

16. Functioning of the corporate and management bodies

16.1. Date of expiration of current term of mandate

Please refer to Section 14 “Administrative and management bodies” of this Reference document.

16.2. Information about services agreements with affiliate members

There are no services agreements between any board members and Ipsos SA or any of its subsidiaries and providing for the grant of benefits upon termination of this contract.

16.3. Compliance of the issuer complies with the corporate governance regime of AFEP-MEDEF

On 17 December 2008 the Board of Directors adopted the Code of Corporate Governance of AFEP-MEDEF as amended by the recommendations of AFEP-MEDEF of June 2013. Please refer to Section 16.4.1 of this Reference document “Chairman’s report on the operating procedures of the Board, and on internal control and risk management procedures”.

16.4. Other significant items relating to corporate governance, procedures and internal control

16.4.1. Chairman’s report on the functioning procedures of the Board, internal control and risk management procedures

1. Introduction

This report was prepared in compliance with Article L.225-37 of the French Commercial Code in order to describe the composition of the Board of Directors, the application of the principle of a balanced representation between women and men, the conditions for preparing and organising the work of the Board of Directors and the internal control and risk management procedures implemented by Ipsos SA (“Ipsos”) within the Ipsos group of which it is the parent company (the “Group”).

This report was established by the President of the Board of Directors with the cooperation of the finance department, legal and tax department, technology and information systems department, the corporate development department, the human resources department and the audit and quality department of the Group on the basis of the work done in 2014 by the Group on internal control and risk management.

This report was approved by the Board of Directors held on 24 February 2015.

2. Conditions for preparation and organising the work of the Board of Directors

Ipsos SA is a *société anonyme* with a Board of Directors. In accordance with legal requirements, its by-laws delegate to the Board of Directors the choice between the combination of the roles of Chairman and Chief Executive Officer or the appointment of one person for each function.

At its meeting of 12 December 2001, the Board of Directors decided that Didier Truchot, Chairman of the Board, would assume the responsibility of CEO of Ipsos SA and that Jean-Marc Lech, Vice-Chairman, would assume the responsibility of Deputy CEO. This structure was chosen to allow the two Co-Presidents to work together.

At its meetings of 23 June 2004 and 8 April 2010, the Board of Directors decided to maintain this structure until the expiration of the Director's mandate of Mr. Didier Truchot, i.e. until the end of the Ordinary General Meeting approving the accounts for the year ended 31 December 2015.

The primary responsibility of Jean-Marc Lech in his role as Vice-Chairman was to replace the Chairman in his absence, in particular to preside over Board meetings when the Chairman is unable to attend.

Since the death of Jean-Marc Lech on 2 December 2014, Didier Truchot has continued to assume his duties as Chairman and CEO, in line with the original organisational structure. No Director was appointed Vice-Chairman in place of Jean-Marc Lech.

Four other Directors have been appointed as Deputy Chief Executive Officers (see Section 2.2.3 “Composition of the Board of Directors” of this report below) and are in charge of specific missions.

At the end of the Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2014, the composition of the Board of Directors will be modified. At its meeting of 9 March 2015, the Board of Directors decided not to propose the renewal of the terms of office of Directors of Ms. Marina Eloy-Jacquillat and Mr. Hubert Védrine, and of Messrs. Henri Wallard and Pierre Le Manh, Deputy Chief Executive Officers, expiring at the end of the General Meeting. Moreover, Mr. Carlos Harding, Director and Deputy Chief Executive Officer, and Director Brian Gosschalk, who has executive duties within the Group, will be resigning as Directors. Messrs. Henri Wallard, Pierre Le Manh, Carlos Harding and Brian Gosschalk will keep their duties and positions within the Group. Furthermore, the appointment of a new Director will be put to the vote of the General Meeting (for further information, please refer to Section 26 of the 2014 Reference document).

2.1 The applicable rules and principles

The Board of Directors is organised in accordance with and has the functions accorded it by the applicable laws and

regulations, the articles of association of Ipsos SA and its internal regulations.

The by-laws and the internal regulations (in French) can be viewed on the Group's website at the following respective addresses:

http://www.ipsos.com/french/autre_information_regleme
[ntee](http://www.ipsos.com/french/Conseil_Administration) and www.ipsos.com/french/Conseil_Administration.

The internal regulations include the rules applicable to the Group's Directors concerning the management of conflicts of interest.

2.1.1 The internal regulations of the Board of Directors

The internal regulations of the Board of Directors as amended on 8 April 2010 have the purpose of supplementing and specifying the legal and statutory provisions governing the organisation, functioning and composition of the Board of Directors and its Committees, as well as the rights and obligations of their members.

The internal regulations of the Board of Directors specify in particular the missions and attributions of the Board of Directors, its organisation and the functioning of its meetings, the ethical rules applicable to the Board of Directors, the independence criteria for directors, and the remuneration of the members of the Board of Directors and its Committees. It also sets out a charter for Directors.

2.1.2 The Corporate Governance Referential

Ipsos complies with the principles defined in the Code of corporate governance of AFEP-MEDEF (hereinafter the Afep-Medef Code), insofar as these principles are compatible with the functioning and professional management of market research, its organization, size and the means of the Ipsos group, with the exception of the following elements presented in the table below:

Afep-Medef Code	Ipsos situation	Justification
Art. 23.2.5 Termination payments	<u>Termination payments to Didier Truchot</u> In the event of his revocation before the end of his term of office, Mr. Truchot will be entitled to the payment of compensation equal to twice the gross remuneration he received in the year preceding the date of termination of his duties within Ipsos SA, provided he has not acted against the interests of the Company. This payment is subject to the following performance condition: revenue for one of the three years prior to the year of revocation must be higher, at constant exchange rates, than that of the preceding year. For example, if the revocation occurs in 2014, the performance criteria will be met in any of the following situations: (i) revenue in 2014 is higher than in 2013, (ii) revenue in 2013 is higher than in 2012; or (iii) revenue in 2012 is higher than in 2011.	The termination payment to which Mr. Didier Truchot is entitled is not expressly tied to a change of control. However, this payment is only due in the event of revocation of his mandate. Given that the Company is controlled by LT Participations, of which Mr. Didier Truchot is Chairman and CEO and holds, in conjunction with the heirs of Mr. Jean-Marc Lech (Mr. Didier Truchot has a mandate to manage the shares of the heirs of his partner who died on 2 December 2014), 50.38% of the share capital and voting rights, the revocation of Mr. Didier Truchot could only take place in the event of a change of control of the Company. Moreover, it is not expressly stipulated that the termination payment is excluded if Mr. Didier Truchot is entitled to retirement benefits in the near future. However, Mr. Didier Truchot has no supplementary pension scheme with Ipsos, and is entitled to no other statutory or contractual severance payment as he holds no employment contract.
Art. 23.2.5 Termination payments	<u>Payments to Ms. Laurence Stoclet and Messrs. Carlos Harding, Henri Wallard and Pierre Le Manh in the event of a change in control</u> In the event of termination of their duties due to a change of control as defined hereafter, compensation may be payable to Ms. Laurence Stoclet and Messrs. Carlos Harding, Henri Wallard and Pierre Le Manh, of an amount equal to (i) the statutory severance pay, plus (ii) one year's remuneration. Pursuant to this clause, a change of control is defined as the occurrence of one of the following events, resulting in the modification of the duties and powers of Mr. Didier Truchot, Chairman and CEO, preventing him from setting the Company's strategy: (a) a change in the Company's shareholding structure; (b) a change in the composition of the Board of Directors; or (c) a change in the organisation of the management of the Company or of the Ipsos group. These payments are also subject to the following performance conditions: revenue for one of the three years prior to the year of revocation must be higher, at constant exchange rates, than that of the preceding year. For example, if the revocation occurs in 2014, the performance criteria will be met in any of the following situations: (i) revenue in 2014 is higher than in 2013, (ii) revenue in 2013 is higher than in 2012; or (iii) revenue in 2012 is higher than in 2011. <u>Non-Compete Payments</u> Pursuant to clauses in their employment agreements, Mr. Carlos Harding, Mr. Pierre Le Manh, Ms. Laurence Stoclet and Mr. Henri Wallard are subject to a non-compete obligation of twelve months with respect to Ipsos, in exchange for compensation equal to their remuneration for the previous civil year or the previous twelve months, paid on a monthly basis. It should be noted that the Company has the right to elect to waive the non-compete clauses, in which case no non-compete payments shall be due.	The implementation of the change in control clause and non-compete clause could result in the payment of sums totalling over two years' remunerations. The stipulations of the non-compete clauses are designed to protect the interests of Ipsos, in view of the specificity of the market research business and the essential nature of employee know-how and skills. Ipsos has the right to waive the implementation of this clause at its sole initiative, in which case no compensation shall be payable. Where the non-compete clause is implemented, the employee in question is banned from all gainful activity. The amount paid by Ipsos would thus compensate the lack of remuneration during the clause implementation period rather than provide additional pay.

Afep-Medef Code	Ipsos situation	Justification
	<u>Non-solicitation clause</u> Pursuant to clauses in their employment agreements, Mr. Pierre Le Manh, Ms. Laurence Stoclet and Mr. Henri Wallard are under a twelve month non-solicitation obligation with respect to Ipsos. For Ms. Laurence Stoclet, the compensation is equal to 30% of her gross average monthly remuneration over the twelve months preceding her departure (excluding bonuses and medium-term incentive plan). For Mr. Pierre Le Manh, the compensation is equal to 50% of his gross average monthly remuneration over the twelve months preceding his departure (excluding bonuses and medium-term incentive plan). For Mr. Henri Wallard, the above-mentioned compensation covers both the non-compete commitment and the non-solicitation commitment. The compensation is paid on a monthly basis. It should be noted that the Company has the right to elect to waive this non-solicitation clause, in which case no compensation shall be payable.	
14. Staggered terms of office	For previous appointments and mandate renewals, no staggering arrangement had been established by the Company.	A staggering of mandates will be introduced at the General Meeting of 24 April 2015. The appointment of certain Directors or the renewal of certain mandates will be proposed for a shorter period than the four-year term stipulated in the articles of association, subject to the General Meeting's approval of a resolution aimed at amending Article 12 of the articles of association to that effect, in order to allow the set-up of this staggering arrangement.
16.1 Composition of the Audit Committee	The Audit Committee is composed of four members including two independent members.	The independence of the Audit Committee is ensured by its Chairman, who is an independent Director. Nevertheless, the composition of the Audit Committee will be reviewed at the Board meeting following the General Meeting of 24 April 2015, in view of the upcoming changes in the composition of the Board of Directors.

2.2 Organisation and functioning of the Board of Directors

2.1.3 Specific arrangements relating to shareholders' participation in the General Meeting

Arrangements concerning shareholders' participation in the General Meeting are stated in Articles 20 *et seq.* of Ipsos SA's articles of association.

2.2.1 The attributions of the Board of Directors

The Board of Directors determines the guidelines of the Company's business and supervises their implementation. Subject to the powers specifically attributed to the shareholders' Annual General Meeting, and within the limit of its corporate object, it concerns itself with any issue of interest to the proper functioning of the Group and resolves any issues that may arise. It performs the controls and checks which it deems necessary.

In particular, the Board of Directors is responsible for the following matters:

- a. all decisions relating to the overall strategic, economic, social, financial and technological

orientation of the Company and the Group;

- b. the subscription or conclusion of loans of a material amount, whether in the nature of a bond issue or otherwise;
- c. the creation of joint ventures or any material acquisition of activities, assets, or shareholdings;
- d. the annual budget and the approval of the business plan of the Group;
- e. the nomination or revocation of the Statutory Auditors or any one of them;
- f. any merger or planned merger involving the Company, or more generally any operation ensuing the transfer or sale of all or almost all of the assets of the Company;
- g. exercise of any delegations of power or competence relating to the issue or purchase of shares or financial instruments giving access to the share capital of the Company or any transaction leading to a capital increase or reduction, including the issue of financial instruments giving access to the share capital or preference shares;
- h. the creation of any double voting rights or any modification of the voting rights attached to the shares of the Company;
- i. any changes to the corporate governance, including any changes to the rules of corporate governance applicable within the Company;
- j. any proposal to amend the by-laws of the Company;
- k. any new admission for trading of the Company's shares on a regulated market other than Euronext;
- l. the voluntary dissolution or amicable liquidation of the Company, any decision having as a consequence the commencement of a collective procedure or the nomination of an ad hoc administrator against the Company;
- m. in case of litigation, the entering into of any agreements or settlements, or the acceptance of any compromise if the relevant amounts are material;
- n. upon proposal by the Nomination and Remuneration Committee, draft stock option or free shares plans and more generally the policy of associating employees and Directors with the results of the Group;
- o. the quality of the information provided to the shareholders and to the market, through the accounts or during an important transaction.

Any material transaction which is outside of the strategy of the undertaking must receive the prior approval of the

Board of Directors. Once per year, in September, the Board of Directors will meet to examine the strategy of the Group. With the exception of the limitations imposed by laws, regulations and the provisions of the above-mentioned internal regulations, no limitations have been imposed by the Board of Directors on the powers of the CEO.

Moreover, the Deputy CEO's are in charge of the business units, finance and the support functions (see Section 2.2.3 of this report).

2.2.2 The information of the Board of Directors

The Board of Directors meets when summoned. Notices may be sent by the Board's secretary, either by letter, fax or email, or in case of urgency, transmitted verbally. Subject to applicable laws and regulations, the Board of Directors' meetings may be held by video or telephone conference or teletransmission in the manner specified in the internal regulations of the Board of Directors.

At the end of each year, a preliminary schedule of Board meetings for the following year is established.

Information on those points of the agenda requiring specific analysis and reflection is sent to the members in due time prior to the meeting. A Director may request communication of any additional documents that he or she deems necessary to prepare for a meeting provided that the request is made with reasonable prior notice. When confidentiality is an issue, particularly as regards sensitive financial information, the information may be communicated during the meeting.

The Board of Directors is regularly informed about the Company's financial position, cash position and commitments.

Directors are entitled to meet with the Company's principal senior managers, even in the absence of the Chairman & CEO. In the latter case, the Co-Presidents must be given prior notice.

The members of the Board of Directors are entitled to training to gain a better understanding of the research industry and Group operations.

2.2.3. Composition of the Board of Directors

At 31 December 2014, the Board of Directors was composed of 16 members¹:

- Mr. Didier Truchot, Chairman & Chief Executive Officer;
- Mr. Patrick Artus;
- Mr. Xavier Coirbay;
- Mr. Yann Duchesne;
- Ms. Mary Dupont-Madinier;
- Ms. Marina Eloy-Jacquillat;
- Ms. Florence von Erb;
- Mr. Brian Gosschalk;
- Mr. Carlos Harding, Deputy Chief Executive Officer;
- Mr. Pierre Le Manh, Deputy Chief Executive Officer;
- Mr. Henry Letulle;
- FFP Invest, represented by Mr. Sébastien Coquard;
- LT Participations, represented by Mr. Pascal Cromback;
- Ms. Laurence Stoclet, Deputy Chief Executive Officer;
- Mr. Hubert Védrine;
- Mr. Henri Wallard, Deputy Chief Executive Officer.

One member's seat became vacant following the death of Mr. Jean-Marc Lech, Vice-Chairman and Deputy Chief Executive Officer, on 2 December 2014.

23.52% of the Board members are women. It is the intention of Ipsos to favour the nomination of women to the Board of Directors with a view to complying with the applicable legislation and recommendations of the Afep-Medef Code within the set time limits.

The independent members of the Board of Directors

The internal regulations adopted by the Board of Directors specify the criteria of independence. These criteria include all the criteria of the Afep-Medef Code. Thus, an independent Director may not be any of the following:

- an employee or Director of Ipsos or another company in the Group, an employee or Director of a shareholder with sole or joint control over Ipsos as defined in Article L.233-3 of the French Commercial Code, or have been any of the foregoing at any time during the past five years;
- a Director of a company in which Ipsos holds a directorship, directly or indirectly, or in which an employee appointed as such by Ipsos, or a Director of Ipsos (or someone who had been a Director within the previous five years) is a Director;

- a customer, supplier, investment banker or commercial banker (or someone who has direct or indirect ties with any of the foregoing):
 - that is material for Ipsos or the Group,
 - or for which Ipsos or the Group accounts for a material share of business.;
- closely related to a Director of Ipsos or the Group;
- an auditor of the Company or a Group company or having been any of the foregoing within the past five years;
- a Director of Ipsos for more than twelve years.

Therefore, any Director who does not have a relationship of any nature whatsoever with Ipsos or its management which might compromise the exercise of his freedom of judgment or be of a nature to put him in a situation of conflict of interest with the management, Ipsos or the Group, is deemed to be independent.

Directors representing major direct or indirect shareholders of Ipsos may be considered independent provided these shareholders do not control Ipsos as defined by Article L.233-3 of the French Commercial Code. However, the qualification as independent of any Director representing an Ipsos shareholder that directly or indirectly owns over 10% of the share capital or voting rights of Ipsos requires that the Board, upon a report from the Nomination and Remuneration Committee, systematically reviews the qualification of the Director as an independent Director taking into account Ipsos' capital structure and the existence of any potential conflicts of interest.

The independence of Directors is discussed each year by the Nomination and Remuneration Committee which prepares a report on this subject. Each year the Board of Directors examines, on the basis of this report, the independence of each Director. Based on the analysis made during the meeting of the Board of Directors held on 9 March 2015, there were six independent Directors during the financial year ended 31 December 2014: Mr. Patrick Artus, Mr. Yann Duchesne, Ms. Marina Eloy-Jacquillat, Ms. Mary Dupont-Madinier, Mr. Hubert Védrine, and Ms. Florence von Erb. It is to be noted that none of these independent Directors had any business relations with Ipsos or any Group companies during the 2014 financial year.

Other provisions applicable to the members of the Board of Directors

Pursuant to Article 12 of the articles of association,

¹In accordance with Ipsos' Articles of Association, the Company's Board of Directors must be composed of 3 to 18 members.

Directors are appointed for a four-year term and can be re-elected indefinitely, provided age restrictions are met. No more than a third of the individual Directors or permanent representatives of companies on the Board of Directors may be over 75 years of age. If this proportion is exceeded, the oldest member will be deemed to have resigned automatically.

Pursuant to Article 13 of the articles of association, Directors must hold at least four Ipsos shares throughout their term of office. The number of Ipsos shares held by each Director is set out in Appendix 2 to the Management report for the year ended 31 December 2014.

To Ipsos' knowledge, no Board members or main executives of the Group have been convicted of fraud in the last five years. None of the Directors has participated, while being a board member or officer, in a bankruptcy, an attachment procedure or liquidation during the last five years and none of them has been publicly incriminated or officially sanctioned by a governmental or quasi-governmental authority. None of the Directors has been prohibited by a court from acting as member of a board of Directors, a directorate or a supervisory board in the management or the supervision of the affairs of an issuer during the last five years.

Information on the members of the Board of Directors (2014)

Directors who are also Executive Officers within the Group

At 31 December 2014, six members of the Board of Directors are Group Executive Officers, following the death of Jean-Marc Lech at the age of 70 on 2 December 2014. Jean-Marc Lech, of French nationality, had been Vice-President and Deputy CEO of Ipsos since 1982. The six Board members concerned are:

Didier Truchot, 68, French, Chairman and Chief Executive Officer of Ipsos since its creation in 1975.

Brian Gosschalk, 59, British, Director of the Office of the President since 2010.

Mr. Brian Gosschalk has occupied the positions of CEO Western Europe and CEO of Ipsos MORI. Before joining Ipsos following Ipsos' acquisition of MORI in 2005, he was in charge of political and social research at MORI before being named Managing Director, then CEO of the Company. During this period he led two Management Buy-Outs. He was also Chairman of the *World Association for Public Opinion Research* (WAPOR) from 2000 to 2001.

Carlos Harding, 67, French, Deputy Chief Executive Officer in charge of corporate development since 1991, Chairman Latin America since 2013.

Carlos Harding joined the Ipsos group in 1991 since when he has managed the implementation of its acquisitions program.

Pierre Le Manh, 48, French, Deputy Chief Executive Officer, CEO North America since 2013 and CEO Ipsos Marketing since 2008.

Pierre Le Manh joined Ipsos in 2004 and has held several roles as CEO of Ipsos Europe, Chairman and CEO of Ipsos Marketing and CEO of Ipsos in North America. Before joining Ipsos he was a consultant at Accenture, Finance director of Adami and Chairman and CEO of Encyclopaedia Universalis. He then held several management positions with Consodata before being appointed its CEO in 2002.

Laurence Stoclet, 48, French, Deputy Chief Executive Officer, Group CFO and Support Functions Director.

Ms. Laurence Stoclet was Manager in a leading international audit firm before holding financial management posts in European corporations. She joined Ipsos as Chief Financial Officer in 1998 and has been in charge of support functions (legal and IT) since 2010.

Henri Wallard, 57, French, Deputy Chief Executive Officer, Chairman of Ipsos Loyalty, Ipsos MediaCT and Ipsos Public Affairs since 2010; Chairman of Ipsos Sciences (2011), Ipsos Labs (2012) and Ipsos Neurosciences (2013)

Henri Wallard has held several high-level public offices. Before joining Ipsos' Executive Management in 2002, he was a member of Sofres' management team and an Executive Director of Taylor Nelson Sofres Plc.

Directors holding no executive office within the Ipsos group but who are not independent within the meaning of the internal regulations

Xavier Coirbay, 49, Belgian, member of the Executive Committee of Sofina and in charge of the Sofina Group's investments within the field of alternative funds and growth co-investments.

Before joining Sofina in 1992, he started his career as financial analyst in the assets management department of the General de Banque, now part of the BNP Paribas Fortis Group.

Sébastien Coquard, 39, French, Investment Director of FFP since 2006.

Mr. Sébastien Coquard started his career at Paribas then joined Oddo Corporate Finance. He then spent five years in the Long Term Investments Department of the AGF Group. In 2006, he joined FFP where he was appointed Investment Director. As part of his duties, he holds several directorships as representative of FFP.

Henry Letulle, 39, French, Notary.

Before joining the Letulle-Joly Deloison Notarial practice, Henry Letulle worked as a lawyer for three years at the Beijing office of Gide Loyrette Nouel, and then as Deputy Director and Group Secretary at Ipsos SA until 31 December 2006.

LT Participations, represented by Pascal Cromback.

Pascal Cromback, 65, French, CEO of the professional information agency Sofetec.

Pascal Cromback began his career in advertising in the Ogilvy & Mather agency, and then joined Publicis in 1975. From 1984 to 2001, he was Chairman and CEO of the book publishing and editing company ETAI. Following the acquisition of ETAI by Infopro, he took on new responsibilities in finance and strategy until 2003. Subsequently, and until 2007, he was a consultant at the investment management firm Tower Brooks.

Independent Directors

Patrick Artus, 63, French, Chief Economist at Natixis.

Patrick Artus is the Chief Economist at Natixis, Professor at the Ecole Polytechnique and Associate Professor at the Université de Paris I-Sorbonne. Prior to this, he was Director of Research at ENSAE (1982-1985) and Scientific Advisor for the General Research Department of the Bank of France (1985-1988). He was named Economist of the Year in 1996 by the French magazine *Nouvel Economiste*.

Yann Duchesne, 58, French, Chief Executive Officer of Doughty Hanson.

Yann Duchesne served as the Chief Executive Officer France of McKinsey, before being named Chief Executive Officer France of the Doughty Hanson investment fund in 2003.

Mary Dupont-Madinier, 59, French/American, Senior Vice President and Partner at VALTUS

She obtained a Bachelor of Arts from Rutgers University in the US, and a Master Program at George Washington University. Ms Mary Dupont-Madinier is currently Senior Vice President and Partner at VALTUS. She began her career with Thales in New York as Director of Administration, then became Sales Director in Paris. She moved to London and joined Cable & Wireless as Vice President Desktop & Intranet Services. In 2002, she joined EDS (in Chicago as Vice President Client Executive). She returned to Thales Raytheon Systems as Vice President Business Development in 2007. In 2011, she was Advisor and business angel for two start-ups and joined VALTUS in January 2012.

Marina Eloy-Jacquillat, 68, French.

Marina Eloy-Jacquillat was Human Resources Director of the ING Group in Amsterdam and member of the Executive Committee until 2008, after serving as the group's Human Resources Director for Europe. Prior to that she was International Director of Human Resources at Paribas in Paris. Before joining Paribas, she held numerous HR management positions for 20 years at JP Morgan in Paris, London and New York.

Hubert Védrine, 67, French, Managing Director of Hubert Védrine Conseil.

Hubert Védrine is Managing Director of Hubert Védrine Conseil and Chairman of Institut François Mitterrand. Former Minister of Foreign Affairs, Mr. Védrine has also been a diplomatic advisor (1981-1987), spokesman for the French President and strategic affairs advisor (1988-1991), and the General Secretary of the Elysée (1991-1995). In 2007, French President Nicolas Sarkozy appointed him to write a Report on Globalisation.

Florence von Erb, 56, French, representative of MMMI members with the United Nations

Florence von Erb started her career in finance at JP Morgan. After working with Bankers Trust (1991-1996), she returned to JP Morgan as Vice President, Equity Derivatives Sales and Trading. In 2008, she was appointed President of MMMI, following her decision to devote herself to humanitarian causes in 2004. In 2006, she co-founded the NGO "Sure we can" dedicated to helping those who make a living by redeeming returnable bottles and cans they find in the streets.

A list of directorships and other functions held in any company by the directors of Ipsos in 2014 and over the past five years (along with the dates on which their terms of office start and end, their age, and the number of Ipsos

shares they hold) are set forth in Appendix 2 of the Management Report for the year ended 31 December 2014.

2.2.4 Evaluation and composition of the Board of Directors in 2014

In accordance with its internal regulations, at its meeting of 9 March 2015, the Board of Directors dedicated an item on the agenda to a discussion of its organisation and means of operation. The evaluation of the Board's work for 2014 was carried out internally, as has been done since 2008. The questionnaire was sent via an online platform making it possible to respond anonymously. Ten Directors responded to the questionnaire.

The survey questions were grouped into five main themes: the Board's operating procedures; preparation and conduct of meetings; effective contribution of each member to the Board's work and specialised committees; Board members' proposals to improve the Board's organisation, work and overall effectiveness. The list of these proposals is included at the end of the presentation summary.

The results of this survey confirmed that the Board's general organisational and operating rules, as defined in its internal regulations and the Company articles of association, are complied with. The Directors stated that they were satisfied with the frequency of meetings, the quality and level of the information received, as well as the confidentiality of the Board's work. The Board members' attendance record is good. The points to be improved have been found to be the following: certain Directors feel that the Board's composition is not appropriate as too many Directors have executive functions. More in-depth discussions could sometimes be called for, with more time spent on key subjects, and with presentations prepared and sent in advance. The issue of the Board's role in supporting the Company's strategy was also raised. Lastly, it was suggested that each Committee's missions and projects be clarified.

The Chairman pointed out that the upcoming changes in the Board's composition, to be submitted to the General Meeting of 24 April 2015, are consistent with the proposed modifications. Except for the Chairman and the Group's CFO and Support Functions Director, the Directors with executive functions within the Group will not be re-appointed or will resign. Moreover, a new independent Director will be appointed (see paragraph 2 above). Concerning the other suggestions put forward, we will need to find an operating procedure that will more effectively involve the Board in fundamental issues affecting Ipsos, its business and its clients.

2.2.5 The specialised Committees of the Board of Directors

To effectively perform its tasks and to facilitate its deliberations and decisions, the Board of Directors has set up three specialised Committees tasked with giving their views, making proposals and giving recommendations to the Board of Directors within their respective areas of responsibility: an Audit Committee, a Nomination and Remuneration Committee, and the CSR Committee created on 23 July 2014.

The Committees only have a consultative role and exercise their attributions under the responsibility of the Board of Directors. The Committees regularly report to the Board of Directors as to the performance of their tasks and inform it of any problems they encounter.

Each Committee has adopted internal regulations approved by the Board of Directors, the main provisions of which relating to its functioning are described hereafter.

No Executive Director may be a member of the Audit Committee or Nomination and Remuneration Committee.

The Committees meet as often as necessary. The Chairman and CEO can call a Committee meeting if he/she notes that a Committee has not met as many times as specified in the Committee's internal regulations. He may also call a meeting whenever he feels it is necessary for a Committee to present the Board with an opinion or recommendation on a specific subject.

Audit Committee

The Audit Committee was set up by the Board of Directors on 1 October 1999 and, in 2014, comprised four members, two of which are independent: Yann Duchesne (Chairman & independent), Patrick Artus (independent), Pascal Cromback and Xavier Coirbay.

Information concerning the Audit Committee members' financial and accounting credentials is presented in section 2.2.3 above.

As provided by the law and internal regulations, and without prejudice to the powers of the Board of Directors, the Audit Committee is responsible for monitoring the compilation of financial information, the effectiveness of internal control and risk management systems, the legal audit of annual and consolidated financial statements by the Statutory Auditors and the independence of the Statutory Auditors. The Committee issues a recommendation on the selection of Statutory Auditors to be submitted to the Annual General Meeting of Shareholders.

Ipsos refers to the recommendations of the working group regarding the Audit Committee dated July 2010 for the definition and conduct of the work of the Audit Committee.

On this basis, the Committee has the following principal tasks: (i) review the annual and interim parent company and consolidated financial statements in order to verify the conditions under which they were established, and ensure the relevance and the consistency of the accounting rules and principles adopted; (ii) examine the account consolidation methods and the scope of consolidation; (iii) ensure the proper treatment of material transactions at Group level; (iv) be regularly informed about the financial position, cash position and material commitments of the Company and the Group; (v) ensure the relevance and quality of the Company's financial communications; (vi) examine material off-balance sheet commitments and risks; (vii) assess the efficiency and quality of the Group's internal control and risk management systems; (viii) hear the head of internal audit and be informed of his work program; (ix) manage the Statutory Auditor selection process and review issues relating to the appointment, renewal or revocation of the Company's Statutory Auditors; (x) examine the total amount and the make-up of the compensation paid by the Group to its Statutory Auditors; (xi) examine the measures taken to mitigate threats to the independence of the Statutory Auditors; and (xii) ensure the follow-up of questions relating to the preparation and control of accounting and financial information. The Committee may ask the Board of Directors to provide it with external assistance for the fulfilment of its mission if it deems it necessary. The Committee may also ask, at any time, for a report to be produced by the Company's Executive Management, Statutory Auditors or CFO concerning a specific point in the financial statements.

The Audit Committee met four times in 2014: two meetings took place prior to the Board meetings held to examine the annual and interim financial statements; one meeting took place prior to the Board meeting held to approve the budget, during which the conclusions of the internal audit, the auditing methods and related risks were reviewed; the other meeting concerned the 2014 audit plan. The Committee reported the content of its meetings to the Board of Directors. The Group CFO and Support Function Director, the Deputy CFO, the Director of Accounting, Consolidation and Reporting and the Statutory Auditors took part in each of these meetings. Whenever necessary, the head of internal audit also takes part in the Audit Committee meetings.

During the year ended 31 December 2014, the work of the Audit Committee mainly concerned (i) the review of the annual accounts as at 31 December 2013 and the interim accounts as at 30 June 2014, (ii) the review of the proper implementation of the accounting principles, (iii) the review of the work of the internal audit team, (iv) the review of the conclusions of the Statutory Auditors' internal control review.

Insofar as possible, the Audit Committee conducts its review of the accounts at least two days before the Board meeting convened to approve those accounts.

The Statutory Auditors presented their conclusions within their review of the annual accounts for the financial year ended 31 December 2013 and their review of the half-year financial statements as at 30 June 2014.

In 2014, the attendance rate at Audit Committee meetings was 100%.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was set up by the Board of Directors on 1 October 1999. In 2014, it was made up of two members: Marina Eloy-Jacquillat (Chairman and independent) and Sébastien Coquard. It should be noted that the Committee was composed of three members up until the expiration of the term of office of Jean-Michel Carlo, which was not renewed at the end of the General Meeting of 25 April 2014, as it had reached a total of 12 years. Marina Eloy-Jacquillat is independent with respect to the Afep-Medef Code criteria, as reviewed by the Board (please refer to section 2.2.3 above).

The Chairman and CEO of Ipsos, the Group's Human Resource Director, the Group's Remuneration Director, the Group's General Counsel and the Corporate Secretary also attend the meetings of the Nomination and Remuneration Committee.

In accordance with its internal regulations and without prejudice to the powers of the Board of Directors, the Nomination and Remuneration Committee has the following main tasks: (i) prepare the decisions of the Board of Directors concerning the remuneration of the Company's Directors and Executive Officers and that of the members of the Group's Management Board Executive Committee (MBEC), as well as the components of such remuneration (in particular the definition and application of the rules for establishing the variable compensation and benefits of all types), (ii) make recommendations as regards the Group's compensation, (iii) state its view on the policy for granting free shares and stock options and make recommendations regarding the timing of such grants and the allocation conditions, (iv) make recommendations regarding the nomination of Ipsos Board members and officers, particularly as regards the independence of the candidates, and (v) analyse the independence of the Directors. This year, the Committee carried out a detailed analysis of the independence of each Director based on the criteria of the Afep-Medef Code.

The Committee also meets each year to examine questions relating to the succession to the functions of President, CEO

and membership of the Executive Committee. For this purpose, the Nomination and Remuneration Committee is assisted by an external advisor.

The Committee met twice in 2014 to examine (i) the overall remuneration policy of Ipsos, (ii) the proposals for fixed and variable compensation of the Chairman and CEO and other members of the Management Board Executive Committee (MBEC), (iii) the achievement of the required performance criteria for the award of the free shares (iv) Directors' fees, (v) proposals for the grant of free shares and the performance criteria associated with the grant of free shares to Company Directors and Executive Officers, (vi) the composition of the Board of Directors and specialized committees and (vii) the succession of the Chairman and CEO and MBEC members. It has also prepared its report on the independent status of Directors for the attention of the Board of Directors.

Jean-Michel Carlo, whose term of office was not renewed at the General Meeting of 25 April 2014, attended the two meetings which took place prior to the General Meeting convened to approve the financial statements for the year ending 31 December 2013.

In 2014, the attendance rate at the Nomination and Remuneration Committee meetings was 100%.

Corporate Social Responsibility Committee (CSR Committee)

The CSR Committee was created by the Board of Directors on 23 July 2014. In 2014, the Committee was made up of three members, two of whom are independent: Florence von Erb (Chairman and independent), Mary Dupont Madinier (independent) and Didier Truchot. Florence von Erb and Mary Dupont Madinier are independent with respect to the criteria of the Afep-Medef Code, as reviewed by the Board (please refer to Section 2.2.3 above). The Deputy CFO, the CSR Officer and the Corporate Secretary attend the Committee meetings.

In accordance with its internal regulations and without prejudice to the powers of the Board of Directors, the CSR Committee's main task is the supervision of the Group's social projects, including the projects conducted by the Ipsos Foundation. Its scope of action covers all aspects of the Company's corporate social responsibility, in connection with the Group's mission and activities, particularly its social, environmental, ethics and governance policies.

The work of the CSR Committee concerns the following three areas:

- The review of the CSR report, including the CSR policies, the reporting tools, the monitoring of CSR criteria, and the review of the non-financial information contained in the CSR report.
- Supervision of the activities of the Ipsos Foundation, the purpose of which is to provide assistance and develop and implement educational actions for children and young people worldwide.
- Governance of the Company in keeping with the guiding principles of the UN Global Compact and appraisal of this governance by an independent expert.

The CSR Committee held its first meeting on 3 October 2014. At this first meeting, the CSR Committee examined (i) the Group's CSR policy and its expected development, (ii) the organisation of the work for the preparation of the CSR report and the review of this report by an independent expert (iii) the progress made in the set-up of the Ipsos Foundation. The minutes of the meeting were presented to the Board of Directors on 8 January 2015.

In 2014, the attendance rate at CSR Committee meetings was 100%.

2.3 Report on the Board of Directors' activities in 2014

During the year ending 31 December 2014, the Board of Directors met five times at Ipsos SA's registered office upon convocation made in accordance with the Company articles of association and internal regulations. The rate of attendance at the Board of Directors' meetings was 89.4%. On average, the Board meetings lasted two hours and forty minutes.

The Board of Directors examines any transactions of strategic importance, particularly as regards external growth, divestments, important investments in internal growth and internal restructuring. The Board of Directors is informed in due time of the liquidity situation of the Company and the Group in a manner allowing it to take such decisions relating to financing or indebtedness as may be required.

During the year ending on 31 December 2014, the Board of Directors reviewed and made decisions on the following:

- Review of the Group's business;
- Approval of the Company and consolidated full-year financial statements for the year ended 31 December 2013;
- Review of the half-year financial statements as at 30 June 2014;
- Preparation of the annual General Meeting of Shareholders of 25 April 2014;

- Review of the activity of the Board of Directors' specialised Committees;
- Review of governance issues;
- Creation of the Ipsos Foundation;
- Creation of the CSR Committee and set-up of the CSR Charter;
- Evaluation of the works and functioning of the Board of Directors;
- Planned and ongoing operations for external development;
- Review of the budget;
- The results of the "Pulse" survey
- Compensation of the Co-Presidents and other members of the Executive Committee;
- Directors fees;
- Granting of free shares and implementation of the share buyback programme;
- Authorisation of related-party agreements, surety bonds, endorsements and guarantees;
- Issues relating to disputes with Aegis.

The Board of Directors was, in addition, informed of the state of the principal projects pursued by the subsidiaries of the Group.

The Statutory Auditors were present at the meetings of the Board of Directors of 26 February and 23 July 2014.

3. Remuneration of the Directors

3.1 Remuneration of the members of the Board of Directors exercising no executive function within the Group

The remuneration policy for external Directors and the amounts allocated are set out in Section 15 of this Reference document.

3.2 Remuneration of the members of the Board of Directors exercising an executive function within the Group

The remuneration policy for Directors who are Executive Officers of the Company and the amounts allocated are set out in Section 15 of this Reference document.

It should be noted that Mr. Didier Truchot and Mr. Jean-Marc Lech do not have an employment contract.

3.3 Share subscription and/or share purchase options and free shares

The share subscription options and free share attribution plans allocated to some Directors are described in the

Special report of the Board of Directors on share options and free shares.

To the Company's knowledge, no hedging instruments were set up to cover those plans.

4. Internal control and risk management procedures

4.1 Introduction

4.1.1 Reference framework for internal control

The methodology adopted by the Ipsos group uses the reference framework of the French Financial Markets Authority (*Autorité des Marchés Financiers*, AMF) concerning risk management and internal control systems published on 22 July 2010 and the risk management and internal control procedures published on 4 November 2013. This defines internal control as the system developed by or on behalf of Senior Management and implemented under its responsibility by all Group employees. It is made up of a body of means, behaviours, procedures and actions adapted to the characteristics of each Group company and which contributes to the management of the Company business, the efficiency of its operations and resources with the purpose of allowing the Company to take into account in an appropriate manner all material risks, whether of an operational, financial, compliance or reputational nature.

The purpose of the framework is more particularly to ensure the:

- Compliance with applicable laws and regulations;
- Implementation of instructions and orientations set by Senior Management;
- Effectiveness of the Group's internal procedures, in particular as regards safeguarding corporate assets; and
- Reliability of accounting and financial information.

4.1.2 Scope and purpose of internal control at Ipsos

The overall objective of the internal control system is to anticipate and control risks arising from Ipsos SA's activities, as well as risks of error or fraud, particularly in financial and accounting matters. To achieve this objective, a risk management policy has been set up (see Section 4.4 of this report) to identify and measure these risks. Like any control system, however, it cannot absolutely guarantee the elimination of these risks, and depends largely on individual respect of the procedures put in place.

The Ipsos group attempts to control these risks by implementing measures to ensure that management and operational actions and employee behaviour comply with applicable laws and regulations, the guidelines provided by general management, and the Company's internal regulations.

These procedures also aim to ensure that the accounting, financial and management information communicated to the management bodies gives a true and fair picture of the business activity and financial position of Ipsos and its Group.

Ipsos also takes measures to ensure that these measures are applied by its subsidiaries. Devices are in place at the country level to meet their specific needs and are subject to regular monitoring by the Group (please refer to Section 4.3.4 of this report).

4.2 People and structures exercising internal control procedures within the Ipsos group

At the central level, in addition to the Board of Directors and the specialized committees whose duties and operations are described above, the Group's Senior Management relies on the Management Board Executive Committee (MBEC). This committee supervises all areas of Ipsos' organisational structure, namely the regions, business lines and support functions. One of its duties is to specify and supervise policies and procedures allowing the Ipsos group to achieve its goals.

The following departments are more specifically involved in internal control: the finance department, the legal department; the technology and information systems department; the human resources department; the corporate development department; and the audit and quality department. These departments report to MBEC members.

With the exception of the corporate development department and the audit and quality department, similar structures are generally set up at regional and national levels.

4.2.1 The finance department

The finance department encompasses the functions of management controls, accounting & consolidation, cash management and management of financial information systems. It is supported by local financial teams working at the regional and national level.

Management control is responsible for monitoring the quality of financial information including supervising the quality of account closing and reporting. It also monitors the performance of business units based on budget forecasts, and may suggest corrective actions when necessary. The finance department objectively evaluates the quality of internal financial controls at all levels of the organisation.

The heads of Group accounting and consolidation supervise the work of the central and local accounting teams and ensure the quality of the accounting information produced.

The Chief Financial Officer of the Ipsos group is also responsible for implementing the Group's financing policy and supervises its application in subsidiaries.

The Finance Directors responsible for subsidiaries and national or regional operations ensure the quality of the accounting and financial information reported to the Group's central bodies by the entities that they supervise. Since 1 January 2007, they report to the next level of hierarchy of the finance department and operationally to the operational managers. The Finance Directors of the subsidiaries in which anomalies were detected (see details in Section 4.3 hereunder), leading to the rectifications set out in Note 1.3 to the Group's consolidated financial statements, were in some cases replaced in 2014.

Finance Directors occupy a key role at the national and regional level and appointments to these functions are carefully examined by the Group's finance department to ensure that appointees have the required level of expertise. These people always benefit from an integration program at the Group's headquarters.

4.2.2 The legal and tax department

The main tasks of the Group's legal and tax department are to (i) contribute to the defence and protection of the Group's interests; (ii) define, implement and direct the corporate governance of the Group in particular by implementing procedures and controls; and (iii) give advice to the general management and the functional and operational management of the Group on a wide variety of issues.

The Group's legal and tax department is organised in four zones: (a) France, Middle East and North Africa, (b) the Americas, (c) Europe and Sub-Saharan Africa and (d) Asia-Pacific. In addition, it has a centralised corporate division. The regions' Legal Affairs Directors, the Manager of the corporate division and the Tax Manager report directly to the Group General Counsel. Local lawyers report to their region's Legal Affairs Director. In countries where there is no lawyer, legal and fiscal matters are the responsibility of the Finance Directors or the Country Managers, as the case may be, assisted by outside counsels placed under the supervision of the legal department of the region concerned. The legal and tax department ensures that each country's laws and regulations are complied with.

4.2.3 The technology and information systems department

The technology and information systems department, called "Ipsos Tech" makes an active contribution to controlling risks by (i) supervising investments in technology infrastructures and solutions; (ii) drawing up and ensuring the implementation of Group-wide rules, standards and policies with respect to selecting and managing information technologies, systems and data; (iii) approving and overseeing the implementation of multinational projects and large-scale regional projects; (iv) setting up the necessary procedures for ensuring the reliability and security of the Group's technology operations. The technology and information systems department, in collaboration with the Group legal department, and the Group audit and quality department, establishes risk management procedures relating to information security and data protection and monitors their implementation and proper application.

4.2.4 The human resources department

The mission of the human resources department includes (i) developing methods and rules for human resources management (ii) overseeing the various performance-related remuneration schemes set up within the Ipsos group; (iii) supervising the implementation of a consistent human resources policy throughout the different Group companies.

Apart from establishing the various human resources systems and policies, the human resources department is directly involved in the supervision of all senior executives of the Ipsos group.

4.2.5 The corporate development department

Working in conjunction with the finance and legal departments, the corporate development department is responsible for identifying and securing potential acquisition targets.

For each acquisition, a detailed review of the target company is undertaken with the assistance of relevant country and regional departments, the legal department, the finance department as well as external advisors, notably to ensure the accuracy and reliability of the financial data and financial information system and audit risks of all types. Every acquisition project is reviewed and validated by the dedicated Review Committee and is discussed within Ipsos' Board of Directors. Newly consolidated companies are very closely monitored during the first few years to ensure that the various internal policies and procedures are correctly implemented. Acquisition due diligence is performed systematically by

outside auditors or internally as regards acquisitions of lesser importance.

4.2.6 The audit and quality department

The internal audit department was created in 2007 to help strengthen internal control within the Ipsos group. In April 2011, the quality function was integrated in this department, which thus became the audit and quality department, under the supervision of the Director of the Office of the President, member of the MBEC.

Audit plans are established each year, taking into account the specific risks of the Ipsos group. These plans are approved by the Chairman and CEO and the finance department, then presented to the MBEC and Audit Committee.

The audit plans include subsidiary reviews as well as aspects covering several countries.

The audit & quality department contributes, through the performance of its tasks, to the respect and improvement of the efficiency of the internal control procedures implemented within the Group. It contributed to the detection of some of the anomalies described hereunder in Section 4.3 which led to the rectifications set out in note 1.3 of the Group's consolidated financial statements. It contributed to the detection of some of the anomalies described hereunder in Section 4.3 which led to the rectifications set out in Note 1.3 of the Group's consolidated financial statements.

A summary of the internal audit activities is presented to the Audit Committee in January of each year. The internal audit plan is presented to the Audit Committee in April.

4.2.7 Values, rules and general procedures applicable to all employees

The Group adopted a Green Book, which was modified in September 2014 (the Green Book - the Ipsos Code of Conduct). It sets out the Group's organisation, structures, values and procedures. It also describes the professional obligations, rules and principles that must be observed, notably codes of practice and ethics. This book is available to all Group employees via the Ipsos intranet.

The duties and responsibilities of the different levels and the different players in the Group's organisation are detailed in a document entitled "Ipsos Organisation", and a document on the organisation of the finance department (Finance Accounting and Administration), a key player in

this organisation, setting out the rules applicable in terms of the separation of powers and corporate governance.

The Ipsos Book of Policies and Procedures contains all general procedures relating to financial matters, legal questions, the management of human resources, communications, IT and the conduct of surveys, thereby contributing to internal control. In particular the book includes specific procedures concerning acquisitions, banking powers, the delegation and limitation of powers, cash flow management, litigation monitoring, the review and approval of investments, the preparation and implementation of budgets, accounting rules and methods, the corporate calendar and consolidation tools.

The Group regularly updates these procedures. All of these documents are available to all Group employees on the Ipsos intranet.

Since April 2013, a whistle-blowing system enables all Ipsos employees to express their concerns or preoccupations concerning detected or suspected fraud, conflicts of interest or ethical problems, through various means of communication (post, email or telephone). This system will also allow for investigations to be monitored using an integrated alert management system. Every year, the cases reported and investigated are presented to the Audit Committee at its January meeting.

4.3 Significant control measures put in place

Ipsos has implemented a series of organisational rules, policies, procedures and systems that contribute to the effectiveness of internal controls.

4.3.1 Internal control procedures relating to the preparation and treatment of accounting and financial information for the parent company and consolidated financial statements

The subsidiaries prepare detailed monthly financial reports, used to prepare the monthly consolidated financial statements of the Group. Reviews of results and forecasts are carried out very regularly to ensure that targets will be achieved and, if this is not the case, to take any corrective action that might be necessary.

Accounting rules are defined in the Ipsos group manual. Explanatory notes are issued for each account closing, emphasising subjects to be given particular attention in light of changes in accounting rules or problems that may have been identified in previous years.

The consolidation of accounting data is performed through a well-known software system which is used by a number of listed companies.

A timetable for reporting information is disseminated within the Group to allow the different accounting teams to organise their work and identify any potential delays or difficulties as soon as possible.

The information reported by the different subsidiaries complies with International Financial Reporting Standards (IFRS). The consolidation files are controlled by a central team, which verifies the accounting options used throughout the year and carries out elimination and consolidation operations. It also verifies the items that present the highest risk.

All material subsidiaries are subject to an audit or a limited review at least once per year by an external accounting firm.

Each subsidiary monitors its internal controls and may set up specific control procedures when necessary, depending on the type of business it conducts and the risks involved.

Lastly, based on information correlated with the current book of procedures, automated monthly indicators have been established to ensure the quality of financial reporting and the effectiveness of our customer collection cycle. These indicators are followed at all levels of the organisation (countries, regions, and Group) and are led by the Group Control department. Some of the indicators are part of the quarterly business reviews.

4.3.2 Symphony information system

In addition to office computers used by employees, the Group has a comprehensive information and management system that is used in most of the countries where Ipsos operates.

The system is made up of a series of tools to help control operations in each line of business. It comprises a secure Business Intelligence tool used by all Group entities. It has an access management system that ensures that the roles of different types of users are defined according to best practices in terms of the separation of tasks.

In 2014 and on the closing of accounts, given the stiffening of controls for the valuation of surveys in all countries where the Group operates and following the final deployment of its global ERP ("Symphony"), it was noted that the information available for prior account closing operations had not been taken into consideration in the estimation of certain countries' revenue, estimated costs or survey progress.

The Synovate entities' migration to the Ipsos ERP gradually made it possible to identify anomalies on certain projects

created in the past, yet without being able to pinpoint which years were involved prior to 2012 as the list of projects under way did not necessarily comprise the required information concerning their creation date at the time of the migration, which took place between 2012 and 2014 depending on the countries. These anomalies have given rise to corrections of errors in previous fiscal years, which are presented in Note 1.3 to the Group's consolidated financial statements.

Given the new system set up in 2014 to control studies under way, the Group deems that such errors should not recur in the future. In particular, the Group has set up a system which automatically detects projects which may present anomalies (Jobs Under Review). This system is used for each closing and 96% of countries currently use Symphony. The subsidiaries' Finance Directors confirmed to the Group's Finance Department that, since the year-end closing at 31 December 2014, they have been performing a review of ongoing surveys, as well as the year's revenue and gross margin.

4.4 Risk management

4.4.1 Objectives and scope of risk management

Risk management is a management tool designed to help (i) create and preserve the value, assets and reputation of the Company; (ii) secure the decision-making and processes of the Company to increase the attainment of objectives; (iii) enhance the coherence of actions with the values of the Company; and (iv) federate employees around a common vision of the principal risks, and make them aware of the risks inherent in our activities.

The risk management policy applies to all Group assets.

4.4.2 General organization of risk management

Since 2007, Ipsos has set up a risk management procedure supervised and managed by the internal audit department.

4.4.3. Risk management

Risk assessments should identify the events that may affect the ability of the organisation to achieve its objectives, assess its risks and determine the appropriate responses. A first risk analysis was conducted in 2007 based on interviews with members of the Executive Committee and other senior managers of the Group and an update was carried out in 2010 using a questionnaire sent to key managers of the Group to evaluate previously identified risks and detect the emergence of new risks.

In 2013, a new risk analysis was conducted via a questionnaire relating to the Group's main key domains.

Ipsos' key managers were invited to participate in this survey. The risks identified were classified according to the probability of their occurrence and their impact on the Group's business.

This analysis has been presented by the head of the internal audit department and the Audit Committee of 9 January 2013. It formed part of the basis used to establish the 2014 internal audit plan. For each risk identified, a specific action plan was drawn up in order to limit this risk throughout the Group and take appropriate measures.

This was done to prevent similar risks from occurring in our future operations. This approach also led to the development of new tools and procedures adapted to better monitor these risks (see Section 4.3 of the Chairman report).

The risk analysis is also taken into account in evaluating the main risks mentioned in the 2014 Management Report, to which this report is appended (please refer to Section 4 of the Management Report), specifying the preventative measures and solutions that were adopted.

This risk analysis is regularly followed up to allow for an update of previously identified risks (their evolution or disappearance) and to add any new risks that might be identified.

4.4.4 Monitoring the internal control system

The self-evaluation of the quality of the internal control system, performed in each country through an online questionnaire in 2013, was monitored in order to challenge the evaluations, assess the progress made, and identify the actions that may need to be set up in the countries where the Group operates.

Likewise, local external auditors appraised the processes during their interim or annual certification missions by entering their own evaluations in the analysis grid.

The results thus obtained by country will allow closer monitoring and a more precise analysis of weaknesses and the actions to be set up to improve the quality of internal control.

Reviews of specific processes are also performed by the external auditors at each interim (for entities in full audit scope).

In addition, the internal audits carried out during the country audits assess the risks and weaknesses and set up the required corrective measures to ensure data reliability and compliance with Group requirements.

Each country audit gives rise to customised monitoring throughout the implementation of the recommendations set out in the audit report. As required, the internal audit teams call on the appropriate internal or external resources to perform the missions entrusted to them.

16.4.2. Statutory Auditors' report, established in accordance with the Article L.225-235 of the French Commercial Code, with regard to report of the Chairman of the Board of Directors of Ipsos SA

Ipsos SA

To the Shareholders,

In our capacity as Statutory Auditors of Ipsos SA, and in accordance with Article L.225-235 of the French Commercial Code, we hereby present our report on the report prepared by your Company's Chairman pursuant to Article L. 225-37 of the French Commercial Code, for the year ended 31 December 2014.

It is the responsibility of the Chairman to prepare and submit to the approval of the Board of Directors a report describing the internal control and risk management procedures implemented by Ipsos SA and providing the other information required by Article L.225-37 of the French Commercial Code, in particular as regards corporate governance.

We are tasked with:

- reporting our observations concerning the information contained in the Chairman's report, with regard to the internal control and risk management procedures used for preparing and processing accounting and financial information; and
- attesting that the report includes the other information required by Article L.225-37 of the French Commercial Code, but not to verify the accuracy of that other information.

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

Information concerning internal control and risk management procedures relating to the preparation and treatment of accounting and financial information

The professional standards require that we plan and perform the audit to assess the accuracy of the information concerning the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the Chairman's report. These procedures consist notably of:

- Reviewing the internal control and risk management procedures for preparing and processing the accounting and financial information underlying the information presented in the Chairman's report and existing documentation;
- Reviewing the background work carried out in order to produce the information and the existing documentation;
- Determining if any material deficiencies in the internal control and risk management procedures of the Company for preparing and processing accounting and financial information identified during our review have been appropriately disclosed in the Chairman's report.

On the basis of this review, we have no observations to make with regard to the information provided concerning the Company's internal control and risk management procedures for preparing and processing accounting and financial information as contained in the Chairman's report established in accordance with Article L.225-37 of the French Commercial Code.

Further information

We attest that the report by the Chairman of the Board of Directors contains the other information required by Article L.225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris, 19 March 2015

The Statutory Auditors

PricewaterhouseCoopers
Audit

Grant Thornton
French member of
Grant Thornton International