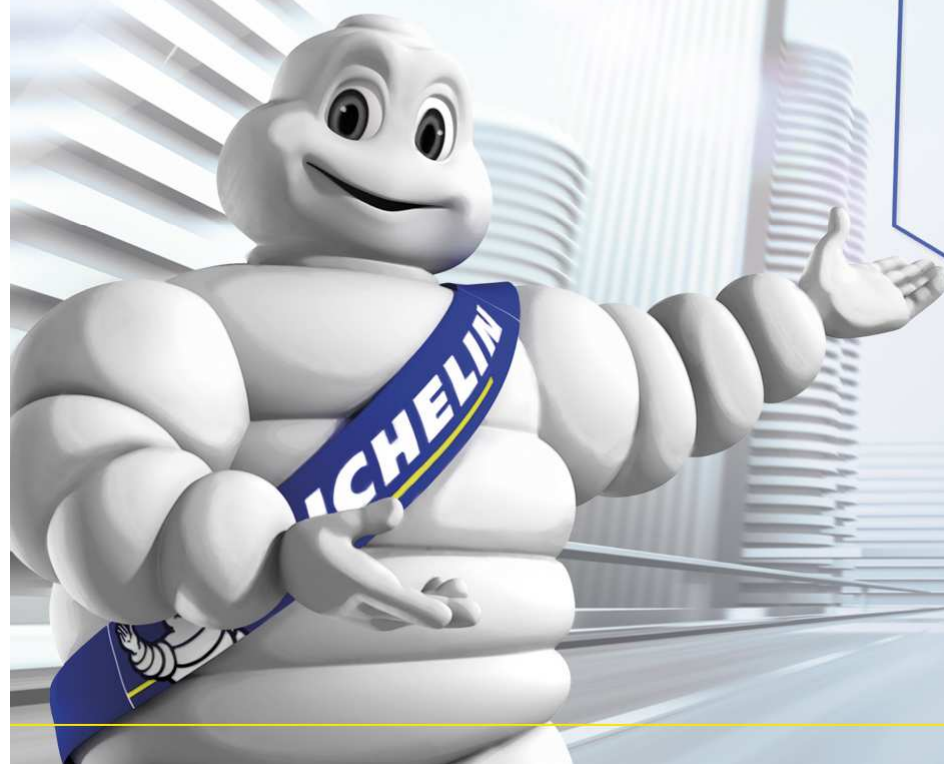


**Philippe LEGREZ**  
*Group Legal Director*  
**COMMENTS ON RESOLUTIONS**



**Annual Shareholders Meeting**  
**May 16, 2014**



## 1<sup>st</sup>, 3<sup>rd</sup> and 4<sup>th</sup> resolutions



- ▶ Approval of the Company financial statements
- ▶ Approval of the consolidated financial statements
- ▶ Absence of any related-party agreements

## 2<sup>nd</sup> resolution



- ▶ **Appropriation of net income**
- ▶ **Approval of a dividend of €2.50 a share, equivalent to a payout ratio of 35% of consolidated net income before recurring items**
- ▶ **To be paid on May 23, 2014**

## 5<sup>th</sup> resolution



- ▶ **Renewal of the authorization to carry out a share buyback program**
  - **Maximum purchase price: €140 per share**
  - **Maximum number of shares: equivalent to 10% of total shares outstanding**
  - **Not applicable during a public offer period**

## 6<sup>th</sup> resolution



- ▶ **Advisory vote on the components of the compensation due or paid for 2013 to Jean-Dominique Senard, Chief Executive Officer**

## 7<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> resolutions



### ▶ Election and re-election of Supervisory Board members

#### ■ Re-election of:

- Mrs Laurence PARISOT
- Mr Pat COX

#### ■ Election of:

- Mr Cyrille POUGHON (new employee representative member)

## 10<sup>th</sup> resolution



- ▶ Increase of the aggregate compensation paid to the Supervisory Board members to €420,000 per year

## 11<sup>th</sup> resolution



- ▶ **26-month authorization for the Chief Executive Officer to issue up to €1 billion in bonds**





## 12<sup>th</sup> to 21<sup>st</sup> resolution

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### ► Renewal of financial authorizations

## 12<sup>th</sup> resolution



**Authorization to issue ordinary shares or securities carrying rights to the Company's shares, with pre-emptive subscription rights for existing shareholders**

▶ **Maximum nominal amount of the issues:**

- **€130 million of shares (or less than 35% of the share capital)**
- **€1.5 billion for securities carrying rights to shares**

▶ **Validity: 26 months**

## 13<sup>th</sup> resolution



**Authorization to issue ordinary shares or securities carrying rights to the Company's shares, through a public offer, without preemptive subscription rights for existing shareholders**

- ▶ **Maximum nominal amount of the issues:**
  - **€37.15 million for shares (or less than 10% of the share capital)**
  - **€1 billion for securities carrying rights to shares**

- ▶ **Issue price of the shares at least equal to the average of the opening prices quoted over the three trading days, less a maximum discount of 5% in accordance with the law**

- ▶ **Validity: 26 months**



## 14<sup>th</sup> resolution



**Authorization to issue ordinary shares or securities carrying rights to the Company's share through a private placement governed by paragraph II of Article L.411-2 of the French Monetary and Financial Code, without pre-emptive subscription rights for existing shareholders**

- ▶ **Maximum nominal amount of the issues:**
  - **Same as in the 13<sup>th</sup> resolution**
  - **Included in the ceilings set in the 13<sup>th</sup> resolution**
  
- ▶ **Share issue price: same as in the 13<sup>th</sup> resolution**
  
- ▶ **Validity: 26 months**



## 15<sup>th</sup> resolution



**Authorization to increase the number of shares issued under the authorizations with or without pre-emptive subscription rights:**

- ▶ **Up to 15% of the original issue amount**
- ▶ **At the same price and subject to the same ceilings as the original issue**
- ▶ **Validity: 26 months**

## 16<sup>th</sup> resolution



**Authorization to increase the Company's capital by capitalizing reserves, income or additional paid-in capital:**

- ▶ **By up to €80 million**
- ▶ **Validity: 26 months**

## 17<sup>th</sup> resolution



**Authorization to increase the Company's capital by issuing ordinary shares, without pre-emptive subscription rights for existing shareholders, in connection with a stock-for-stock offer or in payment for contributed securities (up to 10% of the share capital):**

- ▶ **The amount of any capital increases would be included in the ceiling for share issues without pre-emptive subscription rights for existing shareholders set in the 13<sup>th</sup> resolution**
- ▶ **Validity: 26 months**

## 18<sup>th</sup> resolution



### Authorization to issue or sell shares to members of a Group Employee Shareholder Plan:

- ▶ Up to a maximum par value of €7.4 million, or less than 2% of the share capital
- ▶ Validity: 26 months



## 19<sup>th</sup> resolution



**Blanket ceilings on the nominal amount of securities issued pursuant to the 11<sup>th</sup> to the 17<sup>th</sup> resolutions:**

- ▶ **€130 million for share issues**
  
- ▶ **€2 billion for debt or other securities, with or without rights to the Company's shares**

## 20<sup>th</sup> resolution



### ▶ Authorization to reduce the Company's capital:

- By canceling treasury shares purchased under shareholder-approved buyback programs
- Up to 10% of outstanding shares
- Validity: 18 months

## 21<sup>st</sup> resolution



### ▶ Authorization to grant performance shares to employees other than the Chief Executive Officer

- Subject to at least three performance criteria, assessed over three years:
  - Growth in net sales
  - Operating income
  - Employee engagement rate
  
- Grantees must still be an employee on the vesting date
- Up to 0.5% of outstanding shares
- Validity: 38 months





## 22<sup>nd</sup> resolution

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### ► Powers to carry out formalities