

APPENDIX 4

Board of Directors Report

Presentation of the Agenda for the Combined Ordinary and Extraordinary General Meeting of May 27, 2016

This document outlines the key issues in the draft resolutions submitted by your Board of Directors to the General Meeting of Shareholders called for May 27, 2016. As a result, it is not exhaustive and cannot replace a careful review of the draft resolutions before you exercise your voting rights at the Meeting.

For your information, no new agreement within the scope of Article L. 225-38 of French Commercial Code was entered into during the financial year ended December 31, 2015. You may consult the special auditors' report on agreements and commitments entered into between the Company and the members of its Board of Directors (please refer to section 7.4.2 of the Registration Document).

The Board of Directors has resolved to call a Combined Ordinary and Extraordinary General Meeting of Shareholders on May 27, 2016 to consider the following agenda:

■ I - RESOLUTIONS FOR THE ORDINARY GENERAL MEETING

Approval of the financial statements for financial year 2015 (1st and 2nd resolutions)

The first two resolutions give you the opportunity, after having reviewed the reports of the Board of Directors and the Statutory Auditors, to vote on approval of the Company and consolidated financial statements for the financial year ended December 31, 2015 and on the transactions reflected in the financial statements or summarized in these reports.

At December 31, 2015:

- the Company's financial statements show a net profit of €198.3 million;
- the Company's consolidated financial statements show a net profit of €550.6 million.

More particularly, the first resolution allows you to decide on the overall amount of costs and expenses referred to in Article 39-4 of the French tax code (*Code général des impôts*), i.e. costs and expenses excluded from costs deductible for tax purposes.

Appropriation of earnings and determination of dividend (3rd resolution)

In the third resolution, you will vote on appropriating the Company's earnings and determining a dividend.

The proposal before you is as follows:

- after you have observed that the Company's net book profit for the financial year ended December 31, 2015 amounts to €198,282,021.10;
- €229,194.80 of this net profit would be appropriated to the legal reserve;
- therefore, without any retained earnings, the amount available for distribution would be of €198,052,826.30;
- €3,471,334.59 would be appropriated to reserves not available for distribution for treasury shares;
- the amount available for distribution would be of €194,581,491.71.

Your Board has therefore proposed that you distribute a dividend amounting to €1.15 per share, for a total of €306,790,108.05, based on the number of shares making up the capital stock at December 31, 2015, minus the treasury shares held by the Company at that date. It may be noted that the share of the amount thus distributed exceeding the amount available for distribution, i.e. €112,208,616.34, shall be deducted from the "issue premium" account.

In the event of a change before the ex-dividend date in the number of shares entitling holders to a dividend, the total dividend amount would be adjusted accordingly.

No dividends would be due on any shares held by the Company itself or cancelled before the payment date.

In terms of taxation schemes applicable to individual shareholders residing in France, the applicable rules with respect to the distribution of an amount per share of €1.15 per share are the following:

- in the amount of €0.72* the dividend paid would be considered as taxable income subject to sliding-scale income tax and eligible, for individual shareholders residing in France, for the 40% exemption provided for under Article 158-3-2 of the French tax code. This portion of dividend is, in principle, subject to a compulsory withholding tax of 21% on its gross amount, excluding social security contributions, said levy being attributable to income tax on revenue received during the 2016 fiscal year. However, under Article 117 (iv) of the French tax code, "natural persons belonging to a tax household whose reference fiscal income for the penultimate year, as defined in Article 1417, section 4, sub-section 1, is less than €50,000 for taxpayers who are single, divorced or widowed or less than

* This indicative split is released for information purposes only and may vary, depending on the change in number of shares entitling their holders to the distribution by the payment date.

€75,000 for taxpayers subject to joint taxation, may request exemption from this levy". Such persons should, on their own initiative, submit a request for exemption according to the conditions set out in Article 242 (iv) of the French tax code. This portion of dividend is also subject to a withholding tax of 15.5% for social security contributions;

- in the amount of €0.43*, the distribution would be deducted from the "issue premium" account and would be considered as a repayment of paid-in capital within the meaning of Article 112-1 of the French tax code; it would however reduce the fiscal share price by the amount of €0.43 per share.

The tax-related items of information presented here are those applicable at the time of drafting this report. In the event of a significant change in the relative portions per share of the amount considered as taxable income subject to sliding-scale income tax and the amount considered as repayment of paid-in capital, for instance due to a change in the number of treasury shares held at the ex-dividend date, additional information will be issued by the Company. As a general rule, shareholders are invited to consult their usual advisers as to applicable taxation schemes.

If this resolution is adopted, the ex-dividend date on Euronext Paris would be May 31, 2016, and the dividend would be paid to shareholders on June 2, 2016.

Opinion on compensation components due or allocated to Mr. Gilles Schnepf, Chairman and Chief Executive Officer, in respect of the financial year ended December 31, 2015 (4th resolution)

In line with the recommendations of the Afep-Medef Code of Corporate Governance, to which the Company makes reference pursuant to Article L225-37 of the French Commercial Code (*Code de commerce*), the compensation components due or allocated to the Executive Director in respect of financial year 2015 are submitted to your opinion.

Consequently, the fourth resolution asks that you issue a favourable opinion on the compensation components listed below due or allocated in respect of financial year 2015 to Mr. Gilles Schnepf, Chairman and Chief Executive Officer.

Compensation components due or allocated in respect of financial year 2015 to Mr. Gilles Schnepf, Chairman and Chief Executive Officer, submitted to shareholders' opinion

Compensation components due or allocated for the year just ended	Amounts or accounting valuation submitted for vote	Details
Fixed compensation	€625,000	Gross fixed annual compensation approved by the Board of Directors on March 3, 2011, and unchanged since that date.
Annual bonus	€535,000	<p>The Board of Directors decided that the variable compensation paid to Mr. Gilles Schnepf in respect of the 2015 financial year could vary between 0% and 120% of fixed annual compensation (with a target value set at 80% of fixed annual compensation) and would be determined as follows:</p> <ul style="list-style-type: none"> ■ from 0% to 90% of fixed annual compensation (with a target value set at 60%) depending on a quantitative portion calculated on the basis of criteria linked to (i) achievement of a certain level of "economic income," i.e. adjusted operating income less the cost of capital employed, (ii) organic growth in revenue, (iii) revenue growth by consolidation scope impact, and (iv) achievement of the priorities set out in the 2014-2018 sustainable development road map; and ■ from 0% to 30% of fixed annual compensation (with a target value set at 20%) depending on a qualitative portion calculated on the basis of criteria linked to (i) revenue growth (increased market share, new products, sales policies, access to new markets, partnerships (including outside France), expansion into the new economies), (ii) the acquisition strategy (adherence to set priorities, emphasis on multiples, consolidation/development of acquisitions already made), and (iii) other general criteria, particularly risk management, labour issues, and succession plans. <p>Based on the work and proposals of the Compensation Committee, the Board, at its meeting on March 17, 2016, set:</p> <ul style="list-style-type: none"> ■ the amount of the variable portion of the 2015 compensation due in respect of meeting quantitative targets at 72.9% of annual fixed compensation; and ■ the amount of the variable portion of the 2015 compensation due in respect of meeting qualitative targets at 28% of annual fixed compensation; <p>corresponding to a rate of achievement of 84.1% of the maximum annual bonus and 126.1% of the target, i.e. €630,625.</p> <p>Details of the rate of achievement of the quantitative and qualitative criteria are presented in section 6.2.2.1 of the Company's Registration Document.</p> <p>However, it should be noted that the amount of variable compensation due to Mr. Gilles Schnepf in respect of the 2015 financial year is, in fact, the same as the amount due in respect of the 2014 financial year, as Mr. Gilles Schnepf decided of his own accord to waive the benefit of part of his variable compensation in respect of 2015 so as to keep it at the same level as 2014, i.e. €535,000.</p>

* This indicative split is released for information purposes only and may vary, depending on the change in number of shares entitling their holders to the distribution by the payment date.

Compensation components due or allocated for the year just ended	Amounts or accounting valuation submitted for vote	Details
Deferred variable compensation	Not applicable	There are no plans to allocate any deferred variable compensation.
Long term incentive	Not applicable	There was no grant during the 2015 financial year.
Exceptional bonus	Not applicable	There are no plans to allocate any exceptional bonus.
Stock options, performance shares or any other long-term compensation component	Stock options: Not applicable Performance shares: Valued at €640,909	There was no grant during the 2015 financial year. On a recommendation from the Compensation Committee, the Board of Directors on May 29, 2015 decided to set up a 2015 Performance Share Plan. This plan is described (especially the performance conditions applicable to the allocation of shares) in sections 6.2.1.1 and 6.2.2.1 of the Company's Registration Document, on pages 178-179 and 184, and in chapter 7.3 of the Company's Registration Document, on page 197. The allocation benefiting Mr. Gilles Schnepf in respect of this plan amounted to 3.75% of the overall allocation*. The Board of Directors took its decision on May 29, 2015 on the basis of an authorization granted by the General Meeting on May 24, 2013, in its ninth resolution (<i>Authorization to allocate existing shares or shares to be issued benefiting Company personnel and/or corporate officers</i>).
	Other long-term compensation components: Not applicable	There was no grant during the 2015 financial year.
Attendance fees	Not applicable	Mr. Gilles Schnepf does not receive attendance fees in respect of his duties within the Company or its subsidiaries.
Valuation of all types of benefit	Not applicable	

* This calculation takes into account (i) the adjustment in the number of performance shares made in view of the conditions of dividend payment decided upon by the Combined Ordinary and Extraordinary General Meeting of Shareholders on May 29, 2015, to acknowledge the impact of this operation on the interests of beneficiaries of performance shares (for details please refer to chapter 7.3 of the Company's Registration Document), and (ii) Mr. Gilles Schnepf's decision to waive part of his entitlement to shares allocated during the 2015 financial year, as recognized by the Board of Directors at its meeting on March 17, 2016 (for details please refer to table 6, "Free shares allocated during the year by the General Meeting of Shareholders to the Executive Director by the Company and by any Group company", on page 185 of the Company's Registration Document).

Compensation components having been submitted to the shareholders' approval in accordance with the procedure relating to regulated agreements and commitments

	Amounts	Details
Severance payment	Not applicable	There is no commitment in this regard.
Non-compete compensation	Not applicable	There is no commitment in this regard.
Supplementary pension plans	Not applicable	In 2015, Mr. Gilles Schnepf unilaterally and finally waived the benefit of any supplementary pension plan.

Summary table of criteria for determining the Executive Director's 2015 annual bonus

Mr. Gilles Schnepf's annual bonus in respect of financial year 2015 was determined by application of the criteria given hereafter:

				Min	Target	Max	Actual
Quantitative 75% of variable total 60% of fixed compensation (as a target)	Economic income	Adjusted operating income less the cost of capital employed, in € millions	As a % of fixed compensation	0%	40%	60%	52.6%
			Indicator value	614	707	800	766
	Organic growth	Organic revenue growth as a % of sales	As a % of fixed compensation	0%	8%	12%	10%
			Indicator value	(3)%	(1)%	+2%	0.5%
	Acquisitions	2015 revenue growth by scope of consolidation	As a % of fixed compensation	0%	4%	6%	1.2%
			Indicator value	0%	5%	10%	1.5%
Corporate Social Responsibility (CSR)	Average rate of achievement of 2015 intermediate targets for the 21 priorities in the 2014-2018 CSR roadmap	As a % of fixed compensation	0%	8%	12%	9.1%	
			Indicator value	70%	100%	130%	108%*
QUANTITATIVE TOTAL				0%	60%	90%	72.9%
Qualitative 25% of variable total 20% of fixed compensation (as a target)	Revenue growth	Increased market share, new products, sales policies, access to new markets, partnerships (including outside France), expansion in the new economies		0%	8%	12%	12%
	Acquisition strategy	Adherence to set priorities, emphasis on multiples, consolidation/development of acquisitions already made		0%	8%	12%	10%
	General criteria	Risk management, labour issues, succession plans		0%	4%	6%	6%
	QUALITATIVE TOTAL				0%	20%	30%
VARIABLE TOTAL IN RELATION TO FIXED COMPENSATION				0%	80%	120%	100.9%

* It may be noted that in 2015, as in 2014, although some intermediate targets were reached with a level of outperformance beyond 130% (for details please refer to chapter 4 of the Company's Registration Document) the rate of achievement of these intermediate targets was capped at a maximum of 130% for the purpose of calculating Mr. Gilles Schnepf's variable compensation. Consequently, the rate of achievement of the CSR roadmap used for this calculation and indicated in the table above (108%) is below the actual rate of achievement of CSR roadmap targets (120%) stated in chapter 4 of the Company's Registration Document.

For more information about Company policy on the compensation and benefits of the Executive Director, please refer to section 6.2 of the Company's Registration Document.

Directors' terms of office (resolutions 5 to 8)

Renewal of Directors' terms of office of Ms. Christel Bories, Ms. Angeles Garcia-Poveda and Mr. Thierry de La Tour d'Artaise (resolutions 5 to 7)

The Director's terms of office of Ms. Christel Bories, Ms. Angeles Garcia-Poveda, Mr. Gérard Lamarche and Mr. Thierry de la Tour d'Artaise are expiring at the end of today's General Meeting. Ms. Christel Bories, Ms. Angeles Garcia-Poveda and Mr. Thierry de la Tour d'Artaise have expressed their intention to apply for renewal of their terms of office. Mr. Gérard Lamarche, meanwhile, who has been a Director of the Company since 2006, did not request renewal of his terms as Director and Committee member.

Ms. Christel Bories has been a member of the Company's Board since 2012; she is the Chairwoman of the Strategy and Social Responsibility Committee and a member of the Audit Committee, providing the Company with the benefit of her previous experience in senior management with several manufacturing companies and her strategic expertise.

Ms. Angeles Garcia-Poveda has also been a member of the Company's Board since 2012; she is Lead Director, Chairwoman of the Nominating and Governance Committee, Chairwoman of the Compensation Committee and a member of the Strategy and Social Responsibility Committee. The work of these bodies is enhanced by her contribution, in particular her skills in matters of compensation and governance as well as questions of strategy.

Mr. Thierry de La Tour d'Artaise has been a member of the Company's Board since 2006 and is a member of the Nominating and Governance Committee. His experience of Board membership provides him with in-depth knowledge of the Company, its business sector and the challenges facing it. As a current or former member of various Boards of Directors of major businesses and at the head of a large industrial manufacturer, he brings this extensive experience to the Company's Board and its Nominating and Governance Committee.

The Nominating and Governance Committee and the Board of Directors are both favourable to the renewal of the terms as Directors and Committee members of Ms. Christel Bories and Mr. Thierry de La Tour d'Artaise, and to the renewal of the terms as Director, Committee member and Lead Director of Ms. Angeles Garcia-Poveda. Recognizing that the varied and extensive skills of these Directors are a major asset to the Company, the Nominating and Governance Committee and the Board of Directors also point out that Legrand Board membership is regularly distinguished, especially in the context of the Corporate Governance Awards (*Grands Prix des Gouvernements d'Entreprise*) organised by AGEFI:

- on the occasion of the eleventh edition of the AGEFI Corporate Governance Awards, on September 24, 2014, Legrand was awarded the Silver Governance Award for Board of Directors Membership. This award reflected recognition of several features of Legrand's Board, including the percentage of female members, the number of different nationalities

among members, the provision of detailed information about Board members, the duration of their term of office, and their independence. On the same occasion, Legrand was also awarded the 2014 Corporate Governance *Grand Prix* and the Golden Governance Trophy for Dynamic Governance;

- on the occasion of the twelfth edition of the AGEFI Corporate Governance Awards, on September 16, 2015, Legrand once again won an award for Board membership.

At its meeting on March 17, 2016, the Board of Directors, acting on a recommendation from the Nominating and Governance Committee, confirmed its assessment that (i) there is no significant business relationship between either Ms. Christel Bories, Ms. Angeles Garcia-Poveda or Mr. Thierry de La Tour d'Artaise and Legrand, and that (ii) Ms. Christel Bories, Ms. Angeles Garcia-Poveda and Mr. Thierry de La Tour d'Artaise may be considered independent directors.

Summary biographies of Ms. Christel Bories, Ms. Angeles Garcia-Poveda and Mr. Thierry de la Tour d'Artaise are given below.

Ms. Christel Bories

A graduate of HEC business school, Christel Bories began her career in 1986 as a strategy consultant with Booz-Allen & Hamilton, later with Corporate Value Associates. She subsequently held various positions of responsibility at Umicore, then at Pechiney Group. Following the merger of Pechiney with Alcan Group, Christel Bories was successively appointed Chairwoman and CEO of Alcan Packaging, Chairwoman and CEO of Alcan Engineered Products, and then CEO of Constellium (formerly Alcan) which she left in December 2011. Christel Bories was appointed Deputy CEO of Ipsen from February 2013 to March 2016. She is also a Board member at Smurfit Kappa.

Christel Bories is aged 51 and a French national.

She holds 1,470 Legrand shares.

Ms. Angeles Garcia-Poveda

Angeles Garcia-Poveda is a graduate of ICADE management school in Madrid and has attended the Harvard University Business Case Study Program. Before joining Spencer Stuart in 2008, she spent fourteen years with The Boston Consulting Group (BCG), in Madrid and Paris, as a strategy consultant, before taking on various responsibilities in recruitment both locally and internationally. As global recruitment manager at BCG she worked on several cross-border recruiting projects. Having managed the Spencer Stuart France office for five years, Angeles Garcia-Poveda currently co-leads the EMEA region, and is directly in charge of France, Germany, Austria, Spain, Italy, Switzerland, and Turkey. She is a member of the global Executive Committee. She deploys her expertise in recruitment and assessment of senior executives and Board members and in governance advisory work, mainly in the fields of Consumer goods and Private equity..

Angeles Garcia-Poveda is aged 45 and a Spanish national.

She holds 2,300 Legrand shares.

Mr. Thierry de La Tour d'Artaise

Thierry de La Tour d'Artaise is a graduate of *Ecole Supérieure de Commerce* business school in Paris and a certified public accountant. He began his career in 1976 in the United States as Finance Controller with Allendale Insurance. After two years in Boston, he joined audit firm Coopers & Lybrand in Paris where he worked as Audit Manager. He joined the Chargeurs Group in 1983, initially as Head of Internal audit, then as Chief Financial Officer (1984-1985) and ultimately as CEO of Croisières Paquet (1986-1993).

In 1994, he joined SEB Group as CEO, later Chairman and CEO, of Calor SA, before taking over the chairmanship of the Group's Home Equipment Division in 1998. In 1999 he was appointed the Group's Vice-Chairman and CEO, then its Chairman and CEO in 2000.

Thierry de La Tour d'Artaise also holds positions as Director of Zhejiang SUPOR (China) and Chairman of SEB Internationale (SAS), both within SEB Group, and as permanent representative of Sofinaction, Director of Lyonnaise de Banque.

Thierry de La Tour d'Artaise is aged 61 and a French national.

He holds 1,250 Legrand shares.

Appointment of Ms. Isabelle Boccon-Gibod as Company Director (8th resolution)

The eighth resolution asks you to appoint as Director, for a term of four years, ending at the date of the General Meeting of Shareholders called in 2020 to consider financial statements for the financial year ending December 31, 2019, Ms. Isabelle Boccon-Gibod, whose summary biography is given below.

A graduate of École Centrale in Paris and Columbia University in the United States, Isabelle Boccon-Gibod is a member of the Altavia Executive Committee and a Board member of Arkema and

Paprec. In the past, she was Executive Vice-President of Sequana Group and Executive Director of Arjowiggins Group. Isabelle Boccon-Gibod is also a photographer and the author of "Fors Intérieurs", a collection of portraits of mathematicians.

Isabelle Boccon-Gibod is aged 47 (Isabelle Boccon-Gibod will be aged 48 at the date of the Combined Ordinary and Extraordinary Meeting of Shareholders to be held on May 27, 2016) and a French national.

Having examined the individual situation of Ms. Isabelle Boccon-Gibod with regard to criteria of independence, the Nominating and Governance Committee considers Ms. Isabelle Boccon-Gibod an independent director, having no business relationship with Legrand.

In view of the financial and accounting skills of Ms. Isabelle Boccon-Gibod and her experience as a member of the Audit Committee at Arkema, she is being considered by the Board of Directors as a potential participant in the work of the Company's Audit Committee, subject to approval of her appointment by shareholders.

Subject to your approval of the appointment of Ms. Isabelle Boccon-Gibod as a Company Director, the Board of Directors at the conclusion of the General Meeting on May 27, 2016 will thus comprise ten members, including:

- **five female members**, that is to say a share of 50%, beyond the requirements of the French Commercial Code (40% as of 2017) and the recommendation of the Code of Corporate Governance (40% as of 2016);
- **four different nationalities**, with one Chinese member, one Spanish member, one Italian member and seven French members;
- **seven independent members**, that is to say a share of 70%, beyond the 50% minimum level recommended by the Code of Corporate Governance.

For information purposes, should you decide to vote in favour of the appointment and renewals put before you, the terms of each of the Company's ten Directors' mandates would run as follows:

Director	2017	2018	2019	2020
Mr. Gilles Schnepf		X		
Mr. François Grappotte		X		
Mr. Olivier Bazil		X		
Ms. Christel Bories				X
Ms. Angeles Garcia-Poveda				X
Mr. Thierry de La Tour d'Artaise				X
Mr. Dongsheng Li		X		
Ms. Annalisa Loustau Elia	X			
Ms. Éliane Rouyer-Chevalier			X	
Ms. Isabelle Boccon-Gibod				X
NUMBER OF RENEWALS PER YEAR	1	4	1	4

Statutory Auditors' terms of office (9th and 10th resolutions)

The Company's Statutory Auditors are tasked with a duty of control and supervision vested in them by law. In particular, their role is to certify independently that the Company and consolidated financial statements for the previous financial year, which are submitted for your approval, are regular, accurate and truthful.

As a *société anonyme* publishing consolidated financial statements, the Company is required to have at least two mutually independent principal Statutory Auditors as well as substitute Statutory Auditors to replace these principal Statutory Auditors in the event of any refusal, impediment or resignation on the part of the latter.

Currently, the principal Statutory Auditors are Deloitte & Associés and PricewaterhouseCoopers; substitute Statutory Auditors are Mr. Yves Nicolas and BEAS.

Renewal of one of the principal Statutory Auditors' term of office (9th resolution)

Initially appointed substitute Statutory Auditor by the Ordinary General Meeting of Shareholders on June 6, 2003, before becoming principal Statutory Auditor following the merger between Pricewaterhouse and Coopers & Lybrand Audit, PricewaterhouseCoopers Audit had its term of office as principal Statutory Auditor renewed by the Ordinary General Meeting on May 27, 2010 for six financial years. This term is expiring at the end of the General Meeting called on May 27, 2016.

The situation of your Statutory Auditors has been carefully examined by the Audit Committee. In view of the quality and efficiency of PricewaterhouseCoopers Audit's contribution to Legrand, especially on a technical level, which is highly appreciated both inside and outside the Company, and of its in-depth knowledge of the Group, the Audit Committee has declared itself favourable to renewing its term of office as principal Statutory Auditor.

In support of this proposition, your Board recommends that you renew the term of office of this principal Statutory Auditor, for a term of six financial years as provided for by law, until the General Meeting called in 2022 to approve financial statements for the year ended December 31, 2021.

For your information, please note that in 2015, fees were paid to PricewaterhouseCoopers Audit in a total amount of €2,766,463*, of which (i) €2,136,148 in respect of statutory auditors' assignments, *i.e.* review and certification of individual and consolidated financial statements, as well as other services directly related to the statutory auditors' assignment (the latter services concerning mainly diligence work carried out in the context of contemplated acquisitions), and (ii) €630,315 in respect of other services rendered by the network to integrated subsidiaries worldwide,

these being mainly assignments involving assistance with tax returns and occasional tax compliance services, it being specified that such services were mostly rendered in countries where PricewaterhouseCoopers Audit is not the local statutory auditor.

Appointment of a substitute Statutory Auditor (10th resolution)

The term of office of Mr. Yves Nicolas as substitute Statutory Auditor is expiring at the end of the General Meeting called on May 27, 2016. The tenth resolution therefore proposes appointing Mr. Jean-Christophe Georghiou as substitute Statutory Auditor for a term of six years, due to end after the General Meeting called in 2022 to approve financial statements for the year ended December 31, 2021.

Renewal of share buyback program (11th resolution)

This resolution asks that you grant your Board of Directors a new authorization to repurchase Company shares, with concomitant cancellation of the previous authorization, granted by the Combined General Meeting on May 29, 2015.

The goals of the buyback program would be:

- to ensure liquidity and active trading of Company shares;
- to (i) implement, in accordance with applicable legislation, (a) any and all plans relating to options to purchase new or existing shares, (b) any and all employee share-ownership transactions, (c) any and all free allocations of shares and share allotments for the purpose of profit-sharing, and (ii) undertake hedging transactions relating to these transactions;
- to hold and subsequently deliver shares by way of exchange or payment in connection with external growth operations;
- to grant shares upon the exercise of rights attached to securities providing access, either immediately or at some later date, to the Company's share capital;
- to cancel some or all of the shares so repurchased, provided that the resolution authorizing cancellation of shares repurchased under buyback programs is adopted; or
- to allow any other practice permitted or recognized by law or by the French Financial Markets Authority (*Autorité des Marchés Financiers*), or for any other purpose consistent with applicable regulations.

This resolution presents the same features as the one approved by the Combined Ordinary and Extraordinary General Meeting of May 29, 2015, except for the maximum purchase price per share which was previously set at €70 and which would be set at €75.

The share buyback program is limited to 10% of the Company's share capital at the date of the General Meeting called for May 27, 2016, minus the number of shares resold under a liquidity contract during the term of the authorization.

* For further details on statutory auditors' fees, please refer to page 251 of the Registration Document.

In any event, at no time would this authorization raise the number of shares held directly or indirectly by the Company to more than 10% of the total number of shares making up the Company's share capital at that time.

The shares repurchased and held by the Company would have no voting rights and would not be entitled to dividends.

We propose that you set the maximum purchase price per share at €75 (excluding acquisition fees and adjustment events) and limit the total amount appropriated for the share buyback program to €1 billion.

The authorization granted by this resolution would be valid for 18 months from the date of the General Meeting called for May 27, 2016. It could not be used during any period during which shares are made available through public offerings.

For reference, at December 31, 2015, the Board of Directors has used the previous authorization as follows:

- the total amount of buybacks implemented by the Company was €141.05 million;
- the Company held 156,595 shares with a par value of €4, for a total of €626,380, representing 0.06% of the Company's capital (of which 94,945 shares excluding liquidity contracts, purchased at a total cost of €3,108,748, to hedge its commitments towards beneficiaries of options or performance shares, and to an FCPE employee share-ownership fund under a profit-sharing program);
- the balance of the liquidity contract, entered into with Kepler Cheuvreux on May 29, 2007 and subsequently amended, stood at 61,650 shares.

■ II - RESOLUTIONS FOR THE EXTRAORDINARY GENERAL MEETING

Renewal of authorization to cancel shares repurchased under the share buyback programs (12th resolution)

Adoption of this resolution would enable the Company to reduce its share capital by cancelling some or all of the shares purchased under the share buyback programs authorized and implemented by the Company, thereby producing an accretive effect for shareholders.

In any 24-month period, these shares could be cancelled up to a limit of 10% of the Company's share capital at the date of the Combined Ordinary and Extraordinary General Meeting of May 27, 2016.

This resolution presents the same features as the one approved by the Combined Ordinary and Extraordinary General Meeting of May 27, 2014, except for the duration of validity of the authorization which has been lowered from twenty-six to eighteen months from the date of the General Meeting.

This authorization would be valid for 26 months from the date of this General Meeting of shareholders. If approved, it would invalidate all authorizations previously granted by the shareholders to the extent not used.

Authorization to allocate performance shares (13th resolution)

Legrand's business model is a value creating model that relies on two growth drivers: organic growth driven especially by innovation, and external growth from acquisitions of companies which are mainly local competitors with particularly fine market positions. These two development pillars obviously rely on a series of 'key people' comprising especially experts and managers.

Long-term incentive plans play a significant part in sustaining the Group's capacity to motivate and retain this human capital, in an international environment where the retention of high-performing staff has become a major competitive issue. Teams are thus focused on a shared objective in terms of growth and value creation.

The decision to allocate performance shares is made according to a rigorous selection process led by an *ad-hoc* committee with the aim of identifying the most high-performing and value-creating individuals throughout the Group's subsidiaries, especially in areas such as R&D, sales & marketing, etc.

In this context, in order to pursue the policy of retention and motivation of Group employees, considered an essential ingredient of Legrand's business model as a source of value creation for shareholders, your Board of Directors is proposing renewing the authorization granted by the General Meeting on May 24, 2013 in its ninth resolution, for the purpose of enabling the allocation of performance shares.

Use of this authorization would allow your Board of Directors to proceed with free share allocations, according to the following conditions:

- **Beneficiaries:** The allocations would be granted to employees and/or corporate officers of the Company or companies related to it as defined under Article L. 225-197-2 of the French Commercial Code or certain of these employees and/or corporate officers.

The total number of performance shares allocated to the Company's corporate officers could not represent more than 10% of the total allocations made on the basis of this authorization.

In accordance with Article L. 225-197-1 II of the French Commercial Code, your Board of Directors would specify the number of shares that the corporate officers would be required to hold throughout their term of office.

- **Type of shares allocated:** The allocations would consist of existing or newly issued shares of Company stock.

■ **Limit:** The shares allocated under this authorization could not represent more than 1.5% of the Company's share capital at the date the Board of Directors decides to allocate them (excluding adjustments).

■ **Vesting and holding periods:** The term of the vesting period and of any holding period, if applicable, would be set by your Board of Directors.

If a beneficiary were disabled as provided in the second or the third category referred to in Article L. 341-4 of the French Social Security Code (*Code de la Sécurité Sociale*), the shares would vest before the expiration of the vesting period.

■ **Presence condition:** Shares would only vest on the condition that the beneficiary is actually present within the Group at the time the vesting period expires. This requirement would apply to all beneficiaries.

■ **Performance conditions:** The number of shares vested in the beneficiaries would be determined at the end of a three-year period by applying a demanding set of performance conditions.

The Board of Directors is considering applying three performance criteria to the allocation of performance share plans subsequent to implementation of this authorization.

The first two criteria would be financial in nature and similar to those which determined allocation in previous plans.

In addition, in view of the fact that CSR related questions are at the heart of Legrand's development model, in a world faced

by environmental, societal and technological challenges on an ever increasing scale, your Board of Directors now considers it important to include the achievement of the Group's CSR commitments in its performance evaluation system.

In the framework of its multi-annual Sustainable Development Roadmap, Legrand has set itself ambitious goals and determined a number of priority targets to be reached, each of these priorities being supported by indicators designed to allow to track progress in the Group's CSR performance. In a spirit of transparency, Legrand has undertaken to provide communications about its CSR performance each year by publishing the progress of these indicators, which are also subjected to annual scrutiny by one of the Group's Statutory Auditors. (For an example with regard to the latter aspect, readers are invited to refer to chapter 4.7 of the Company's Registration Document, *Report by Statutory Auditors, appointed as an independent third-party body, on the consolidated workforce-related, environmental and societal information contained in the management report*).

Accordingly, your Board of Directors wishes to introduce a third performance condition into its performance share plans, namely the average of the annual attainment rate of Group CSR Roadmap priorities over a three-year period.

Performance share plans would thus be subject to three performance criteria, combining a financial and a non-financial dimension, with each of said criteria determining one third of the number of shares initially allocated to each beneficiary.

Type of performance criteria	Description of performance conditions
"External" financial performance criterion	Comparison between the arithmetic mean of Legrand consolidated EBITDA margin as shown in the consolidated financial statements of the three years preceding the day of expiry of the three-year vesting period and the arithmetic mean of EBITDA margins achieved by companies forming part of the MSCI World Capital Goods index over the same period
"Internal" financial performance criterion	Arithmetic mean of levels of <i>normalized free</i> cash flow as a percentage of sales, as shown in the consolidated financial statements of the three years preceding the day of expiry of the three-year vesting period, compared to the target level
Non-financial performance criterion	Arithmetic mean of average levels of attainment of Group Sustainable Development Roadmap priorities over a three-year period

It is thus being envisioned to test the three performance criteria over a three-year period, with the number of performance shares finally allocated to beneficiaries being calculated according to the following method:

1) "External" financial performance criterion, determining 1/3 of the number of shares initially allocated to beneficiaries

Average gap in Legrand's favour between Legrand and the MSCI average over a three-year period	2.9 points or less*	7.3 points*	9.5 points or more*
Pay-out rate**	0%	100%	150%

* The values of the limits are indicated in the table above for illustration purposes as to the calculation method for the "external" financial performance criterion. With respect to the performance share allocations following the General Meeting of Shareholders on May 27, 2016, the values of these limits will be the following:

- central point: Gap between Legrand and the MSCI average stated in 2015 (data available in June 2016);
- lower limit: Central limit minus 4.4 points;
- higher limit: Central limit plus 2.2 points.

** For any point between the limits given in the table above, the pay-out rate would be calculated in a linear way.

2) "Internal" financial performance criterion, determining 1/3 of the number of shares initially allocated to beneficiaries

Average normalized free cash flow as a percentage of sales over a three-year period	8.8% or less	12.2%	13.9% or more
Pay-out rate*	0%	100%	150%

* For any point between the limits given in the table above, the pay-out rate would be calculated in a linear way.

3) Non-financial performance criterion applicable to beneficiaries with the exception of the Executive Director, determining 1/3 of the number of shares initially allocated to beneficiaries

Average rate of attainment of Group CSR Roadmap priorities over a three-year period	Below 70%	Between 70% and 100%	Between 100% and 125%	Between 125% and 200%	Above 200%
Pay-out rate*	0%	Between 70% and 100%	Between 100% and 105%	Between 105% and 150%	Capped at 150%

* For any point between the limits given in the table above, the pay-out rate would be calculated in a linear way.

For the Executive Director, this third performance criterion could be applied even more stringently, as follows:

3b) Non-financial performance criterion applicable to the Executive Director, determining 1/3 of the number of shares initially allocated to the Executive Director

Average rate of attainment of Group CSR Roadmap priorities over a three-year period	Below 70%	Between 70% and 90%	Between 90% and 125%	Between 125% and 213%	Above 213%
Pay-out rate*	0%	Between 70% and 90%	Between 90% and 97%	Between 97% and 150%	Capped at 150%

* For any point between the limits given in the table above, the pay-out rate would be calculated in a linear way.

In total, taking into account these three performance conditions, the number of shares finally allocated could thus vary between 0 and 150% of the initial allocation.

No hedging instrument for shares allocated pursuant to this authorization would be implemented by the Company.

The Board of Directors would be authorized, if appropriate, to adjust, during the vesting period, the number of performance shares allocated, according to any operations aimed at the

Company's share capital, so as to maintain the entitlements of beneficiaries.

In the event of allocation of shares to be issued, this authorization would entail, at the end of the vesting period, a capital increase by incorporation of reserves, profits or issue premiums in favour of the beneficiaries of said share allocations, and a related waiver of shareholders' preferred subscription rights and of their entitlements to the reserves, profits or issue premiums

incorporated in this way, the capital increase being fully realized by sole virtue of the final allocation of shares to the beneficiaries.

This authorization would be valid for a period of 38 months from the date of the General Meeting called on May 27, 2016. If approved, it would invalidate the similar authorization granted by the Combined Ordinary and Extraordinary General Meeting on May 24, 2013, to the extent not used.

Please note that the Company implemented the previous authorization granted by the Combined Ordinary and Extraordinary General Meeting on May 24, 2013, as the Board on May 29, 2015 authorized the allocation of a target number of shares of 390,844 in total (subsequently raised to 392,333 then to 382,756 shares⁽¹⁾), i.e. 0.15% of share capital on May 26, 2015, with the allocation to the executive director representing 3.75% of the overall allocation.

Renewal of financial authorizations (resolutions 14 to 21)

Resolutions 14 to 21 cover the delegations of financial powers granted to your Board of Directors. The purpose of these resolutions is to renew certain authorizations established and

approved by the General Meeting of May 27, 2014, which are now expiring, and to enable the Board of Directors to manage the Company's finances, in particular by authorizing it to issue securities under certain circumstances and under certain conditions, depending on market opportunities and the Group's funding requirements.

Each resolution presented to you corresponds to a specific purpose for which your Board of Directors would be authorized to issue securities, with or without preferred subscription rights, depending on each case.

By voting these resolutions, you would give your Board of Directors a certain degree of flexibility by removing the requirement to call a General Meeting for each proposed issue of securities complying with the maximum limits strictly defined for each authorization and summarized in the table below (beyond said maximum limits, your Board of Directors would again need to request your authorization). As a result, the Board of Directors would adapt the type of securities and the investor profile more rapidly in response to market opportunities, allowing the Company to obtain the right funding as quickly as possible, meeting both its own needs and market requirements.

(1) In view of the conditions of dividend payment decided upon by the Company's Combined Ordinary and Extraordinary General Meeting on May 29, 2015, the number of performance shares allocated was adjusted in accordance with the provisions of Article L. 228-99 of the French commercial code, so as to acknowledge the impact of this operation on the interests of beneficiaries of performance share allocations: therefore, the initial allotment of 390,844 performance shares was increased to 392,333 shares. Following the decision made by Gilles Schnepf to renounce to a part of the performance shares which had been granted to him, the total of performance shares was reduced to 382,756 shares (such decision having been acknowledged by the Board of Directors on March 17, 2016)

Overview of limits on financial authorizations submitted for approval to the General Meeting on May 27, 2016

Nature of authorization	Resolution	Limit	Overall limit (21 st resolution)	Preferred subscription rights maintained? (Yes / No)	Duration	Expiry date
Issue of shares or complex securities with preferred subscription rights maintained	14 th resolution	Nominal amount of capital increases liable to be effected immediately and/or in the future: €200 million, i.e. around 18.74% of share capital Nominal amount of debt securities liable to be issued: €2 billion	Nominal amount of capital increases liable to be effected: €200 million, i.e. around 18.74% of share capital Nominal amount of debt securities (including bonds) liable to be issued: €2 billion	Yes	26 months	July 27, 2018
Issue of shares or complex securities through public offering with preferred subscription rights waived	15 th resolution	Nominal amount of capital increases liable to be effected immediately and/or in the future: €100 million, i.e. around 9.37% of share capital		No	26 months	July 27, 2018
Issue of shares or complex securities through private placement with preferred subscription rights waived	16 th resolution	Nominal amount of debt securities liable to be issued: €1 billion		No	26 months	July 27, 2018
Increase in the issue amounts, pursuant to resolutions 14, 15 and/or 16, in the event of excess demand	17 th resolution	15% of initial issue		Depends on the issue affected by over-allocation	26 months	July 27, 2018
Capital increase in favour of participants in employee share-ownership programs of the Company or Group	19 th resolution	€25 million To be counted towards the €100 million limit set in resolutions 15 and 16		No	26 months	July 27, 2018
Issue of shares to provide consideration for in-kind contributions to the Company	20 th resolution	Nominal amount of capital increases liable to be effected immediately and/or in the future: 5% of share capital (i.e. around €53.38 million) To be counted towards the €100 million limit set in resolutions 15 and 16 Nominal amount of debt securities liable to be issued: €1 billion To be counted towards the €1 billion limit set in resolutions 15 and 16		No	26 months	July 27, 2018
Renewal of the share buyback program	11 th resolution	10% of share capital (i.e. around €106.77 million)			18 months	November 27, 2017
Reduction in capital stock by cancellation of shares	12 th resolution	10% of share capital per 24-month period			18 months	November 27, 2017
Capital increase through incorporation of reserves, profit, premiums or other items	18 th resolution	€100 million			26 months	July 27, 2018

Features of the financial resolutions submitted to the General Meeting of Shareholders on May 27, 2016 compared to the financial resolutions approved by the General Meeting of Shareholders on May 27, 2014

As far as applicable limits are concerned, the resolutions submitted to your approval present the same features as those approved by the Combined Ordinary and Extraordinary General Meeting on May 27, 2014.

To restore the 'neutrality' principle subsequent to the entry into force of French law No. 2014-384 of March 29, 2014 (the so-called 'Florange Act'), the resolutions which were approved by the Combined Ordinary and Extraordinary General Meeting on May 27, 2014 were subsequently complemented by the Combined Ordinary and Extraordinary General Meeting on May 29, 2015 to restrict their use during periods of public offerings aimed at Company shares. Your Board of Directors proposes extending the application of the neutrality principle principle, by virtue of which your Board could not, without prior authorization by the General Meeting, make use of delegations granted it from the date of lodging of a third-party public offering aimed at Company shares until the end of the offer acceptance period.

Please note that the wording of the resolutions submitted to your approval has been adjusted compared to those which were previously submitted, to take account of the changes to the French Commercial Code provided for in legislative order No. 2014-863 dated July 31, 2014. Until the entry into force of this order, the issue of securities giving access to share capital or entitlement to debt securities fell within the scope of the Extraordinary General Meeting even where such issue entailed no potential capital increase. Henceforth, the involvement of the Extraordinary General Meeting is restricted to issues which have a dilutive effect entailing, either immediately or in the future, an increase in Company capital. The issue of securities entailing no potential increase in Company capital, on the other hand, are part of the scope of responsibility of your Board of Directors.

Information on preferred subscription rights

Any capital increase in cash would theoretically involve offering you preferred subscription rights to the new shares entitling you to subscribe, for a defined period, a certain number of shares in proportion to your existing shareholdings. This preferred subscription right may be detached from the shares and can be traded throughout the subscription period.

Please note that approval of some of these resolutions would result in capital increases without preferred subscription rights, for the following reasons:

- depending on market conditions, it may be necessary to eliminate your preferred subscription rights in order to issue securities as successfully as possible. This may be the case, for example, if the success of the issue depends on the Company's ability to act quickly, or if the Company is selling securities to investors outside France, or responding to an exchange offer.

In some instances, eliminating your preferred subscription rights might allow the Company to raise the capital it requires for investments more quickly, by offering the newly issued securities on more favourable terms (for example, by gaining faster access to qualified investors as defined by applicable regulations);

- in addition, your vote in favour of certain resolutions constitutes an express waiver of your preferred subscription right, without further process, in favour of the beneficiaries of the issues or allocations concerned, for example in the event of a capital increase restricted to participants in a share ownership savings plan.

Under these conditions, we therefore propose that you grant your Board of Directors the following powers, it being specified that, if it should make use of them, your Board of Directors would, as required by applicable regulations, draw up an additional report describing the final conditions of the issue decided upon. This report, together with Statutory Auditors' reports, would then be made available to you at head office and subsequently presented to you at the next General Meeting.

Delegation of powers granted to the Board of Directors for the purpose of issuing shares or complex securities, with preferred subscription rights maintained (14th resolution)

Using this authorization could enable your Board of Directors to strengthen the Company's equity and financial structure and/or to contribute to funding a capital expenditure program.

Shareholders exercising their preferred subscription rights would experience no dilution, while those not exercising their preferred subscription rights could opt to trade them.

The authorization you are being asked to grant is characterized as follows:

- **preferred subscription rights maintained;**
- **applicable limits:**
 - nominal amount of capital increases liable to be effected immediately and/or in the future: €200 million, *i.e.* to date around 18.74% of share capital,
 - nominal amount of bonds and other debt securities liable to be issued: €2 billion,
 - the authorization would also be counted towards the overall limits provided for in the twenty-first resolution of (i) €200 million for capital increases by way of issuance of shares or securities and (ii) €2 billion for the total nominal amount of debt securities (including bonds) issued;
- **suspension of the authorization during periods of public offerings aimed at Company shares;**
- **duration of authorization:** 26 months.

This delegation of powers replaces, from this day, the delegation of powers provided for in the twelfth resolution adopted at the

Combined Ordinary and Extraordinary General Meeting of May 27, 2014, to the extent not used, it being specified that no use was made of the latter authorization.

Delegation of powers granted to the Board of Directors for the purpose of issuing, by public offering, shares or complex securities, with preferred subscription rights waived (15th resolution)

If accepted, this delegation of powers would enable the Company to access additional sources of funding by calling upon investors or Company shareholders; such a diversification in sources of funding could prove useful to the Company.

The authorization you are being asked to grant is characterized as follows:

- **preferred subscription rights waived;**
- **applicable limits:** the limits hereafter comply with the recommendations of the majority of proxy advisors, and may not give rise to capital increases greater than 10% of the amount of the Company's capital at the date of the General Meeting:
 - €100 million for the total nominal amount of capital increases liable to be effected immediately and/or in the future. This amount would also be counted towards the nominal limit set in the sixteenth resolution and towards the €200 million overall limit set in the twenty-first resolution,
 - €1 billion for the total nominal amount of debt securities (including bonds) issued. This amount would also be counted towards the nominal limit set in the sixteenth resolution and towards the €2 billion overall limit set in the twenty-first resolution;
- **price:**
 - **for shares:** the issue price of ordinary shares would be at least equal to the minimum provided for by the laws and regulations applicable on the day of issue (for purposes of illustration, this minimum is currently the weighted average market price of Company shares over the three trading days preceding the date the price is set, less a discount of 5%, where necessary after adjustment of the average to allow for differences in the dates from which shares carry entitlements),
 - **for securities:** the issue price and the number of new shares to which each such security may give rise will be such that the amount immediately received by the Company, together with any amount it may later receive, is, for each share issued as a consequence of the issue of these securities, at least equal to the minimum issue price as provided for in the previous paragraph;
- **priority entitlement:** your Board of Directors could decide to grant you a priority subscription entitlement on part or all of the issue; contrary to the preferred subscription right, this priority subscription entitlement may not be traded;
- **suspension of the authorization during periods of public offerings aimed at Company shares;**
- **duration of authorization:** 26 months.

This delegation of powers replaces, from this day, the delegation of powers provided for in the thirteenth resolution adopted at the Combined Ordinary and Extraordinary General Meeting of May 27, 2014, to the extent not used, it being specified that no use was made of the latter authorization.

Delegation of powers granted to the Board of Directors for the purpose of issuing, by means of an offer within the scope of section II of Article L. 411-2 of the French Monetary and Financial Code ('Code monétaire et financier') (private placement), shares or complex securities, with preferred subscription rights waived (16th resolution)

If accepted, this delegation of powers would enable the Company to avail of a funding method faster than a capital increase by public offering, and would open up simpler access to qualified investors.

The authorization you are being asked to grant is characterized as follows:

- **preferred subscription rights waived;**
- **applicable limits:** the limits hereafter comply with the recommendations of the majority of proxy advisors, and may not give rise to capital increases greater than 10% of the amount of the Company's capital at the date of the General Meeting:
 - €100 million for the total nominal amount of capital increases liable to be effected immediately and/or in the future. This amount would also be counted towards the nominal limit set in the fifteenth resolution and towards the overall limit of €200 million set in the twenty-first resolution,
 - €1 billion for the total nominal amount of debt securities (including bonds) issued. This amount would also be counted towards the nominal limit set in the fifteenth resolution and towards the overall limit of €2 billion set in the twenty-first resolution,
 - in any event, as provided for by applicable regulations, the total amount of capital increases which may be effected pursuant to this delegation of powers could not annually exceed 20% of the Company's capital stock on the date of issue (this legal limit being calculated at the time of drafting this report and given for information purposes only);
- **price:**
 - **for shares:** the issue price of shares would be at least equal to the minimum provided for by the laws and regulations applicable on the day of issue (for purposes of illustration,

this minimum is currently the weighted average market price of Company shares over the three trading days preceding the date the price is set, less a discount of 5%, where necessary after adjustment of the average to allow for differences in the dates from which shares carry entitlements),

- **for securities:** the issue price and the number of new shares to which each such security may give rise will be such that the amount immediately received by the Company, together with any amount it may later receive, is, for each share issued as a consequence of the issue of these securities, at least equal to the minimum issue price as provided for in the previous paragraph;

■ **suspension of the authorization during periods of public offerings aimed at Company shares;**

■ **duration of authorization:** 26 months.

This delegation of powers replaces, from this day, the delegation of powers provided for in the fourteenth resolution adopted at the Combined Ordinary and Extraordinary General Meeting of May 27, 2014, to the extent not used, it being specified that no use was made of the latter authorization.

Delegation of powers granted to the Board of Directors for the purpose of increasing the amount of issues made with preferred subscription rights maintained or waived in the event of excess demand (17th resolution)

By enabling an increase in the amount initially envisaged for the operation, this scheme would help to avoid reducing subscriptions in the event of strong demand.

The authorization you are being asked to grant is characterized as follows:

- **limit:** determined by applicable regulations (currently 15% of first issue);
- **deadline:** determined by applicable regulations (currently within 30 days of closure of subscription);
- **applicable limits:** the applicable limits are those set by the resolution pursuant to which the first issue was made;
- **price:** same as that chosen for the first issue;
- **preferred subscription rights:** waived or maintained according to the issue affected by over-allotment;
- **suspension of the authorization during periods of public offerings aimed at Company shares;**
- **duration of authorization:** 26 months.

This delegation of powers replaces, from this day, the delegation of powers provided for in the fifteenth resolution adopted at the Combined Ordinary and Extraordinary General Meeting of May 27, 2014, to the extent not used, it being specified that no use was made of the latter authorization.

Delegation of powers granted to the Board of Directors for the purpose of increasing share capital through incorporation of reserves, profit, premiums or other items which may be capitalized under applicable regulations (18th resolution)

Such an operation would not affect shareholder rights as, under these conditions, the increase in Company share capital would be effected not through additional funding but simply by direct transfer to the 'equity' account. Such an operation would involve either the issue of new shares allocated free of charge to all shareholders on the day of the decision to incorporate, or an increase in the par value of existing shares.

The authorization you are being asked to grant is characterized as follows:

■ **applicable limit:** €100 million. This limit would be independent of any other limit relative to the issue of shares or other securities which might be authorized or delegated by the General Meeting on May 27, 2016;

■ **means used:**

- allocation of shares,
- increase in the par value of existing shares, or
- any combination of these two;

■ **suspension of the authorization during periods of public offerings aimed at Company shares;**

■ **duration of authorization:** 26 months.

This delegation of powers replaces, from this day, the delegation of powers provided for in the sixteenth resolution adopted at the Combined Ordinary and Extraordinary General Meeting of May 27, 2014, to the extent not used, it being specified that no use was made of the latter authorization.

Delegation of powers granted to the Board of Directors for the purpose of issuing shares or complex securities in favour of participants in employee share-ownership programs of the Company or Group, with preferred subscription rights waived (19th resolution)

If approved, the previous resolutions would grant the Board of Directors delegations of powers which would entail the correlative legal obligation to present you with a draft resolution enabling a capital increase specifically in favour of employees.

You are therefore asked to delegate to your Board of Directors the power to issue shares and/or complex securities, with waiver of shareholders' preferred subscription rights, in favour of employees and former employees of the Company and of the French and foreign companies connected to the Company within the meaning of Article L. 3344-1 of the French Labour Code, insofar as these employees and former employees participate in an employee share-ownership program of the Company or of the Group (or in any other plan whose participants may, pursuant to Articles L. 3332-1 *et seq.* of the French Labour Code or any analogous law or regulation, enjoy the restrictive benefit of a capital increase under equivalent conditions).

The authorization you are being asked to grant is characterized as follows:

- **preferred subscription rights waived** to the benefit of participants in Company employee share-ownership programs;
- **applicable limits:**
 - €25 million,
 - the authorization would be counted towards the €100 million nominal limit set in the fifteenth and sixteenth resolutions and the €200 million overall limit set in the twenty-first resolution;
- **price:** the issue price of the new shares would be equal to the average market price for Company shares over the twenty trading days preceding the date on which the opening date for subscription is decided on, less a discount up to the maximum allowed by law at the date of the Board of Directors' decision, it being understood that the Board of Directors might reduce or cancel this discount if it deemed it appropriate.

In the scope of this delegation of powers, the Board of Directors would be able to allocate free shares or other securities giving access to the Company's share capital, in substitution for any discount and/or Company contribution, within the limits provided for in Article L. 3332-21 of the French Labour Code;

- **duration of authorization:** 26 months.

This delegation of powers replaces, from this day, the delegation of powers provided for in the seventeenth resolution adopted at the Combined Ordinary and Extraordinary General Meeting of May 27, 2014, to the extent not used, it being specified that no use was made of the latter authorization.

Delegation of powers granted to the Board of Directors for the purpose of issuing shares or complex securities providing access to share capital as consideration for contributions in kind to the Company, with preferred subscription rights waived to the benefit of holders of the shares or securities provided as said contributions in kind (20th resolution)

This resolution asks you to delegate to your Board of Directors all necessary powers to issue ordinary shares and complex securities, for the purpose of providing consideration for in-kind contributions to the Company in the form of shares or other securities providing access to share capital.

This delegation would enable the conclusion of external growth transactions in France and elsewhere, as well as the buyback of minority interests in the Group, without impacting Company cash flow.

The authorization you are being asked to grant is characterized as follows:

- **preferred subscription rights waived** to the benefit of holders of shares or securities that are the subject of contributions in kind;
- **applicable limits:**
 - 5% of share capital at the time of issue, for the nominal amount of capital increases liable to be effected immediately and/or in the future. This amount would also be counted towards the €100 million nominal limit set in the fifteenth and sixteenth resolutions and the €200 million overall limit set in the twenty-first resolution,
 - €1 billion for the total nominal amount of debt securities issued. This amount would also be counted towards the €1 billion nominal limit set in the fifteenth and sixteenth resolutions and the €2 billion overall limit for debt securities set in the twenty-first resolution;
- **suspension of the authorization during periods of public offerings aimed at Company shares;**
- **duration of authorization:** 26 months.

This delegation of powers replaces, from this day, the delegation of powers provided for in the eighteenth resolution adopted at the Combined Ordinary and Extraordinary General Meeting of May 27, 2014, to the extent not already used, it being specified that the latter authorization was not used.

Please note that a complete overview of currently applicable delegations and authorizations granted to the Board of Directors by the General Meeting as well as their use during the financial year can be found in chapter 9.2.1.1 of the Company's Registration Document.

Powers to effect formalities (22nd resolution)

This resolution is customary and would allow your Board of Directors to proceed with all legally required filings, formalities and publications after the General Meeting of Shareholders called for May 27, 2016.

Executed on March 17, 2016 by the Board of Directors