subscription and/or acquisition of ordinary shares (BSAAR) without a preferential right of subscription by the Combined General Meeting of 22 June 2015 will expire before the closing date of the current financial year. Accordingly, we propose to you that this authorisation be renewed, to the benefit of the Group's employees and corporate officers, to proceed with the issue of redeemable warrants for the subscription and/or acquisition of ordinary shares (BSAAR). The BSAARs would give the right to subscribe for or purchase a maximum total number of ordinary shares representing 7% of the Company's share capital on the date of the Board of Directors' decision, it being specified that the amount of the capital increase resulting from the issuance of the ordinary shares as a result of the subscription of the BSAARs would be charged against the maximum amount set in the 26th resolution adopted by the Combined General Meeting of 22 June 2015. This delegation would be granted for a period of eighteen (18) months.

6. Authorisation granted to the Board of Directors for the purposes of proceeding with the award of bonus shares, either existing or to be issued, to the benefit of members of paid personnel or to eligible corporate officers of the Axway Group (11th resolution)

The Company would like to put into place a profit-sharing programme for the eligible employees or corporate officers of the Group. On the basis of these elements, it appears necessary for the Company to involve the eligible employees or corporate officers of the Axway Group in profit-sharing, by putting into place this type of plan. The total number of bonus shares that may be granted may not represent more than 4% of the Company's share capital on the date of the Board of Directors' decision to grant said shares, not counting shares to be issued, if any, as a result of adjustments made in order to preserve the rights of the beneficiaries of the bonus share grants. This delegation would be granted for a period of thirty-eight (38) months.

It will moreover be recalled that the shareholders approved Resolution No. 27 during the Combined General Meeting of 22 June 2015, pertaining to the possibility of increasing the share capital one or more times, through the issue of ordinary Company shares, reserved for employees who are enrolled in a company savings plan. The maximum amount of the capital increases that may be carried out pursuant to this authorisation would be set at 3% of the share capital, it being specified that such granted amount would be separate and distinct from the limits to capital increases resulting from the issuance of ordinary shares or securities giving access to share capital that were the subject of other resolutions approved at the Combined General Meeting of 22 June 2015.

7. Addition made to Article 14 of the Company's Articles of Association concerning the term of office of the directors

It is proposed to modify Article 14 of the Company's Articles of Association to amend the appointment of directors for a period of less than four (4) years in order to align their terms of office with those of the other directors and thereby simplify the procedure for renewals.

8. Appointment of two new directors (13th and 14th resolutions)

The Company has decided to enlarge its Board of Directors by including two new directors. These appointments will principally enable the competencies of the Board to be strengthened in the financial and technical areas. In addition, these appointments will enable the Company to comply with regard to the balanced representation of men and women on the Board.

Emma Fernández has significant experience as a senior executive in the technology field and particularly in ICT, security and defense, transport and traffic. She has occupied various positions during the past 25 years with Indra, in areas such as strategy, innovation and the development of new offers, talent management, communication and product branding, public affairs, business governance, and social and environmental responsibility, as well as mergers and acquisitions. Currently, she advises and promotes start-ups whose core business is IT. She has an engineering degree in telecoms from the Polytechnic University of Madrid and obtained an MBA from IE.

Helen Louise Leslop manages her consulting services business in France. Within this framework, she supplies consulting services to business and the transformation of media for small and medium-sized companies. Moreover, she assumes management roles for her clients. In particular, she was the Director of Transformation for Aviva, one of the market leaders in insurance products in Europe, where she carried out a review of the modus operandi of Aviva's business. She had the objective of putting in place a new business model providing for significant cost reductions. In addition, she occupied the functions of Financial Director of Aviva Europe and was in charge of the redefinition of Aviva Europe's financial model and contributed to the development of the European strategy. Prior to her experience with Aviva, Helen worked at GE Capital, a division of General Electric, for 10 years as a financial manager for France, Thailand and Sweden. During that period, she participated in the development of financing transactions in Thailand as well as the restructuring, sale and significant reduction of the debts of financing activities in Western Europe. Her past experience also includes positions in the finance department at QBE International Insurance and Pricewaterhouse Coopers, where she began her career. Helen has an honors degree in economics from the University of Cambridge. Furthermore, she is a Statutory Auditor in the UK.

9. Powers to perform legal formalities (15th resolution)

We propose that you give all powers to the bearer of an original, a copy, or an extract of the minutes of the decisions of your Combined General Meeting of June 21, 2016 with a view to the accomplishment of the required formalities which result from this Meeting.

The resolutions submitted to your vote appear to be consistent with the interest of your Company, and favorable to the development of the Group's operations.

6.2 AGENDA

Ordinary General Meeting

- Approval of the parent company financial statements and of the non-tax deductible expenses and charges.
- Granting of discharge to the members of the Board of Directors.
- Approval of the consolidated financial statements.
- Appropriation of earnings.
- Approval of the commitments made for the benefit of Mr Christophe Fabre in implementation of the provisions of Article L. 225-42-1 of the French Commercial Code.
- Approval of the commitments made for the benefit of Mr Jean-Marc Lazzari in implementation of the provisions of Article L. 225-42-1 of the French Commercial Code.
- Approval of the conclusions of the special report of the Statutory Auditors on regulated agreements and commitments.
- Setting of the amount of the directors' fees for the financial year ended 31 December 2016.
- Authorisation to be given to the Board of Directors to buy back shares in the Company in implementation of Articles L. 225-209 *et seq.* of the French Commercial Code.

Extraordinary General Meeting

- Authorisation given to the Board of Directors to proceed, to the benefit of employees and corporate officers of the Company or of its Group, with the issue of redeemable warrants for the subscription and/or acquisiton of shares (BSAAR), without a preferential shareholder right of subscription.
- Authorisation granted to the Board of Directors to proceed with the awarding of bonus shares, whether existing or to be issued, to the benefit of qualifying Axway Group corporate officers or employees.
- Modifications to the Articles of Association.

Ordinary General Meeting

- Appointment of a new director.
- Appointment of a new director.
- Powers to perform legal formalities.

6.3 PROPOSED RESOLUTIONS

Resolutions presented for the approval of the Ordinary General Meeting

First resolution

Approval of the parent company financial statements and of the non-tax deductible expenses and charges

The General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, and having reviewed the Board of Directors' management report and the report of the Statutory Auditors, approves the parent company financial statements for the financial year ended 31 December 2015, showing a profit of €9,321,571.52. It also approves the transactions reflected in those financial statements and summarised in those reports.

The General Meeting also approves the non-tax deductible expenses and charges referred to in Article 39-4 of the French General Tax Code, amounting to €55,840 and the corresponding tax expense of €18,613.

Second resolution

Discharge of members

The General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, grants the members of the Board of Directors full and unconditional discharge from their duties for the financial year ended 31 December 2015.

Third resolution

Approval of the consolidated financial statements

The General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, and having reviewed the management report of the Board of Directors and the report of the Statutory Auditors on the consolidated financial statements, approves the consolidated financial statements for financial year ended 31 December 2015 showing a consolidated net profit – attributable to the Group – of €27,855,864. It also approves the transactions reflected in those financial statements and summarised in the report on Group management included in the Board of Directors' management report.

Fourth resolution

Appropriation of earnings

The General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, notes that the distributable earnings, before provision to the legal reserve of the Axway Software company, determined as follows, amount to €9,321,571.52, as follows:

Profit (loss) for the period	€9,321,571.52
Retained earnings: dividends not paid on treasury shares	€2,303.20
TOTAL	**€9,323,874.72**

and upon the proposal of the Board of Directors, hereby decides to appropriate the distributable profit, before provision to the legal reserve, in the following fashion:

Legal reserve	€41,155.60
Dividends	€8,309,566.40
Discretionary reserves	€973,152.72
TOTAL	**€9,323,874.72**

The legal reserve will thus amount to €4,154,783.20, or more than 10% of the share capital.

The dividend per share is calculated on the basis of the number of shares making up the share capital as of 31 December 2015, which is 20,773,916 shares, and amounts to €0.40. The dividend per share shall be adjusted in accordance with the following:

- the number of shares issued between 1 January 2015 and the ex-dividend date following the exercise of stock subscription options and/or the definitive acquisition of new bonus shares granted and giving a right to the dividend; and
- the definitive number of shares eligible for the dividend on the ex-coupon date.

The amount of the adjustment shall be deducted from the amount carried forward and determined on the basis of dividends actually processed for payment.

The dividend will be paid out as from 7 July 2016.

In accordance with applicable tax rules (Article 158-3-2 of the French General Tax Code) with respect to the calculation of income tax, this dividend gives the right, for shareholders who are natural persons and French residents for tax purposes, to a 40% tax deduction.

Furthermore, for these shareholders who are natural persons resident in France for tax purposes, this dividend will cumulatively have to give rise (excluding shares held in a company savings plan):

- to withholding tax at source of 21%, which does not discharge the taxpayer from its obligation to pay income tax on the gross dividend (Article 117 quater of the French General Tax Code), but rather is an advance payment of 2016 income tax due in 2017. This withholding tax does not apply to shareholders whose reference tax income (income in 2014) is less than €50,000 (for single, divorced or widowed taxpayers) or €75,000 (for taxpayers filing jointly), as long as such shareholders have sent the paying institution a written declaration on their honour requesting an exemption and confirming that their taxable reference income satisfies these conditions, by 30 November 2015 at the latest. However, taxpayers who buy or subscribe for shares after such date from a paying institution of which they were not clients or with which they did not hold a securities account may submit this request for exemption at the time of purchase or subscription of the shares;
- to social security contributions of 15.5% (including deductible general social contribution of 5.1%), also withheld at the source.

The shares held by the Company on the date of the Meeting shall not be entitled to a dividend and the corresponding dividend will be allocated to "retained earnings" upon payment.

The amount of dividends distributed over the three prior financial years is indicated below, along with the amount of earnings distributed over those financial years that was eligible for the deduction provided for under Article 158-3-2 of the French General Tax Code and the corresponding amount of distributed earnings not eligible for said deduction:

	Distributed earnings eligible for the deduction under Article 158-3-2 of the French General Tax Code		
FY	**Dividend per share**	**Other distributed earnings per share** *(in euros)*	**Distributed earnings not eligible for the deduction** *(in euros)*
2014	0.40	0	0
2013	0.40	0	0
2012	0.35	0	0

Fifth resolution

Approval of commitments made for the benefit of Mr Christophe Fabre in implementation of Article L. 225-42-1 of the French Commercial Code

The General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings and after reviewing the special report of the Statutory Auditors on agreements and commitments subject to Articles L. 225-38 *et seq.* of the French Commercial Code, approves the commitments made for the benefit of Mr Christophe Fabre, former Managing Director of the Company, pursuant to the provisions of Article L. 225-42-1 of the French Commercial Code, noted in the special report of the Statutory Auditors, and the related conclusions of said report.

Sixth resolution

Approval of commitments made for the benefit of Mr Jean-Marc Lazzari in implementation of Article L. 225-42-1 of the French Commercial Code

The General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings and after reviewing the special report of the Statutory Auditors on agreements and commitments subject to Articles L. 225-38 *et seq.* of the French Commercial Code, approves the commitments made for the benefit of Mr Jean-Marc Lazzari, Managing Director of the Company since 22 June 2015, pursuant to the provisions of Article L. 225-42-1 of the French Commercial Code, noted in the special report of the Statutory Auditors, and the related conclusions of said report.

Seventh resolution

Approval of the conclusions of the special report of the Statutory Auditors on related-party agreements and commitments

The General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings and after reviewing the special report of the Statutory Auditors on agreements subject to Articles L. 225-38 *et seq.* of the French Commercial Code, approves the conclusions of the special report of the Statutory Auditors pertaining to regulated agreements and commitments entered into and authorised prior to 1 January 2015 and which continued during the course of the previous financial year.

Eighth resolution

Setting of the amount of the directors' fees for the financial year ended 31 December 2016

The General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, resolves to set at €262,500 the amount of the directors' fees to be allocated between the members of the Board of Directors for the current financial year.

Ninth resolution

Authorisation given to the Board of Directors to buy shares in the Company in implementation of Articles L. 225-209 *et seq.* of the French Commercial Code

1. The General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings and after reviewing the report of the Board of Directors, authorises the Board of Directors, effective immediately, and with an option of subdelegation, pursuant to the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code, and of Article L. 451-3 of the French Monetary and Financial Code, and of Articles 241-1 to 241-5 of the General Regulations of the *Autorité des marchés financiers*, and of (EC) Regulation No. 2273/2003 of the European Commission of 22 December 2003, and of any regulation which may be substituted thereto, and to market practices permitted by the *Autorité des marchés financiers*, to purchase, upon one or more occasions, and at times as it shall determine, shares in the Company, according to the following terms.
2. This authorisation is granted to the Board of Directors up to the date of its renewal at a subsequent Ordinary General Meeting and, in any case, for a maximum of eighteen (18) months from the date of this meeting. It cancels, from this day, up to the amount, as the case may be, of the portion not yet used, any authorisation in force with the same purpose.
3. Any purchases of shares in the Company made by the Board of Directors under this authorisation may not in any event result in the Company owning more than 10% of the shares in its share capital at the purchase dates.
4. The transactions effected under the share buyback programme performed by the Company may be carried out, on one or more occasions, by any means authorised under applicable regulations, on or off market, on a multi-lateral trading platform, with a systematic internaliser or over the counter, in particular by means of the purchase or sale of share blocks, or alternatively through the use of derivatives traded on a regulated market or over the counter (such as call and put options or any combination thereof) or warrants or more generally securities convertible into shares in the Company and which, on the terms and conditions permitted by the competent market authorities and as and when decided by the Board of Directors or any person acting on the instructions of the Board of Directors. It should be noted that the portion of the share buyback programme carried out by means of the acquisition of blocks of shares is unlimited and may represent the full amount of said programme.
5. The purchases of Company shares may involve a maximum number of shares of up to 10% of the total number of shares making up its share capital as of the date on which such purchases are made. Nevertheless, the number of shares acquired by the Company with a view to retaining them or subsequently using them as consideration or in exchange as part of a merger, spin-off or transfer of assets, may not exceed 5% of the Company's shares.
6. The acquisition of such shares may not take place at a unit price which exceeds €37, excluding acquisition costs (or the countervalue of such amount on the same date in any other currency), it being specified, however, that in the case of transactions involving the Company's share capital, in particular, capital increases with maintenance of the preferential subscription right, or by the incorporation of reserves, profits or share premiums followed by the creation and awarding of bonus shares, or division and regrouping of the shares, the Board of Directors shall have the power to adjust such maximum purchase price, in order to take into account the impact of such transactions on the share's value.

   For informational purposes, the maximum amount that the Company may devote to buying shares under this resolution, excluding acquisition costs, is €76,956,044, an amount that is calculated on the basis of the recorded share capital as of 29 February 2016.

7. This authorisation is designed to enable the Company to buy back shares for any purpose permitted, or that may be permitted in the future, under applicable laws and regulations. In particular, the Company may use this authorisation to:
   (a) cover Company share purchase option plans benefiting members of paid personnel (or certain among them) and/or qualifying corporate officers (or certain among them) of the Company and of the companies or economic interest groups that are or will be associated with it as per the terms defined by the provisions of Article L. 225-180 of the French Commercial Code;
   (b) award shares in the Company to qualifying corporate officers, employees and former employees, or certain of them, of the Company or of the Group, under profit-sharing schemes or a company savings plan in accordance with the law;
   (c) award bonus shares under the scheme provided for under Articles L. 225-197-1 *et seq.* of the French Commercial Code to employees and qualifying corporate officers, or to some of them, of the Company and/or of companies and economic interest groups affiliated with the Company pursuant to the conditions defined in Article L. 225-197-2 of the French Commercial Code and, more generally, to award Company shares to those employees and corporate officers;
   (d) retain shares in the Company that are bought back for subsequent exchange or use as consideration in acquisitions, mergers, spin-offs and contribution in line with market practices permitted by the *Autorité des marchés financiers*;
   (e) deliver shares upon exercise of rights attaching to securities giving entitlement by means of conversion, exercise, redemption, exchange, presentation of a warrant or by any other means, immediately or in the future, to the allocation of Company shares as well as carrying out any transactions required to cover the Company's obligations with respect to these securities, in compliance with stock market regulations and as and when decided by the Board of Directors or any person acting on the instructions of the Board of Directors;
   (f) enable market making in shares *via* an investment services provider under a market making agreement that complies with the AMAFI Code of Ethics, in line with market practices permitted by the *Autorité des marchés financiers*, it being noted that the number of shares bought back in this respect shall, for the purposes of calculating the 10% limit mentioned in Section 5 above, equal the number of shares bought back, less the number of shares sold during the period of this authorisation;
   (g) cancel all or some of the shares bought back, so long as the Board of Directors has a valid authorisation from the Extraordinary General Meeting allowing it to reduce the capital by cancelling shares bought back under a share buyback programme.
8. The transactions carried out by the Board of Directors under this authorisation may take place at any time during the period of validity of the share buyback programme.
9. In the event of a public tender offer for the Company's shares, the latter may not continue to apply its share buyback programme, in compliance with Article 231-40 of the General Regulation of the *Autorité des marchés financiers*.

The General Meeting fully empowers the Board of Directors, with the option to subdelegate in accordance with the law, to resolve to exercise this authorisation and to set the terms and conditions in line with the law and in line with the terms and conditions of this resolution and, in particular, to draw up and publish the description of the share buyback programme, place any stock market orders, sign any documents, enter into any agreements relating in particular to the keeping of share purchase and sale records, carry out any filings and formalities, in particular vis-à-vis the *Autorité des marchés financiers*, allocate or reallocate the shares acquired between the different purposes and, more generally, do everything necessary.

In accordance with the provisions of Article L. 225-211 paragraph 2 of the French Commercial Code, the Board of Directors shall inform the General Meeting, in the report referred to in Article L. 225-100 of the French Commercial Code, of the transactions carried out under this authorisation.

Resolutions presented for the approval of the Extraordinary General Meeting

Tenth resolution

Authorisation given to the Board of Directors to proceed, to the benefit of employees and corporate officers of the Company or of its Group, with the issue of redeemable warrants for the subscription and/or acquisition of shares (BSAARs), without a preferential shareholder right of subscription

The General Meeting, having fulfilled the quorum and majority requirements for Extraordinary General Meetings, and having reviewed the Board of Directors' report and the special report of the Statutory Auditors, pursuant to the provisions of Articles L. 228-91 *et seq.*, L. 225-129 *et seq.*, and L. 225-138 of the French Commercial Code:

1. delegates to the Board of Directors, with the option to subdelegate in accordance with provisions provided by law, the power to decide to issue, on one or more occasions, redeemable warrants for the subscription and/or acquisition of ordinary shares ("**BSAARs**");
2. decides that, pursuant to this delegation, the Board of Directors may grant a maximum of 7% of the Company's share capital as of the date on which the Board of Directors makes its decision and that the amount of the capital increase resulting from the share issue shall be charged against the maximum amount per resolution No. 26, adopted by the Combined General Meeting of 22 June 2015.

   To such amount, there shall be added the number of ordinary shares required in order to preserve, pursuant to law and to contractual stipulations, the rights of the BSAAR holders;
3. decides, pursuant to the provisions of Article L. 225-138 of the French Commercial Code, to cancel the preferential subscription right of shareholders to the BSAAR and to reserve such right for employees and corporate officers of the Company and its foreign subsidiaries. The Board of Directors will draw up the list of persons authorised to subscribe for the share warrants (the "**Beneficiaries**") and the maximum number of share warrants that may be subscribed by each of them;
4. decides that the Board of Directors:
   (a) shall determine all of the features of the BSAARs, in particular their subscription price, which shall be determined, after consultation with an independent expert, on the basis of the parameters influencing its value (being principally the following: the exercise price, the lock-up period, the exercise period, the triggering threshold and the redemption period, the interest rate, the dividend distribution policy, the current price and volatility of the Company share) as well as the modalities for the issuance and the terms and conditions of the issuing contract,
   (b) will determine the subscription or acquisition price of the shares by exercising the share warrants, on the stipulation that a share warrant will give entitlement to subscribe for (or acquire) a share in the Company at a price at least equal to 120% of the average of the closing prices of the Company's share for the 20 stock exchange sessions preceding the date on which all the terms and conditions of the BSAARs and the terms of their issuance were determined;
5. takes note that the decision to issue the BSAARs will entail as of right waiver by the shareholders – in favour of the Beneficiaries of such warrants – of their preferential right to subscribe for the ordinary shares to be issued by the exercise of the BSAARs;
6. gives all powers to the Board of Directors, with the option to subdelegate in accordance with the legal and regulatory conditions, to take all measures, to enter into all agreements and to carry out all formalities making it possible to issue BSAARs, to record the completion of the resulting capital increases, to amend the Articles of Association accordingly and to amend, as it deems necessary and subject to the agreement of the Beneficiaries, the contract for issuing the BSAARs;
7. decides that, in accordance with Article L. 225-138 III of the French Commercial Code, the issuance may not be completed beyond a period of eighteen (18) months as from the date of this meeting.

In accordance with Article L. 225-138 II of the French Commercial Code, the Board of Directors will prepare an additional report for the next General Meeting on the conditions under which this delegation has been used.

This delegation of authority is granted for a period of eighteen (18) months from the day of this General Meeting and cancels, from this day, in the amount, as the case may be, of the portion not yet used, any authorisation in force having the same purpose.

Eleventh resolution

Authorisation granted to the Board of Directors to grant free shares, whether existing or to be issued, to qualifying Axway Group corporate officers or employees

The General Meeting, having fulfilled the quorum and majority requirements for Extraordinary General Meetings, and having reviewed the Board of Directors' report and the special report of the Statutory Auditors, pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code:

1. authorises the Board of Directors to grant, free of charge, on one or more occasions, at its choice, either existing shares of the Company or shares to be issued, to qualifying employees or corporate officers (within the meaning of Article L. 225-197-1 II paragraph 1 of the French Commercial Code) of the Company or to certain categories of such employees or officers and of Companies and economic interest groups affiliated with the Company pursuant to the conditions defined in Article L. 225-197-2 of the French Commercial Code;
2. decides that this delegation is granted for a period of thirty-eight (38) months from this meeting and that it cancels,from this day, in the amount, as the case may be, of the portion not yet used, any authorisation in force having the same purpose;
3. decides that the total number of shares awarded, whether it concerns existing shares, or shares to be issued, cannot represent more than 4% of the Company's share capital as of the date of their allocation by the Board of Directors, taking into account the number of shares to be issued, if applicable, for adjustments made in order to preserve the rights of the beneficiaries of the bonus shares awarded such maximum amount being independent of the overall maximum amount provided in the 24th resolution adopted by the Combined General Meeting of 22 June 2015;
4. decides that the allocation of the shares to their beneficiaries will be definitive, at the discretion of the Board of Directors, for all or some of the shares allocated:

(a) either at the end of a vesting period with a minimal duration of two (2) years as from the allocation date, and in such case, without a minimum retention period,

(b) or at the end of a vesting period with a minimum duration of one (1) year as from the allocation date, it being specified that the beneficiaries must then retain said shares throughout a minimum one (1) year period as from the end of the vesting period, subject to specific regulations which will be applicable to beneficiaries abroad, and which would require, for such beneficiaries, that the vesting periods and/or retention periods (if applicable) of the shares be modified.

Regardless of what may be respective vesting or retention periods, such periods shall terminate ahead of time and, consequently, the ordinary shares will be definitively allocated or acquired by the beneficiary, if the beneficiary is affected by a case of disability provided for under the law;

5. decides that the existing shares which are allocable under the present authorisation must be acquired by the Company, either under Article L. 225-208 of the French Commercial Code, or, if applicable, within the share purchase plan authorised by the 9th resolution submitted to the present meeting, or any share purchase programme which may subsequently be applicable;
6. takes note that, with regard to shares to be issued, (i) the present authorisation shall entail, at the end of the vesting period, a capital increase by the incorporation of reserves, profits, premiums, or any other sum for which capitalisation would be possible legally or pursuant to the Articles of Association, to the benefit of the beneficiaries of said allocations and the correlating waiver by such shareholders, in favour of the beneficiaries, of allocations to the portion of the reserves, profits, premiums, or any other sum so incorporated, (ii) the present authorisation automatically entails, for the benefit of the shareholders of such shares, a waiver of the shareholders of their preferential subscription right. The corresponding capital increase will be finalised solely on account of the definitive allocation of shares to the beneficiaries;
7. delegates all powers to the Board of Directors, within the limits determined above, to implement this resolution and in particular:

(a) to name the beneficiaries of the bonus shares and the number of shares awarded to each of them,

(b) to give its approval, with respect to qualifying corporate officers, in accordance with the last paragraph of section II of Article L. 225-197-1 of the French Commercial Code,

(c) to set the share allocation dates and terms, notably the period at the end of which the awards shall become definitive, as well as the length of any lock-in period for each beneficiary,

(d) to determine, as the case may be, the conditions associated in particular with the performance of the Company, the Group or its entities and, as the case may be, the allocation criteria according to which the shares are to be allocated,

(e) to determine whether the bonus shares awarded are existing shares, or shares to be issued, and in the case of the issuance of new shares, to increase the share capital by the incorporation of reserves, profits, premiums, or any other sum for which capitalisation would be permissible by law or by the Articles of Association, to determine the nature and the amounts of such reserves, profits or premium to be incorporated into the share capital, with a view to the paying-up of such shares, to record the completion of the capital increases, to proceed with the subsequent modifications to the Articles of Association, and more generally, to do whatever is necessary with a view to the proper completion of the transactions,

(f) where appropriate, to provide for the possibility of adjusting the number of bonus shares awarded during the vesting period in accordance with any operations on the Company's capital, so as to preserve the rights of the beneficiaries, with the understanding that the shares allocated under those adjustments shall be deemed as having been allocated on the same day as the initially allocated shares,

(g) more generally, with the option to subdelegate, to record the definitive allocation dates and the dates from which the shares may be freely transferred in the light of legal restrictions, to enter into any agreements, to produce all documents, to carry out all formalities, to file all declarations with all appropriate bodies and to do everything that may be required.

Twelfth resolution

Modification of the stipulations of Article 14 concerning the term of office of the directors

The General Shareholders' Meeting, after having taken note of the Management Report, decides to complete the third sentence of Article 14 of the Company's Articles of Association as follows:

As an exception, the General Shareholders' Meeting may decide that the initial term of office of the directors is for a shorter term of one year, two years or three years so as to align their term of office with those of the other directors in position at the time of their appointment.

Resolutions presented for the approval of the Ordinary Shareholders' Meeting

Thirteenth resolution

Appointment of Emma Fernández as a new director

The General Meeting, after having taken note of the report by the Board of Directors, decides to appoint Emma Fernàndez as a new director for a term of three (3) years, in accordance with Article 14, sentence 4 of the Company's Articles of Association as modified by the twelfth resolution adopted by the present General Shareholders' Meeting, which will expire at the end of the General Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2018.

Fourteenth resolution

Appointment of Helen Louise Heslop as a new director

The General Meeting, after having taken note of the report by the Board of Directors, decides to appoint Helen Louise Heslop as a new director for a term of three (3) years, in accordance with Article 14, sentence 4 of the Company's Articles of Association as modified by the twelfth resolution adopted by the present General Shareholders' Meeting, which will expire at the end of the General Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2018.

Fifteenth resolution

Powers to perform legal formalities

The General Meeting fully empowers the bearer of an original, a copy or an extract from the minutes of this Meeting for the purposes of carrying out all legal or administrative formalities and carrying out all filing and disclosure requirements stipulated under applicable law.

The Board of Directors

7

CAPITAL AND AXWAY SOFTWARE STOCK

The Company decided to implement double voting rights during the General Shareholders' Meeting of 4 June 2014. Since that date, a double voting right is awarded to any share held in registered form for at least two years. This amendment to the Articles of Association is the result of a legal reform intended to stabilise shareholding within listed companies. Axway's current ownership has been stable since its shares were listed in 2011.

7.1 GENERAL INFORMATION

Axway Software was listed on the regulated Euronext market in Paris on 14 June 2011.

Axway Software shares are listed on Compartment B of Euronext Paris and are eligible for the Deferred Settlement Service (SRD).

On 31 December 2015, Axway Software's capital consisted of 20,773,916 shares with a nominal value of two (2) euros each, fully paid up, amounting to share capital of €41,547,832. In addition, following the establishment of double voting rights by the Combined General Meeting of 4 June 2014 and given the absence of voting rights granted to treasury shares, the total number of exercisable voting rights associated with the capital on 31 December 2015 was 35,522,744.

Changes in share capital for the fiscal year ended 31 December 2015 are detailed in Section 3 ("Changes in share capital") of this Chapter 6.

On 31 December 2015, if all bonus shares were issued and all share subscription options, exercisable or not, were all exercised, this would result in the issuance of 760,375 new shares, representing 3.65% of the Company's capital.

To the best of the Company's knowledge, no Axway Software shares held in registered form and representing a significant proportion of the Company's capital have been pledged as collateral.

Shares owned by the Company in its subsidiaries are unencumbered by sureties.

7.2 CURRENT OWNERSHIP

Shareholders	As at 31/12/2015				
	Number of shares owned	% of the share capital	Number of theoretical voting rights	Number of exercisable voting rights	% of voting rights
Sopra Steria Group SA	5,179,302	24.93%	10,337,104	10,337,104	29.10%
Sopra GMT(1)	4,503,321	21.68%	8,886,179	8,886,179	25.02%
Pasquier family group(1)	27,094	0.13%	46,626	46,626	0.13%
Odin family group(1)	307,531	1.48%	538,126	538,126	1.51%
Sopra Développement(2)	1	0.0%	1	1	0%
Management(2)	357,428	1.72%	572,453	572,453	1.61%
Shareholder agreement between the Founders, the Managers and Sopra Steria Group SA(3)	10,374,677	49.94%	20,380,489	20,380,489	57.37%
Geninfo	1,793,625	8.63%	3,587,250	3,587,250	10.10%
Total of shareholder agreement between the Founders, the Managers, Sopra Group SA and Geninfo	12,168,302	58.57%	23,967,689	23,967,689	67.47%
Caravelle	2,572,458	12.38%	5,144,916	5,144,916	14.48%
Float(4)	6,017,737	28.97%	6,410,139	6,410,139	18.04%
Treasury	15,419	0.07%	15,419	0	0%
TOTAL	**20,773,916**	**100%**	**35,538,163**	**35,421,420**	**100%**

(1) Sopra GMT, the Pasquier family group and the Odin family group being together referred to as the "Founders".
(2) Sopra Développement and Management being together referred to as the "Managers".
(3) Of which, 5,195,375 shares held by the Founders and Managers subgroup (i.e. 25.01% of the capital and 28.24% of the voting rights) and 5,179,302 shares held by the Sopra Steria Group SA (i.e. 24.93% of the capital and 29.10% of the voting rights) at 31/12/2015.
(4) Calculated by difference

To the best of the Company's knowledge, no individual public shareholder owns more than 5% of the capital.

On 31 December 2015, Axway Software did not own any treasury shares other than those held under the market-making agreement (15,419 shares).

Shareholders	As at 31/12/2014 Number of shares owned	% of the share capital	Number of theoretical voting rights	Number of exercisable voting rights	% of voting rights
Sopra Steria Group SA	5,238,721	25.47%	10,474,442	10,474,442	29.53%
Sopra GMT(1)	4,382,858	21.31%	8,765,716	8,765,716	24.72%
Pasquier family group(1)	19,535	0.09%	39,070	39,070	0.11%
Odin family group(1)	230,595	1.12%	461,706	461,706	1.30%
Sopra Développement(2)	1	0.0%	1	1	0%
Management(2)	220,385	1.07%	436,881	436,881	1.23%
Shareholder agreement between the Founders, the Managers and Sopra Steria Group SA(3)	10,092,095	49.07%	20,177,816	20,177,816	56.89%
Geninfo	1,793,625	8.72%	3,587,250	3,587,250	10.11%
Shareholder agreement between the Founders, Sopra Group SA and Geninfo	11,701,998	57.20%	11,701,998	11,701,998	67.01%
Total of shareholder agreement between the Founders, the Managers, Sopra Group SA and Geninfo	11,885,720	57.79%	23,765,066	23,765,066	67.01%
Caravelle	2,572,458	12.51%	5,144,916	5,144,916	14.51%
Float	6,065,389	29.49%	6,511,438	6,511,438	18.36%
Treasury shares	44,571	0.21%	44,571	0	0%
TOTAL	**20,568,138**	**100%**	**35,465,991**	**35,421,420**	**100%**

(1) Sopra GMT, the Pasquier family group and the Odin family group being together referred to as the "Founders".
(2) Sopra Développement and Management being together referred to as the "Managers".
(3) Of which, 4,853,374 shares held by the Founders and Managers subgroup (i.e. 23.59% of the capital and 27.36% of the voting rights) and 5,238,721 shares held by the Sopra Steria Group SA (i.e. 25.47% of the capital and 29.53% of the voting rights) at 31/12/2014.

Shareholders	As at 31/12/2013 Number of shares owned	% of the share capital	Number of theoretical voting rights	Number of exercisable voting rights	% of voting rights
Sopra Group	5,263,435	25.70%	5,263,435	5,263,435	25.72%
Sopra GMT(1)	4,382,858	21.40%	4,382,858	4,382,858	21.40%
Pasquier family group(1)	19,535	0.10%	19,535	19,535	0.10%
Odin family group(1)	242,595	1.20%	242,595	242,595	1.20%
Sopra Développement(2)	255,818	1.30%	255,818	255,818	1.30%
Management(2)	244,130	1.20%	244,130	244,130	1.20%
Shareholder agreement between the Founders, the Managers and Sopra Group SA(3)	10,408,371	50.90%	10,408,371	10,408,371	50.92%
Geninfo	1,793,575	8.80%	1,793,575	1,793,575	8.82%
Shareholder agreement between the Founders, Sopra Group SA and Geninfo	11,701,998	57.20%	11,701,998	11,701,998	57.24%
Total of shareholder agreement between the Founders, the Managers, Sopra Group SA and Geninfo	12,201,946	59.70%	12,201,946	12,201,946	59.74%
Caravelle	2,572,458	12.60%	2,572,458	2,572,458	12.60%
Float	5,662,118	27.60%	5,662,118	5,662,118	27.66%
Treasury shares	28,655	0.10%	28,655	0	0%
TOTAL	**20,465,177**	**100%**	**20,465,177**	**20,436,522**	**100%**

(1) Sopra GMT, the Pasquier family group and the Odin family group being together referred to as the "Founders".
(2) Sopra Développement and Management being together referred to as the "Managers".
(3) Of which 5,144,936 shares are held by the Founders and Managers subgroup (i.e. 25.1% of the capital and voting rights) and 5,263,435 shares are held by Sopra Group SA (i.e. 25.7% of the capital and voting rights) at 31/12/2013.

Sopra GMT's ownership structure is as follows:

Sopra GMT's ownership structure	31/12/2015		31/12/2014		31/12/2013	
Shareholders	Shares	% of capital	Shares	% of capital	Shares	% of capital
Pierre Pasquier family	318,050	68.95%	318,050	68.95%	318,050	67.31%
François Odin family	132,050	28.63%	132,050	28.63%	132,050	27.95%
Sopra Group management	11,174	2.42%	11,174	4.74%	22,435	4.74%
TOTAL	**472,535**	**100%**	**472,535**	**100%**	**472,535**	**100%**

7.2.1 Share ownership thresholds

It will be recalled that the Company's shareholders are subject to the laws and regulations in force in matters of making a declaration when share ownership thresholds are exceeded, and in matters of intention. The Company has, however, taken care to supplement the legal mechanism by adding a clause to the Articles of Association stipulating that *"Any shareholder whose ownership interest in the share capital crosses the thresholds of three or four percent of the share capital is required to so inform the Company, in the same forms and following the same calculations as those set forth by law for ownership interests which exceed that of the share capital"* (Article 28 of the Articles of Association).

A collective declaration regarding the crossing of the thresholds and declaration of intention (No. 215C 0532) was filed with the AMF by the shareholder grouping consisting of the Pasquier and Odin families, the Sopra GMT and Sopra Steria Group SA companies, Sopra Développement and the managers, as well as the Geninfo company, on 27 April 2015. Sopra GMT crossed the voting rights threshold for adjustment purposes on 16 December 2014. The Sopra GMT company declared that it had crossed the 25% threshold for voting rights and that it held as of that date 4,503,321 Axway Software shares, representing 8,886,179 voting rights, or 21.9% of the share capital, and 25.06% of the voting rights. This crossing of the threshold resulted from the distribution of shares of Axway Software by Sopra Development to the benefit of its shareholders, following a capital reduction. The grouping to which the Sopra GMT company belongs, also specified that it held, as of 21 April 2015, 11,933,321 shares of the Company and 23,707,521 voting rights, representing respectively 57.99% of the share capital and 66.97% of the voting rights.

To the best of the Company's knowledge, and with respect to fiscal year ended 31 December 2015, no shareholder had declared to have exceeded either the thresholds set out in the Articles of Association, or the legal thresholds. The information provided by the Company in this chapter is based on the information provided by the shareholders, in particular through the AMF website, as well as the shareholder register forwarded by the Company's financial intermediary.

7.2.2 Approximate number of shareholders

As of 31 December 2015, Axway Software had 815 shareholders who owned 14,708,527 registered shares and 29,128,024 attached voting rights out of a total of 20,773,916 shares making up the share capital, and 35,538,163 total voting rights. The figures given are calculated by difference on the basis of the table presenting the current ownership as of 31 December 2015.

On the basis of the most recent data received by the Company, the total number of Axway Software shareholders can be estimated at circa 2,000.

7.2.3 Shareholders' agreements notified to the stock market authorities

Sopra Steria Group SA and Sopra GMT, financial holding company of Sopra Steria Group SA and of Axway, acting in concert vis-à-vis Axway with:

- on the one hand, the Pasquier family group, the Odin family group, Sopra Développement and managers pursuant to an amendment of 27 April 2011 to the shareholders' agreement concluded on 7 December 2009 with regard to Sopra, such that the provisions of said agreement were extended for the same period to encompass the Company's shares. With respect to the Company this means:
  - an undertaking by the parties to act in concert so as to implement shared policies and, in general, to approve any major decisions,
  - an undertaking by the parties to act in concert in connection with the appointment and reappointment of members of the Company's management bodies, by which the senior managers agree to facilitate the appointment of any individuals proposed by the Pasquier and Odin family groups and Sopra GMT,
  - an undertaking by the parties to act in concert in connection with any proposed acquisition or disposal of more than 0.20% of the capital or voting rights of the Company,
  - an undertaking by the parties to act in concert in order to adopt a shared strategy in the event of a public tender offer for the Company's shares,
  - a pre-emptive right granted to the Pasquier and Odin family groups, Sopra GMT and Sopra Développement in the event of any disposal (i) by a senior Company manager of Company shares (right of first refusal for Sopra GMT, right of second refusal for the Pasquier family group, right of third refusal for the Odin family group, right of fourth refusal for Sopra Développement) or (ii) by Sopra Développement of Company shares (right of first refusal for Sopra GMT, right of second refusal for the Pasquier family group, right of third refusal for the Odin family group). The exercise price for the pre emptive right shall equal (x) the price agreed by the transferor and the transferee in the event of an off-market sale, (y) the average share price over the ten trading days preceding the announcement of the disposal in the event of a sale on the market, and (z) in all other cases, the transaction value of the shares;
- on the other hand, Geninfo, it being noted that this concerted action, which was confirmed by Geninfo, has not led to a shareholders' agreement with respect to Axway. Nevertheless, an agreement dated 16 November 2004 between Sopra GMT, Mr Pasquier and Mr Odin on the one hand, and Geninfo on the other hand, wherein the parties state that they are acting in concert with regard to Sopra, remains valid following the completion of the Sopra Steria Group merger transaction, of which they jointly hold approximately 25.2% of capital and 39.3% of the voting rights, taking into account the stake owned in concert by Sopra GMT, the Pasquier Family and the Odin Family along with Sopra Développement and the managers).

An amendment No. 2 of 14 December 2012 to the aforementioned shareholders' agreement of 7 December 2009 has also been signed. This amendment No. 2 has no effect on the Company insofar as Sopra Executives Investments does not hold any shares in the Company.

7.2.4 Control of the Company

The Company does not believe that there is a risk that the control of the Company will be exercised in an abusive manner by Sopra Steria Group SA and Sopra GMT, since:

- the Company decided to adopt the recommendations of the Middlenext Code of Corporate Governance for small and midcaps as issued in December 2009, owing to its compatibility with the size of the Company and its capital structure;
- the duties of the Chairman and Chief Executive Officer have been separated since the listing of the Company. Moreover, the decision to separate the duties of the Chairman and Chief Executive Officer was expressly renewed by the Company at the time of the appointment of Jean-Marc Lazzari as new Chief Executive Officer on 22 June 2015;
- the Board of Directors of Axway has five independent directors: in accordance with Recommendation No. 8 of the Middlenext Code of Corporate Governance:
  - Pascal Imbert and Hervé Saint-Sauveur, who were deemed independent at a meeting on 9 May 2011; this qualification was renewed on 24 February 2015, in accordance with the recommendations of the Middlenext Code of Corporate Governance (see Chapter 2, Section 1.2),
  - Michael Gollner and Yves de Talhouët who were deemed independent directors on 19 February 2013; this qualification was renewed for the fiscal year ended 31 December 2015,
  - Hervé Déchelette, deemed an independent director at the meeting of the Board of Directors of 14 February 2014, was deemed an independent director at the meeting of the Board of Directors 24 February 2015 for the fiscal year ended 31 December 2015;
- the directors are bound by the obligation to protect the Company's interests, to comply with the Board's charter and its internal regulations and to observe the rules of good governance, as defined in the Middlenext Code (Code of Ethics for Board members);
- the Company has established an Audit Committee responsible for reviewing the financial statements, monitoring the efficiency of the internal control and risk management systems, monitoring the statutory audit of the financial statements and verifying compliance with the requirement for the Statutory Auditors to be independent (see Chapter 2, Section 4.1.5).

The General Shareholders' Meeting of 4 June 2014 initiated the implementation of the double voting rights for the Company, in accordance with the legal amendments having taken place. The implementation of double voting rights enables the Company to strengthen its shareholding stability and thus focus on mid- and long-term projects.

Furthermore, it is specified that the transactions performed by Sopra Group, now Sopra Steria Group SA, have no impact on the control of the Company exercised by the shareholder concert.

Sopra and Sopra GMT, financial holding company of Axway and Sopra, the Founders and Geninfo still retain an influence on the Company and the power to take major decisions in respect of the Company. Their ownership, in concert, of around 58.57% of the capital and 67.47% of the voting rights means that they control Axway.

7.3 CHANGES IN SHARE CAPITAL

Date	Description	Capital following transaction *(in euros)*	Nominal value	Number of shares: Created	Number of shares: Total	Contributions: Nominal value	Contributions: Premiums or reserves
2008		75,620,000	€38		1,990,000	-	-
2009		75,620,000	€38		1,990,000	-	-
2010		75,620,000	€38		1,990,000	-	-
2011	Splitting par value by 8	75,620,000	€4.75		15,920,000	-	-
2011	Capital increase by incorporation of reserves	76,572,437	€4.75	200,513	16,120,513	-	-
2011	Capital reduction by reducing face value	32,241,026	€2		16,120,513	44,331	44,331
2011	Capital increase by exercises of options	40,301,282	€2	4,030,128	20,150,641	-	-
2012	Capital increase by exercises of options	40,642,076	€2	170,397	20,321,038	-	-
14/02/2013	Capital increase by issuing bonus shares	40,642,166	€2	45	20,321,083	-	-
18/06/2013	Capital increase by exercises of options	40,709,974	€2	33,904	20,354,987	-	-
19/09/2013	Capital increase by exercises of options	40,760,834	€2	25,430	20,380,417	-	-
20/09/2013	Capital increase by exercises of options	40,780,834	€2	10,000	20,390,417	-	-
25/09/2013	Capital increase by exercises of options	40,899,496	€2	59,331	20,449,748	-	-
26/09/2013	Capital increase by exercises of options	40,913,400	€2	6,952	20,456,700	-	-
29/09/2013	Capital increase by exercises of options	40,930,354	€2	8,477	20,465,177	-	-
01/2014	Capital increase by exercises of options	40,981,208	€2	25,427	20,490,604	-	-
02/2014	Capital increase by exercises of options	41,032,068	€2	25,430	20,516,034	-	-
02/2014	Capital increase by issuing bonus shares	41,082,378	€2	25,155	20,541,189	-	-
04/2014	Capital increase by exercises of options	41,099,332	€2	8,477	2,054,966	-	-
06/2014	Capital increase by exercises of options	41,111,632	€2	6,150	20,555,816	-	-
08/2014	Capital increase by exercises of options	41,114,632	€2	1,500	20,557,316	-	-
09/2014	Capital increase by exercises of options	41,124,432	€2	4,900	20,562,216	-	-
10/2014	Capital increase by exercises of options	41,132,182	€2	3,875	20,566,091	-	-
12/2014	Capital increase by exercises of options	41,136,276	€2	8,567	20,568,138	-	-
01/2015	Capital increase by exercises of options	41,154,182	€2	8,953	20,577,091	-	-
04/2015	Capital increase by exercises of options	41,161,682	€2	3,750	20,580,841	-	-
05/2015	Capital increase by exercises of options	41,170,182	€2	4,250	20,585,091	-	-
06/2015	Capital increase by exercises of options	41,171,082	€2	450	20,585,541	-	-
07/2015	Capital increase by exercises of options	41,171,932	€2	425	20,585,966	-	-
08/2015	Capital increase by exercises of options	41,399,932	€2	114,000	20,699,966	-	-
09/2015	Capital increase by exercises of options	41,435,072	€2	17,570	20,717,536	-	-
10/2015	Capital increase by exercises of options	41,456,832	€2	10,880	20,728,416	-	-
11/2015	Capital increase by exercises of options	41,539,032	€2	41,100	20,767,516	-	-
12/2015	Increase	41,547,832	€2	4,400	20,773,916	-	-

7.4 SHARES HELD BY THE COMPANY OR ON ITS BEHALF – SHARE BUYBACK PROGRAMME

The Combined General Meeting of 22 June 2015 authorised the Board of Directors to implement a Company share buyback programme, pursuant to the provisions of Article L. 225-209 of the French Commercial Code and in accordance with the General Regulation of the AMF.

No more than €76,863,467, excluding acquisition costs, may be allocated to this share buyback programme for a maximum of 2,077,391 shares. It was also decided that the Company may not directly or indirectly hold over 10% of its share capital.

The authorisation to establish the share buyback programme was given to the Board of Directors for a period of 18 months from the date of the Combined General Meeting of 22 June 2015.

This authorisation is meant to enable the Company to achieve the following objectives:

(a) cover Company share purchase option plans benefiting (some or all) employees and/or (some or all) qualifying corporate officers of the Company and of companies or groupings that are or will be associated with it as per the terms of Article L. 225-180 of the French Commercial Code;

(b) award ordinary shares to qualifying corporate officers, employees and former employees, or certain categories thereof, of the Company or of the Group under profit sharing schemes or a company savings plan in accordance with the law;

(c) award bonus shares under the bonus share award scheme provided for under Articles L. 225-197-1 *et seq.* of the French Commercial Code to employees and qualifying corporate officers, or to certain categories among them, of the Company and/or of companies and economic interest groupings associated with it under the terms of Article L. 225-197-2 of the French Commercial Code and, more generally, to award ordinary Company shares to those employees and corporate officers;

(d) retain ordinary shares in the Company that are bought back for subsequent exchange or use as consideration in acquisitions, in line with market practices permitted by the *Autorité des marchés financiers*;

(e) deliver shares upon exercise of rights attaching to securities giving entitlement by means of conversion, exercise, redemption, exchange, presentation of a warrant or by any other means, immediately or in the future, to the allocation of Company shares as well as carrying out any transactions required to cover the Company's obligations with respect to these securities, in compliance with stock market regulations and as and when decided by the Board of Directors or any person acting on the instructions of the Board of Directors;

(f) enable market making in ordinary shares *via* an investment services provider under a market making agreement that complies with the AMAFI Code of Ethics, in line with market practices permitted by the *Autorité des marchés financiers*, it being noted that the number of ordinary shares bought back in this respect shall, for the purposes of calculating the 10% limit, equal the number of ordinary shares bought back, less the number of ordinary shares sold during the period of this authorisation;

(g) cancel all or some of the ordinary shares bought back, so long as the Board of Directors has a valid authorisation from the Extraordinary Shareholders' Meeting allowing it to reduce the capital by cancelling ordinary shares bought back under an ordinary share buyback programme.

However, the Company could not use this resolution and continue with its buyback programme in compliance with legal and regulatory provisions (and, in particular, the provisions of Articles 231-1 *et seq.* of the General Regulation of the *Autorité des marchés financiers*) during a public tender offer or public exchange offer made by the Company.

Pursuant to the provisions of Article L. 225-211 of the French Commercial Code, the Company sets out the terms of exercise of the share buyback programme over the past fiscal year.

In the fiscal year ended 31 December 2015, this share buyback programme was exclusively used for the purposes of the market-making agreement designed to facilitate a secondary market in and ensure the liquidity of the Company's stock *via* an investment services provider.

From 10 June 2011 and for 12-month periods subject to tacit renewal, the Company entrusted Kepler Capital Markets with the implementation of this market-making agreement in accordance with the various resolutions approved by the General Shareholders' Meetings. Under this agreement, Kepler Capital Markets traded on behalf of Axway Software on the stock market in order to ensure trading liquidity and stock price stability and thereby avoid price fluctuations not justified by underlying market trends. On 31 December 2015, Kepler Capital Markets held €665,844.03 in cash and 15,419 Axway Software shares on behalf of Axway Software.

The Company set aside €1 million for the implementation of this agreement. This agreement complies with the Code of Ethics drawn up by the *Association française des marchés financiers* dated 23 September 2008 and approved by the AMF by decision of 1 October 2008. As a reminder, the implementation of the market-making agreement was decided upon in the framework of the authorisation granted by the Combined General Meeting of 22 June 2015.

On 20 April 2016, the Board of Directors resolved to ask the General Shareholders' Meeting of 21 June 2016 to renew this authorisation (see Chapter 6 "Resolutions").

7.5 ISSUE AUTHORISATIONS GIVEN TO THE BOARD OF DIRECTORS OF AXWAY – DELEGATIONS GRANTED BY THE GENERAL SHAREHOLDERS' MEETINGS

The table below summarises the currently delegations granted by the General Shareholders' Meeting in accordance with Article L. 225-100 paragraph 7 of the French Commercial Code.

I. Delegations of authority granted by the 22 June 2015 Combined General Meeting

AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS FOR PURPOSES OF BUYING THE ORDINARY SHARES OF THE COMPANY (15TH RESOLUTION)

Date of General Shareholders' Meeting granting the powers	22 June 2015
Duration of powers and expiry date	18 months
Expiry date	22 December 2016(1)
Scope of powers	10% of total number of ordinary shares as of the date of the buybacks, for up to €76,863,467 and, in any event, a theoretical maximum of 2,077,913 ordinary shares
Use made of these powers during the fiscal year *(in euros)*	€665,844.03
Remaining balance	9.9% of total number of ordinary shares as of the date of the buybacks, for up to €76,863,467 and, in any event, a theoretical maximum of 2,077,913 ordinary shares

(1) The 15th resolution adopted by the Combined General Meeting of 22 June 2015 cancelled the unused part of the 12th resolution.

AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS TO CANCEL THE SHARES ACQUIRED BY THE COMPANY IN THE CONTEXT OF THE SHARE BUYBACK PROGRAMME; CORRESPONDING REDUCTION IN THE SHARE CAPITAL (16TH RESOLUTION)

Date of General Shareholders' Meeting granting the powers	22 June 2015
Duration of powers and expiry date	24 months
Expiry date	22 June 2017
Scope of powers	10% of the capital, subject to the fact that such percentage is applied to the capital adjusted on the basis of transactions affecting it after the date of the Combined General Meeting of 22 June 2015
Use made of these powers during the fiscal year *(in euros)*	-
Remaining balance	10% of the capital, subject to the fact that such percentage is applied to the capital adjusted on the basis of transactions affecting it after the date of the Combined General Meeting of 22 June 2015

DELEGATION OF AUTHORITY GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL THROUGH THE CAPITALISATION OF RESERVES, PROFITS, SHARE PREMIUMS OR OTHER ITEMS (17TH RESOLUTION)

Date of General Shareholders' Meeting granting the powers	22 June 2015
Duration of powers and expiry date	26 months
Expiry date	22 August 2017
Scope of powers (in euros)	20,000,000(1)
Use made of these powers during the fiscal year *(in euros)*	-
Remaining balance	20,000,000

(1) This threshold is independent and separate from the capital increase thresholds potentially arising from the issue of ordinary shares or convertible securities authorised by the other resolutions and limited by the twenty-fourth resolution of the Combined General Meeting of 22 June 2015.

DELEGATION OF AUTHORITY GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL THROUGH THE ISSUE OF ORDINARY SHARES AND/OR SECURITIES CONVERTIBLE INTO ORDINARY SHARES WITH PREFERENTIAL SUBSCRIPTION RIGHTS AND/OR OF SECURITIES GIVING A RIGHT TO THE ALLOCATION OF DEBT SECURITIES (18TH RESOLUTION)

Date of General Shareholders' Meeting granting the powers	22 June 2015
Duration of powers and expiry date	26 months
Expiry date	22 August 2017
Scope of powers *(in euros)*	20,000,000 200,000,000(1) (debt securities)
Use made of these powers during the fiscal year *(in euros)*	-
Remaining balance	20,000,000 200,000,000

(1) This ceiling covers all debt securities that may be issued under this resolution and the 18th, 19th and 22nd resolutions.

DELEGATION OF AUTHORITY GIVEN TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL THROUGH THE ISSUE OF ORDINARY SHARES AND/OR SECURITIES CONVERTIBLE INTO ORDINARY SHARES, WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS AND/OR OF NEGOTIABLE SECURITIES GIVING THE RIGHT TO THE ALLOCATION OF DEBT SECURITIES BY PRIVATE PLACEMENT (19TH RESOLUTION)

Date of General Shareholders' Meeting granting the powers	22 June 2015
Duration of powers and expiry date	26 months
Expiry date	22 August 2017
Scope of powers *(in euros)*	10,000,000(1) 100,000,000(2) (debt securities)
Use made of these powers during the fiscal year *(in euros)*	-
Remaining balance	10,000,000 100,000,000

(1) This amount is deducted from the capital increase nominal threshold set in the 24th resolution of the Combined General Meeting of 22 June 2015.

(2) This amount is deducted from the maximum nominal amount of debt securities set in the 24th resolution of the Combined General Meeting of 22 June 2015.

DELEGATION OF AUTHORITY GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL THROUGH THE ISSUE OF NEW SHARES AND/OR SECURITIES CONVERTIBLE INTO ORDINARY SHARES, WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, WITHIN THE FRAMEWORK OF A PUBLIC OFFERING (20TH RESOLUTION)

Date of General Shareholders' Meeting granting the powers	22 June 2015
Duration of powers and expiry date	26 months
Expiry date	22 August 2017
Scope of powers *(in euros)*	20,000,000(1) 200,000,000(2) (debt securities)
Use made of these powers during the fiscal year *(in euros)*	-
Remaining balance	20,000,000 200,000,000

(1) This amount is deducted from the capital increase nominal threshold set in the 24th resolution of the Combined General Meeting of 22 June 2015.

(2) This amount is deducted from the maximum nominal amount of debt securities set in the 18th resolution of the Combined General Meeting of 22 June 2015.

AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS WITH A VIEW TO INCREASING THE AMOUNT OF THE INITIAL ISSUE, IN THE CASE OF THE ISSUE OF ORDINARY SHARES OR OF NEGOTIABLE SECURITIES GIVING ACCESS TO ORDINARY SHARES WITH MAINTENANCE OR ELIMINATION OF THE PREFERENTIAL SUBSCRIPTION RIGHT, DECIDED IN IMPLEMENTATION OF THE 18TH, 19TH AND 20TH RESOLUTIONS (21ST RESOLUTION)

Date of General Shareholders' Meeting granting the powers	22 June 2015
Duration of powers and expiry date	26 months
Expiry date	22 August 2017
Scope of powers *(in euros)*	Limit of ceilings respectively provided by the 18th, 19th and 20th resolutions
Use made of these powers during the fiscal year *(in euros)*	-
Remaining balance	20,000,000 200,000,000

DELEGATION OF AUTHORITY GRANTED TO THE BOARD OF DIRECTORS TO ISSUE ORDINARY SHARES AND/OR NEGOTIABLE SECURITIES GIVING ACCESS TO ORDINARY SHARES WITH A VIEW TO REMUNERATION OF CONTRIBUTIONS IN KIND ACCORDED TO THE COMPANY AND CONSISTING OF CAPITAL SECURITIES OR NEGOTIABLE SECURITIES GIVING ACCESS TO THE CAPITAL, OUTSIDE OF A PUBLIC EXCHANGE OFFER (22ND RESOLUTION)

Date of General Shareholders' Meeting granting the powers	22 June 2015
Duration of powers and expiry date	26 months
Expiry date	22 August 2017
Scope of powers (in euros)	10% of the share capital(1)
Use made of these powers during the fiscal year *(in euros)*	-
Remaining balance	10% of the share capital

(1) This amount is deducted from the threshold set in the 24th resolution of the Combined General Meeting of 22 June 2015.

AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS WITH TO SET THE ISSUE PRICE OF THE ORDINARY SHARES OR OF ANY NEGOTIABLE SECURITIES GIVING ACCESS TO ORDINARY SHARES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, WITHIN AN ANNUAL LIMIT OF 10% OF THE SHARE CAPITAL PER YEAR (23RD RESOLUTION)

Date of General Shareholders' Meeting granting the powers	22 June 2015
Duration of powers and expiry date	26 months
Expiry date	22 August 2017
Scope of powers	10% of the share capital per twelve (12) month period as well as the ceiling set forth by the 24th resolution towards which it applies
Use made of these powers during the fiscal year	-
Remaining balance	10% of the share capital per twelve (12) month period as well as the ceiling set forth by the 24th resolution towards which it applies

OVERALL LIMIT OF THE ISSUE AUTHORISATIONS, WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS (24TH RESOLUTION)

Date of General Shareholders' Meeting granting the powers	22 June 2015
Duration of powers and expiry date	26 months
Expiry date	22 August 2017
Scope of powers *(in euros)*	20,000,000(1)
Use made of these powers during the fiscal year *(in euros)*	-
Remaining balance	20,000,000

(1) Overall amount of the nominal maximum of share capital increases which can be decided on the basis of the 18th, 19th, 20th, 21st, 22nd, and 23rd resolutions of the Combined General Meeting of 22 June 2015.

AUTHORISATION GIVEN TO THE BOARD OF DIRECTORS TO PROCEED, TO THE BENEFIT OF EMPLOYEES AND CORPORATE OFFICERS OF THE COMPANY OR OF ITS GROUP, WITH THE ISSUE OF WARRANTS FOR THE SUBSCRIPTION AND/OR ACQUISITION OF REDEEMABLE SHARES (BSAAR), WITHOUT A SHAREHOLDER PREFERENTIAL RIGHT OF SUBSCRIPTION (25TH RESOLUTION)

Date of General Shareholders' Meeting granting the powers	22 June 2015
Duration of powers and expiry date	18 months
Expiry date	22 December 2016
Scope of powers	1% of the Company's capital as of the date on which the Board of Directors makes its decision(1)
Use made of these powers during the fiscal year *(in euros)*	-
Remaining balance	1% of the Company's capital as of the date on which the Board of Directors makes it decision

(1) This amount is included in the amount of the 26th resolution

AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS TO AWARD STOCK OPTIONS TO QUALIFYING AXWAY GROUP COMPANY OFFICERS AND EMPLOYEES (26TH RESOLUTION)

Date of General Shareholders' Meeting granting the powers	22 June 2015
Duration of powers and expiry date	38 months
Expiry date	22 August 2018(1)
Scope of powers	1% of the number of shares in the Company's capital on the date the options are awarded by the Board of Directors
Use made of these powers during the fiscal year	-
Remaining balance	1% of the number of shares in the Company's capital on the date the options are awarded by the Board of Directors

AUTHORISATION 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 (27TH RESOLUTION)

Date of General Shareholders' Meeting granting the powers	22 June 2015
Duration of powers and expiry date	26 months
Expiry date	22 August 2017
Scope of powers *(in euros)*	3% of the share capital at the date of the General Shareholders' Meeting, *i.e.* 618,075(1)
Use made of these powers during the fiscal year *(in euros)*	-
Remaining balance	618,075

(1) This threshold is independent and separate from the capital increase thresholds potentially arising from the issue of ordinary shares or convertible securities authorised by the other resolutions of the Combined General Meeting of 22 June 2015.

AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS TO AWARD BONUS SHARES, WHETHER EXISTING OR TO BE ISSUED, TO QUALIFYING COMPANY OFFICERS OR EMPLOYEES (28TH RESOLUTION)

Date of General Shareholders' Meeting granting the powers	22 June 2015
Duration of powers and expiry date	38 months
Expiry date	22 August 2018(1)
Scope of powers	4% of the Company's share capital as of the date on which they are granted by the Board of Directors
Use made of these powers during the fiscal year *(in euros)*	-
Remaining balance	4% of the Company's share capital as of the date on which they are granted by the Board of Directors

(1) The 28th resolution adopted by the Combined General Meeting of 4 June 2014 cancelled the unused part of the 16th resolution.

II. Delegations of authority granted during the Combined General Meeting of 4 June 2014

AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS TO GRANT BONUS SHARES, WHETHER EXISTING OR TO BE ISSUED, TO QUALIFYING COMPANY OFFICERS OR EMPLOYEES (16TH RESOLUTION)

Date of General Shareholders' Meeting granting the powers	4 June 2014
Duration of powers and expiry date	38 months
Expiry date	22 June 2015(1)
Scope of powers	1% of the Company's share capital as of the date on which they are granted by the Board of Directors
Use made of these powers during the fiscal year *(in euros)*	-
Remaining balance	0.83% of the Company's share capital as of the date on which they are granted by the Board of Directors

(1) This unused part of the 16th resolution was cancelled by the 28th resolution adopted by the Combined General Meeting of 22 June 2015.

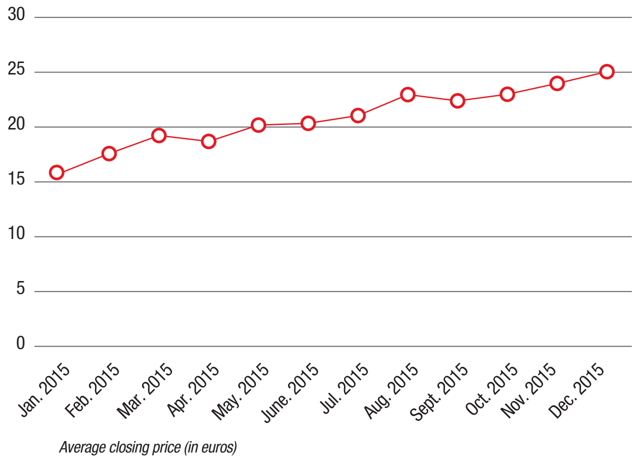
7.6 SHARE SUBSCRIPTION OPTION PLANS

The table below summarises the status as of 31 December 2015 of stock option plans granted by Axway to its employees:

	Initial position		Option exercise period		Position at 1 January		Changes in the period, number of options:			Position as at 31/12/2015	
Grant date	**Number of options**	**Exercise price**	**Start date**	**Expiry date**	**Number of options**	**Exercise price**	**awarded**	**cancelled**	**exercised**	**Number of options**	**Exercise price**
PLAN No. 2 – 2010 stock option plan, maximum issue of 1,990,000 shares General Shareholders' Meeting of 25/11/2010											
25/11/2010	5,000	€145.00	30/06/2012	31/12/2015	-	€17.11	-	-	-	-	€17.11
TOTAL	**5,000**				**-**		**-**	**-**	**-**	**-**	**€17.11**
PLAN No. 3 – 2011 stock option plan, maximum issue of 1,033,111 shares* General Shareholders' Meeting of 28/04/2011											
18/11/2011	516,175	€14.90	18/05/2014	18/11/2019	395,753	€14.90	-	-12,150	-187,028	196,575	€14.90
18/11/2011	516,175	€14.90	18/11/2016	18/11/2019	394,200	€14.90	-	-60,150		334,050	€14.90
28/03/2013	131,250	€15.90	28/09/2015	28/03/2021	96,000	€15.90	-	-13,000	-18,750	64,250	€15.90
28/03/2013	131,250	€15.90	28/03/2018	28/03/2021	96,000	€15.90	-	-30,500		65,500	€15.90
03/01/2014	50,000	€21.86	02/07/2016	03/01/2022	50,000	€21.86		-	-	50,000	€21.86
03/01/2014	50,000	€21.86	03/01/2019	03/01/2022	50,000	€21.86		-	-	50,000	€21.86
Total	**1,394,850**				**1,081,953**		**-**	**-115,800**	**-205,778**	**760,375**	
TOTAL OF PLANS	**1,399,850**				**1,081,953**		**-**	**-115,800**	**-205,778**	**760,375**	

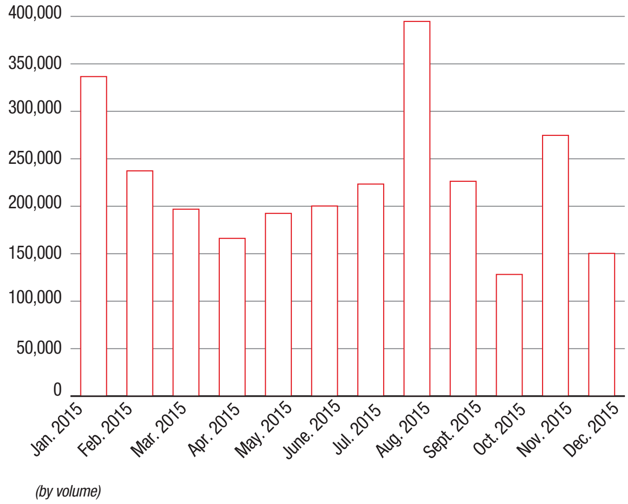
* *Increased by amendment to 1,295,611 in June 2013.*

7.7 SHARE PRICE



Source: Euronext Paris.

7.8 MONTHLY TRADING (BY VOLUME)



Source: Euronext Pa.

7.9 SHARE PRICE PERFORMANCE

High *(in euros)*	**Date of High**	**Low** *(in euros)*	**Date of Low**	**Closing price** *(in euros)*	**Average Price (opening)** *(in euros)*	**Average Price (closing)** *(in euros)*	**Number of securities exchanged** *(in euros)*	**Capital** *(in millions of euros)*
17.39	30 January 2015	14.57	19 January 2015	16.74	15.72	15.77	336,610	5.27
19.36	27 February 2015	16.66	2 February 2015	19.36	17.51	17.58	237,283	4.24
20.16	13 March 2015	17.90	2 March 2015	18.00	19.16	19.23	196,910	3.79
20.26	30 April 2015	17.40	1 April 2015	20.09	18.60	18.69	166,180	3.10
20.91	8 May 2015	19.10	14 May 2015	20.59	20.17	20.18	192,509	3.88
21.00	25 June 2015	19.20	15 June 2015	20.18	20.33	20.34	200,249	4.07
23.10	30 July 2015	19.80	1 July 2015	22.90	20.94	21.05	223,383	4.84
23.61	7 August 2015	20.81	25 August 2015	22.89	22.92	22.96	394,715	9.00
23.15	25 September 2015	20.90	29 September 2015	21.70	22.39	22.39	226,311	5.07
24.60	26 October 2015	21.43	2 October 2015	24.23	22.86	22.99	128,175	2.93
24.86	30 November 2015	22.50	4 November 2015	24.86	23.93	23.98	274,693	6.60
25.74	9 December 2015	24.36	30 December 2015	24.40	25.00	25.05	150,359	3.77

Source: Euronext Paris.

7.10 EARNINGS PER SHARE

The Board of Directors of Axway, in its meeting of 23 February 2016, resolved to ask the upcoming General Meeting to approve a dividend of €0.40 per share.

8

LEGAL AND ADMINISTRATIVE INFORMATION

8.1 AXWAY SOFTWARE AT A GLANCE

Name: Axway Software

Registered office: PAE Les Glaisins, 3 rue du Pré-Faucon, 74940 Annecy-le-Vieux, France

Telephone number of the Company's secondary establishment at Puteaux: +33 (0)1 47 17 24 24

Head office: 6811 East Mayo Blvd, Suite 400 – Phoenix, Arizona 85054, USA

Legal status: French *société anonyme*.

The Company and its activities are subject to French legislation, however other laws and/or regulations may apply locally and/or in other countries.

Date of incorporation: 28 December 2000, with a term of 99 years. The Company's term will therefore expire on 28 December 2099 unless it is dissolved before that date or the term is extended.

Corporate purpose: "The Company's purpose in France and abroad is:

- the publishing, sale, distribution, installation and maintenance of all types of software packages, the design and development of any software programme, the integration of any IT system, the sale of any IT systems and hardware, and the provision of any related services, training, consultancy and hosting;
- the Company's, direct or indirect, involvement, by any means, in any transaction connected with its purpose by means of the incorporation of new companies, transfer of assets, subscription or purchase of securities or ownership interests, merger or otherwise, creation, purchase, leasing, lease management of any business assets or premises; the registration, purchase, use or disposal of any processes and patents connected with these activities.

And, in general, all industrial, commercial, financial, procedural, movable property or real-estate transactions that may be directly or indirectly related to the corporate purpose or any similar or connected purpose."

(Article 2 of the Articles of Association)

Registration No.: 433 977 980 RCS Annecy

Place where the legal documents may be consulted: Axway Software, 26 rue des Pavillons, 92807 Puteaux Cedex, France

Fiscal year: from 1 January to 31 December of each year.

Allocation and distribution of earnings under the Articles of Association

"The income statement summarises the income and expenses for the financial year and, after deductions for amortisation, depreciation and provisions, shows the profit for the year.

Any prior losses are deducted from the profit for the year, along with at least five per cent for allocation to the legal reserve. Said allocation shall no longer be mandatory when this reserve represents one-tenth of the capital.

Profit available for distribution comprises the profit for the year less any losses carried forward and amounts allocated to reserves, pursuant to the law and the Articles of Association, plus retained earnings.

The General Shareholders' Meeting may deduct from this profit all amounts that it deems appropriate for allocation to all optional, ordinary or extraordinary reserves, or to retained earnings.

The balance, if any, is apportioned by the General Shareholders' Meeting between all shareholders in proportion to the number of shares each owns.

Furthermore, the General Shareholders' Meeting may resolve to distribute sums deducted from available reserves, by expressly indicating the reserves from which the deductions are to be made. However, dividends are first deducted from the profit for the year.

Aside from in the event of a capital reduction, no distribution may be carried out by shareholders where the equity is, or would subsequently be, under the amount of capital plus reserves that by law or pursuant to the Articles of Association cannot be distributed. Revaluation surpluses may not be distributed. Some or all of them may be incorporated into the capital.

Any losses shall, following approval of the financial statements by the General Shareholders' Meeting, be carried forward to be set against earnings in subsequent fiscal years, until fully used up."

(Article 37 of the Articles of Association).

8.2 BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Article 14 – Board of Directors

The Company is administered by a Board of Directors comprising a minimum of three members and a maximum of eighteen, subject to the exception provided for by law in the event of a merger.

During the life of the Company, the directors are appointed, reappointed or dismissed by the Ordinary Shareholders' Meeting. They are always eligible for re-election.

Directors serve a four-year term of office, expiring at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year then ended and held in the year in which their term of office comes to an end.

No-one can be appointed director if, having exceeded the age of 85, his/her appointment results in more than one third of Board members exceeding that age. Once the age limit is reached, the oldest director is deemed to have resigned from office.

Directors may be natural persons or legal persons. When a legal person is nominated, he appoints a permanent representative who is subject to the same conditions, obligations and liabilities as a natural person director, without prejudice to the joint and several liability of the legal entity he represents.

In the event of one or more directors' positions becoming vacant, the Board of Directors may, between two General Shareholders' Meetings, carry out temporary appointments in accordance with the conditions set forth in Article L. 225-24 of the French Commercial Code. The director appointed to replace another performs his duties for the remainder of his predecessor's term of office.

Where the number of directors falls below the legal minimum, the remaining directors must immediately call an Ordinary Shareholders' Meeting in order to appoint further Board members.

An employee of the Company may only be appointed as a director if his employment contract corresponds to an actual post. The number of directors tied to the Company by an employment contract cannot exceed one third of the directors in office.

Article 15 – Organisation of the Board of Directors

The Board of Directors elects from among its members a Chairman, who must be a natural person in order for the appointment to be valid. The Board shall determine his remuneration.

The Chairman is appointed for a duration that cannot exceed his term of office as a director. He is eligible for re-election. The Board of Directors can dismiss him at any time.

No one over the age of 85 can be appointed Chairman. If the Chairman in office has reached this age, he is deemed to have resigned from office.

The Board of Directors may appoint one or two Vice-Chairmen from among the directors.

It can also appoint a secretary who need not be a director or shareholder.

In the event of the Chairman's absence, Board meetings are chaired by the eldest Vice-Chairman. Failing this, the Meeting shall elect its own Chairman.

Article 16 – Deliberations of the Board of Directors

The Board of Directors meets as often as the Company's interests require it to do so, at the request of its Chairman. The Chief Executive Officer, or if the Board has not met for more than two months, at least one third of the directors, may request the Chairman, who is bound by such request, to convene a meeting of the Board of Directors on the basis of a predetermined agenda.

Meeting notices may be given by any means, even verbally, in principle three days in advance. They must carefully detail the items on the agenda. They may even be given immediately where all directors are present or represented.

General Shareholders' Meetings shall take place at the registered office or in any other place specified in the convening notice.

The Board can only validly deliberate in the presence of at least half the directors. Decisions are taken on the basis of a majority of votes of members present or represented.

In the event of a tie in voting, the Chairman has the casting vote.

An attendance sheet is signed by the directors taking part in the Board meeting, either in person or by proxy.

Policies and procedures shall be defined.

The policies and procedures may include a provision whereby directors who participate in the Meeting by videoconference or any other means of telecommunication that enables them to be identified as required by law, shall be considered to be present for the purpose of calculating the quorum and majority.

This provision does not apply should the following decision be adopted:

- the closing of the annual financial statements and consolidated financial statements and the drafting of the management report and Group Management report.

The deliberations of the Board of Directors are recorded in the minutes, which are prepared in accordance with the legal provisions in force and signed by the Meeting Chairman and at least one director. In the absence of the Meeting Chairman, it is signed by at least two directors.

The copies or extracts of the minutes are certified by the Chairman of the Board of Directors, the Chief Executive Officer, the director temporarily carrying out the duties of Chairman or an officer authorised for this purpose.

Where there is a Workers' Council, representatives of this committee, appointed pursuant to the provisions of the French Labour Code, must be invited to all meetings of the Board of Directors.

Article 17 – Powers of the Board of Directors

The Board of Directors determines the overall business strategy of the Company and supervises its implementation. It examines any and all matters related to the efficiency and effectiveness of business operations and reaches decisions about any and all issues concerning the Company, within the limits of the corporate purpose and except for those matters which, by law, can only be decided on by the shareholders in a General Shareholders' Meeting.

In its dealings with third parties, the Company is bound even by actions of the Board of Directors falling outside the scope of the corporate purpose, unless it can show that the third party knew that the action exceeded the corporate purpose or could not but realise in the circumstances, the mere publication of the Articles of Association not constituting such proof.

The Board of Directors undertakes all the checks and verifications it deems necessary. Each director is entitled to receive all the documents and information necessary to carry out his duties.

The Board of Directors may confer on any and all proxy-holders of its choice, any and all delegations of powers within the limits of those defined by the law and the present Memorandum and Articles of Association.

It can resolve to set up committees to look into matters referred either by itself or its Chairman.

Article 18 – Powers of the Chairman of the Board of Directors

The Chairman of the Board of Directors organises and directs the work of the Board of Directors, on which he reports to the General Shareholders' Meeting. He ensures the smooth running of the Company's managerial bodies and, in particular, that the directors are able to carry out their duties.

Article 19 – Powers of the officers

Operating procedures

Responsibility for the Company's executive management is assumed by either the Chairman of the Board of Directors or by another natural person appointed by the Board of Directors and holding the title of Chief Executive Officer.

The Board of Directors may choose between these two modes of executive management at any time and, at the very least, upon expiry of the term of office of the Chief Executive Officer or of the Chairman of the Board of Directors where the latter also holds the position of Company Chief Executive Officer.

The decision of the Board of Directors relating to the choice of management method is taken on the basis of a majority of directors present or represented. The shareholders and third parties are informed of this choice in the conditions provided for by the regulations in force.

The choice made by the Board of Directors applies for an unlimited period.

Executive Management

The Chief Executive Officer is a natural person who may or may not be a director. The term of office of the Chief Executive Officer is determined by the Board of Directors at the time of his appointment. However, if the Chief Executive Officer is also a director, his term of office cannot exceed that of his directorship.

No one over the age of seventy may be appointed Chief Executive Officer. Once the Chief Executive Officer has reached the age limit, he or she is deemed to have resigned from office.

The Chief Executive Officer can be dismissed at any time by the Board of Directors. In the event of unfair dismissal, he may be entitled to damages, except when he also performs the function of Chairman of the Board of Directors.

The Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company. He exercises his powers within the limits of the corporate purpose and subject to those expressly granted to General Shareholders' Meetings and the Board of Directors by the law.

He represents the Company in its dealings with third parties. The Company is bound even by the actions of the Chief Executive Officer falling outside the scope of the corporate purpose, unless it can show that the third party knew that such action exceeded the corporate purpose or could not but realise it in the circumstances, the mere publication of the Articles of Association not constituting such proof.

Officers

On a proposal from the Chief Executive Officer, whether this function is performed by the Chairman of the Board of Directors or by another person, the Board may appoint one or more natural persons to assist the Chief Executive Officer, with the title of Officer.

The Board of Directors may or may not choose the officers from among the directors up to a maximum of five.

The age limit is set at 70. Once an officer has reached this age limit, he or she is deemed to have resigned from office.

The length of the term of office of the officers is determined when he/she is appointed although it may not, in any event, exceed that of his/her powers.

The officers may be dismissed at any time by the Board of Directors on a proposal from the Chief Executive Officer. In the event of unfair dismissal, the officers may be entitled to damages.

When the Chief Executive Officer ceases to carry out or is prevented from carrying out his duties, the officers, unless decided otherwise by the Board of Directors, retain their duties and remits until the appointment of a new Chief Executive Officer.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers conferred on the officers. In their dealings with third parties, the officers have the same powers as the Chief Executive Officer.

Article 20 – Compensation of directors and officers

1. The General Shareholders' Meeting may award directors a fixed annual sum in the form of directors' fees, which are treated as operating expenses; the amount remains unchanged until further notice. The apportionment of the sum between directors is determined by the Board of Directors.
2. The Board of Directors determines the remuneration of the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer. Such remuneration may be fixed and/or variable.
3. For assignments or mandates entrusted to directors, the Board of Directors may also award exceptional payments that will be submitted for the approval of the Ordinary Shareholders' Meeting.

The directors may not receive from the Company compensation, whether permanent or not, other than that set out in the previous paragraphs, unless they are tied to the Company by an employment contract in conditions authorised by the law.

Article 21 – Concurrently held mandates

A single individual may not serve as a director or Supervisory Board member of more than five French-based public listed companies (*sociétés anonymes*).

As an exception to the above, an individual's appointments to the Board of Directors or to the Supervisory Board of companies controlled by the Company, within the meaning of Article L. 233-16 of the French Commercial Code, are not counted.

For the purposes of the above provisions, appointments to the Board of Directors of non-listed companies that are controlled by a single company, within the meaning of Article L. 223-16 of the French Commercial Code, are considered as a single appointment, subject to the number of appointments held in this manner being limited to five.

A single individual may not serve as a Chief Executive Officer, Management Board member or sole Chief Executive Officer of more than one French-based public listed company (*sociétés anonymes*). As an exception, a single individual may serve a second appointment as Chief Executive Officer or an appointment as a member of a Management Board or as sole Chief Executive Officer of a company that is controlled, within the meaning of Article L. 233-16 of the French Commercial Code, by the Company for which he or she is the Chief Executive Officer. Another mandate of Chief Executive Officer, Management Board member or sole Chief Executive Officer can be held in one company, provided such company's shares are not traded on a regulated market.

Any natural person in breach of the provisions in respect of concurrently held mandates must relinquish one of the mandates within three months of his appointment, or the mandate in question within three months of the event that led to the lapse of one of the conditions defined by law in the case of exceptions. On expiry of the three-month period, the person is automatically dismissed and must return the remunerations received, although the validity of the deliberations in which he took part is not called into question.

8.3 RIGHTS, PRIVILEGES AND RESTRICTIONS ATTACHED TO EACH CATEGORY OF SHARES

Article 12 – Rights and obligations attaching to shares

1. Each share entitles to a portion of the earnings, corporate assets and liquidation surplus in proportion to the percentage of the capital it represents.

   It moreover carries voting and representation rights at General Shareholders' Meetings, as well as the right to be kept informed about the Company's performance and to receive certain corporate documentation when and in the manner provided for by law and in the Articles of Association.
2. Shareholders are only liable for corporate liabilities to the amount of their contributions.

   The rights and obligations stay with the share regardless of who owns it.

   Ownership of a share implies acceptance of the Company's Articles of Association and the decisions of the General Shareholders' Meeting.

3. Where necessary to hold a certain number of shares to enjoy a particular right, owners not holding that number shall make it their business to group together, or potentially buy or sell the required number of shares.

Moreover, it is specified that a double voting right is attached to shares held by shareholders that meet the conditions specified in paragraph 3 of Article 31 of the Articles of Association, as set out in this chapter.

Article 13 – Indivisibility of shares – bare ownership – beneficial ownership

1. Shares are indivisible with respect to the Company.

   Join owners of undivided shares are represented at General Shareholders' Meetings by one of them or by a sole agent. In the event of a dispute, the agent is appointed by the courts at the request of the joint owner who acts first.
2. Voting rights belong to beneficial owners in Ordinary Shareholders' Meetings and to bare owners in Extraordinary Shareholders' Meetings. Nevertheless, shareholders may agree to share voting rights at General Shareholders' Meetings in any way they see fit. The Company is notified of the agreement by registered letter and shall be required to apply this agreement for any meeting held any time from one month following the sending of this letter.

   Nevertheless, the bare owner is entitled to participate in all General Shareholders' Meetings. His/her voting rights can never be completely eliminated. The beneficial owner cannot be denied the right to vote on decisions involving the allocation of earnings.

   Voting rights of pledged securities are exercised by the owner.

8.4 GENERAL SHAREHOLDERS' MEETINGS

Article 25 – General Shareholders' Meetings

The decisions collectively made by the shareholders shall be taken in General Shareholders' Meetings characterised either as Ordinary Shareholders' Meetings, Extraordinary Shareholders' Meetings or Special Shareholders' Meetings depending on the nature of the decision to be taken.

Special Shareholders' Meetings are called for the holders of shares of a given category to decide upon any changes to the rights attached to shares in this category.

The decisions taken by General Shareholders' Meetings are binding for all the shareholders, including absentee and dissenting shareholders and those lacking legal capacity.

Article 26 – Venue and procedure for convening general – Shareholders' Meetings

General Shareholders' Meetings are called and held pursuant to the terms and conditions laid down by law.

General Shareholders' Meetings shall take place at the registered office or in any other place specified in the convening notice.

Article 27 – Agenda

The Meeting agenda is set out in meeting notices and letters of invitation. It is drawn up by the party calling the Meeting.

A shareholder or group of shareholders, representing at least the legally determined percentage of capital and acting in the manner and timeframes provided by law, may have draft resolutions included on the Meeting agenda.

The Workers' Council may also request the inclusion of proposed resolutions in the agenda.

The General Shareholders' Meeting may not decide upon any issues that are not on the agenda. It may, however, at any time and in any circumstances, dismiss and replace one or more directors.

Article 28 – Rights to shareholder information disclosure obligation

All shareholders are entitled to receive all the information necessary for them to take an informed decision relating to the management and situation of the Company.

The documentation required and its availability to shareholders is laid down by the law.

Any shareholder who holds more than 3% or more than 4% of the Company's capital shall inform the Company in the same manner and based on the same methods of calculation as required with respect to legal thresholds.

Article 29 – Access to General Shareholders' Meetings – powers – composition

The General Shareholders' Meeting shall be composed of all shareholders, regardless of the number of shares they hold, who attend the Meeting either in person or by proxy.

Every shareholder has the right to participate in the General Shareholders' Meetings as long as he or she proves, pursuant to the legal requirements, that his or her shares are registered in his or her name or in that of the intermediary acting on his or her behalf pursuant to the seventh paragraph of Article L. 228-1 of the French Commercial Code as of 00:00 a.m., Paris time, on the third business day preceding the Meeting, either in the registered share accounts kept by the Company or in the bearer share accounts kept by the authorised intermediary.

A shareholder may be represented in the manner established by law and regulatory provisions, with the proxy being required to demonstrate his/her powers. If a shareholder does not name a proxy-holder in a form of proxy, the Chairman of the General Shareholders' Meeting shall vote in favour of proposed resolutions submitted for approval by the Board of Directors, and against any other proposed resolution. For any other vote, the shareholder shall choose a proxy-holder who agrees to vote as directed by the shareholder.

The legal representatives of legally incapable shareholders and the persons representing legal entities that hold shares in the Company may attend General Shareholders' Meetings whether they are shareholders or not.

If so decided by the Board of Directors when convening the Meeting, shareholders may also take part by videoconference or any other means of telecommunication, including the Internet that permits them to be identified as provided by the law.

Shareholders who participate in the Meeting *via* videoconference or any other means of telecommunication that enables them to be identified as required by law shall be considered to be present for the purpose of calculating the quorum and majority.

Shareholders may vote remotely by filling in a form sent to the Company, in the manner provided for by law and regulation. To be accepted, this form must reach the Company at least three days prior to the date of the General Shareholders' Meeting.

Two members of the Workers' Council, to be named by the council in compliance with the law, may attend General Shareholders' Meetings. They must, upon their request, be heard when decisions requiring shareholder unanimity are voted.

Article 30 – Attendance sheet – officers – minutes

An attendance sheet is kept at every meeting and contains the legally required information and signatures.

The General Shareholders' Meeting shall be chaired by the Chairman of the Board of Directors or, in the Chairman's absence, by a Vice-Chairman. Failing this, the Meeting shall elect its own Chairman.

The duties of vote-teller shall be performed by the two shareholders, present and accepting such duties, who hold the largest number of shares, either on their own behalf or as proxy-holders.

The officers of the Meeting are responsible for checking, certifying and signing the attendance sheet, ensuring the discussions are properly held, settling any differences that may arise, counting the votes cast and ensuring they are cast properly and preparing the minutes.

The officers of the Meeting thus appointed shall designate a secretary, who may be a shareholder or not.

The minutes are kept and copies or extracts of these minutes are delivered and certified in accordance with the law.

Article 31 – Quorum – voting rights – number of votes

In Ordinary and Extraordinary Shareholders' Meetings, the quorum is calculated on the basis of all the shares in the share capital and, in Special Shareholders' Meetings, on all shares in the class in question, less any shares denied voting rights by law.

In the case of remote voting, only those forms received by the Company by the deadline specified above are accepted for the purpose of calculating the quorum.

The voting rights attached to shares are proportional to the share capital they represent. A voting right which is double the right attached to other shares, in relation to the portion of the capital represented, is granted to all fully paid-up shares that have been held in registered form for at least two (2) years in the name of the same shareholder.

In the event of a capital increase by incorporation of reserves, profits or share premiums, registered shares granted free of charge to a shareholder by reason of existing shares with double voting rights, shall also have double voting rights as from their issuance.

Any share converted into bearer form or of which ownership is transferred shall lose the double voting right. However, transfer by reason of inheritance, liquidation of marital community property or inter vivos gift to a spouse or second degree relative with inheritance rights shall not lead to a loss of the acquired right and shall not interrupt the two (2) year period provided for above.

A merger of the Company is on the double voting right, which may be exercised within the acquiring company, if the Articles of Association of such company so provide.

Article 32 – Ordinary Shareholders' Meetings

An Ordinary Shareholders' Meeting is a meeting called to take decisions which do not amend the Memorandum and Articles of Association.

It shall be held at least once a year, in the conditions provided for by law, to approve the accounts for the financial year then ended.

Decisions are valid only if, when the Meeting is convened for the first time, the shareholders attending the Meeting or represented by proxy or having voted by mail represent at least one fifth of the total voting rights. No quorum is required for a second meeting.

The Meeting makes decisions by simple majority of the votes of the shareholders present or represented by proxy, including the votes of shareholders having voted by mail or remotely.

Article 33 – Extraordinary Shareholders' Meetings

The Extraordinary Shareholders' Meeting alone shall be authorised to amend the Memorandum and Articles of Association. However, it may not increase shareholders' commitments, subject to transactions arising from any grouping together of shares, duly and properly carried out.

Decisions are valid only if the shareholders attending the Meeting or represented by proxy or having voted by mail represent at least one quarter of the total voting rights, in the case of a first meeting, and one-fifth of the total voting rights in the case of a second meeting. In the event of this quorum not being reached, the second meeting may be deferred to a date not more than two months later than the date on which it was originally convened; the quorum of one-fifth is also required for this second meeting.

The Meeting makes decisions by a majority of two-thirds of the votes of the shareholders present or represented by proxy, including the votes of shareholders having voted by post or remotely, except in the event of a legal exemption.

Article 34 – Special Shareholders' Meetings

When there are several categories of shares, no changes may be made to the rights of a given category of shares unless approved by an Extraordinary Shareholders' Meeting open to all shareholders and also by Special Shareholders' Meeting of the holders of the category of shares in question.

Decisions taken by Special Shareholders' Meetings are valid only if the shareholders attending the Meeting or represented by proxy represent at least one-third of the total voting rights, in the case of a first meeting, and one-fifth of the total voting rights in the case of a second meeting.

In all other respects, Special General Meetings are convened and deliberate in the same way as Extraordinary Shareholders' Meetings.

8.5 PREPARATION AND AUDITING OF THE REGISTRATION DOCUMENT AND CERTIFICATION OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Name and position of the person responsible for the registration document

Jean-Marc Lazzari, Chief Executive Officer

Information officer

Patrick Donovan, Chief Financial Officer

Axway Software, 6811 East Mayo Blvd, Suite 400, Phoenix, Arizona 85054, USA

Persons responsible for auditing the financial statements

Statutory Auditors

Auditeurs et Conseils Associés

31 rue Henri-Rochefort, 75017 Paris, France

Represented by François Mahé

Office to expire at the General Meeting convened to approve the financial statements for the 2018 financial year.

First appointed: December 2000.

Auditeurs et Conseils Associés is a member of the Paris Regional Statutory Auditors' Association (Compagnie Régionale des Commissaires aux Comptes de Paris).

Cabinet Mazars

61 rue Henri-Regnault, 92400 Courbevoie

Represented by Bruno Pouget

Office to expire at the General Meeting convened to approve the financial statements for the 2018 financial year.

First appointed: December 2000.

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

Alternate Auditors

Finexsi Audit

14 rue de Bassano, 75116 Paris

Office to expire at the General Meeting convened to approve the financial statements for the 2018 financial year.

First appointed: June 2013.

Finexsi is a member of the Paris Regional Statutory Auditors' Association (*Compagnie Régionale des Commissaires aux Comptes de Paris*).

Jean-Louis Simon

61 rue Henri-Regnault, 92400 Courbevoie

Office to expire at the General Meeting convened to approve the financial statements for the 2018 financial year.

First appointed: May 2007.

Mr Jean-Louis Simon is a member of the Paris Regional Statutory Auditors' Association (*Compagnie Régionale des Commissaires aux Comptes de Versailles*).

Certification of the person responsible for the Registration Document

I declare, after having taken all reasonable measures for this purpose, that the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and it contains no omission likely to affect its meaning. I hereby declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and of all entities within the scope of consolidation, and that the management report appearing on page 89 gives a true and fair view of the business performance, results and financial position of the Company and of all entities within the scope of consolidation, as well as a description of the main risks and uncertainties to which they are exposed.

I have obtained a letter from the Statutory Auditors certifying that they have verified, in accordance with professional standards and doctrine applicable in France, the financial and accounting information provided in this Registration Document and that they have read the document as a whole.

Phoenix, 22 April 2016

Jean-Marc Lazzari

Chief Executive Officer

8.6 PROVISIONAL REPORTING TIMETABLE

Publication 1st quarter 2016: Wednesday 27 April 2016

General Meeting: Tuesday 21 June 2016

Publication H1 2016: Wednesday 27 July 2016

Publication half-yearly report: Monday 29 August 2016

8.7 DOCUMENTS AVAILABLE FOR CONSULTATION

Axway Software's Articles of Association, the minutes of General Meetings and the reports of the Board of Directors to the General Meetings, Statutory Auditors' reports, the financial statements for the last three financial years and, more generally, all documents sent to or made available to the shareholders pursuant to the law may be consulted at Axway Software SA's secondary establishment.

In addition, certain documents relating to Axway Software SA are available on the Company's website at the following address: www.investors.axway.com/fr.

Person responsible for shareholder relations

Patrick Gouffran, Director of Financial Communications

Axway Software, 26 rue des Pavillons, 92807 PUTEAUX Cedex, France

Tel: +33 (0)1 47 17 24 65

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8.8 TABLE OF CONCORDANCE

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n/a: not applicable.

n/a: not applicable.

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business. in motion.

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