

# 2018

# NOTICE OF MEETING

Combined ordinary and extraordinary  
general meeting

**THURSDAY, JUNE 7 2018 AT 3:00 PM**

GRAND AUDITORIUM OF THE PALAIS DES CONGRÈS  
PORTE MAILLOT - 75017 PARIS





SAINT-GOBAIN DESIGNS,  
MANUFACTURES AND DISTRIBUTES  
MATERIALS AND SOLUTIONS  
WHICH ARE KEY INGREDIENTS IN  
THE WELLBEING OF EACH OF US  
AND THE FUTURE OF ALL.

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General Meeting web page:  
<http://www.saint-gobain.com/fr/finance/assemblee-generale>

# Message from the Chairman and Chief Executive Office



*“Your involvement in the meeting is important to us at Saint-Gobain and we sincerely hope that you will be able to take part. You will find all the information you need to that effect in this document.”*

Dear Shareholders,

2017 was an excellent year for Saint-Gobain. Growth was strong in all regions and even improved as the year progressed with the upturn in the global economy. Our markets are being underpinned by positive growth in Europe, the United States, China and emerging countries. Our good results reflect the effectiveness of our strategy: design, manufacture and distribute materials that help creating great living places and improve daily life.

This strategy has in particular taken into account new consumption patterns created by the digital explosion. The boundary between professionals and consumers is fading, and the end-user has become a specifier of our solutions, and at times even the decision maker. In 2017, we have gone even further in developing close relationships with these end-users by reinforcing our brand image and speaking with a louder voice. For example, in France, we launched an advertising campaign emphasizing “materials that power life.” Comfort, performance and durability: these are the promises made to our customers.

All the developments of 2017 and the Group’s outlook will be outlined in detail at the General Meeting, to which I have the pleasure to invite you on behalf of Compagnie de Saint-Gobain.

The General Meeting will be held at 3:00 pm on Thursday June 7, 2018 in the Grand Auditorium of the Palais des Congrès, Porte Maillot (Paris 17<sup>th</sup> arrondissement).

Thank you in advance for the consideration you will give to the resolutions on which you will be voting, and please accept my sincerest regards.

**Pierre-André de Chalendar**

Chairman and Chief Executive Officer

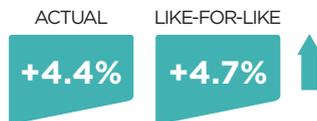
# 1

## SAINT-GOBAIN IN 2017

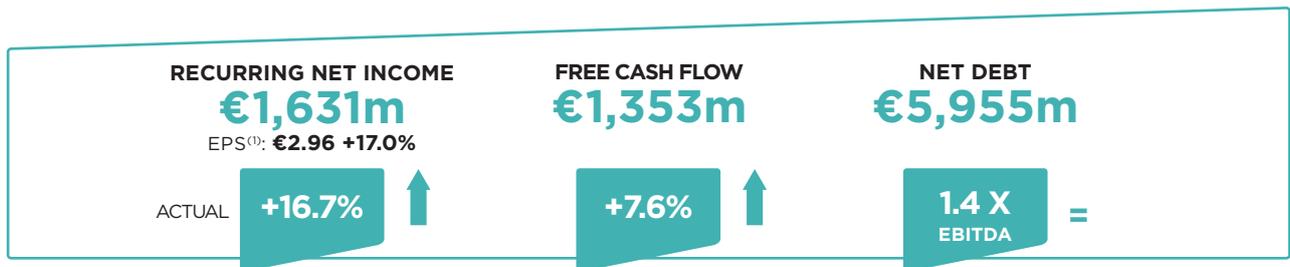
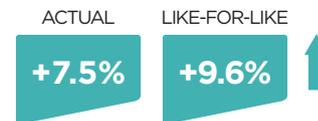
The 2017 consolidated financial statements were approved and adopted by Saint-Gobain's Board of Directors at its meeting of February 22, 2018. The consolidated financial statements were audited and certified by the Statutory Auditors.

### 2017 Key Figures

**SALES**  
**€40.8bn**



**OPERATING INCOME**  
**€3,028m**  
operating margin: 7.4%, +20BP



CHANGES BASED ON 2017 VS. 2016

### Further strong progress in results

- Solid organic growth in all Business Sectors and regions (up 4.7%); acceleration in H2 (up 6.0%) and in Q4 (up 6.5%)
- Positive trends in sales prices, up 2.0%; acceleration in H2 (up 2.3%) and in Q4 (up 2.7%)
- Further rise in operating income, up 9.6% like-for-like, and in operating margin, up to 7.4% from 7.2%
- Further strong increase in recurring net income<sup>(1)</sup>, up 16.7%
- Free cash flow<sup>(2)</sup> up 7.6% to €1,353 million
- Ahead of our strategic objectives, with €641 million in acquisitions and €290 million in cost savings
- Net debt at €5.95 billion (versus €5.64 billion at end-2016); buyback of 8.3 million shares during the year
- 2017 dividend up at €1.30 per share, to be paid wholly in cash

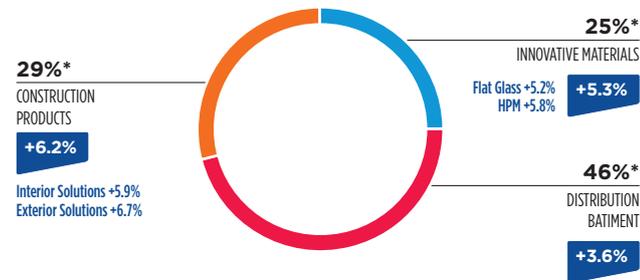
(1) Recurring net income: net attributable income excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.

(2) Cash flow from operations excluding the tax impact of capital gains and losses on disposals, asset write-downs and material non-recurring provisions, less capital expenditure.

## 1.1 Operating Performance

### NET SALES IN 2017

% internal growth and % Business Sector vs. Group Sales

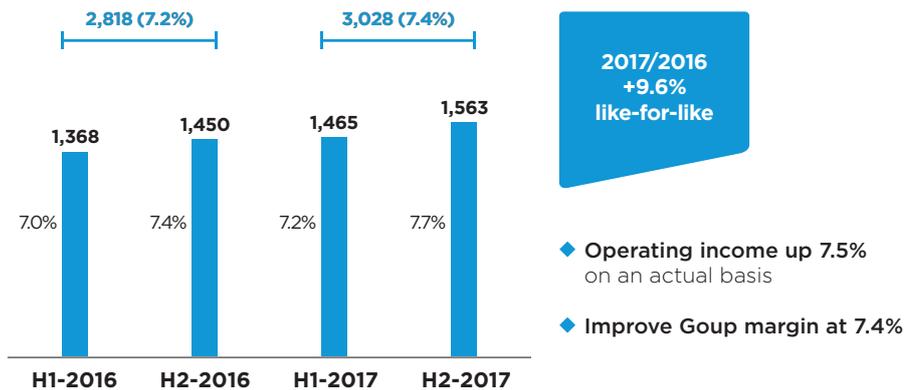


\* 2017 Sales breakdown.

The Group's 2017 sales totaled **€40,810 million**, up 4.4% on a reported basis and **up 4.7% like-for-like**. Organic growth was driven both by higher volumes (up 2.7%) and higher prices (up 2.0%) in

### OPERATING INCOME

(in EUR million and % of sales)



The year was also marked by the cyber-attack on June 27; the Group was able to react swiftly not only to re-establish a return to normal in our operating activities, but also to reinforce our defenses. The impact on 2017 is estimated at a negative €80 million on operating income. Overall, around half of the impact of the cyber-attack concerned Building Distribution, while the rest concerned the Group's industrial businesses, particularly Construction Products. From a geographical perspective, Western European countries were the hardest hit, especially Nordic countries, Germany and France.

**Capital expenditure** increased to **€1.54 billion** in 2017 from €1.37 billion in 2016, and focused on growth capex outside Western Europe, Industry 4.0 and digitalization.

all Business Sectors and all regions, despite the adverse impact of the June 2017 cyber-attack. The price effect continued to grow (up 2.3% in the second half), against a backdrop of rising raw material and energy costs over the course of the year.

The **Group structure impact** added 0.9% to growth as the Group's stepped up its acquisitions with the consolidation of companies in Asia and emerging countries (Emix, Tumelero, Solcrom, Megaflex), in new niche technologies and services (H-Old, France Pare-Brise, Scotframe), and to consolidate our strong positions (Glava, Pietta Glass, SimTek, bolt-on acquisitions in Building Distribution).

However, overall growth was tempered by a negative 1.2% **currency effect** over the year (a negative 2.6% in the second half), mainly reflecting the depreciation of the pound sterling, US dollar and certain Asian and emerging country currencies against the euro.

The **Group's operating margin<sup>(1)</sup> widened to 7.4%** from 7.2% in 2016, with 7.7% for the second half (versus 7.4% in second-half 2016). There was a further like-for-like increase in operating income, up 12.4% in the second half, bringing growth over the full year to 9.6%.

The Group achieved **€290 million in cost savings** compared to 2016, exceeding its objectives.

**Free cash flow** showed a clear improvement, up 7.6% to €1,353 million.

**Operating working capital requirements** remained stable at a good level of 28 days.

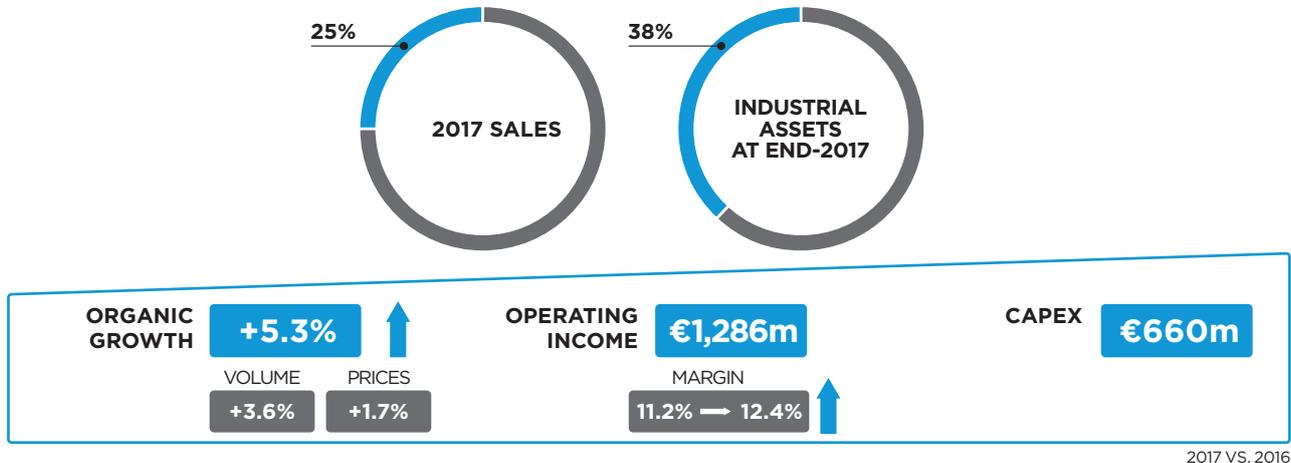
The Group stepped up its **acquisitions**, which represented over €500 million in full-year sales.

Legal proceedings initiated by Schenker-Winkler Holding to restore its voting rights are in progress. Saint-Gobain remains confident in the outcome of its plan to acquire a controlling interest in Sika.

(1) Operating margin = Operating income expressed as a percentage of sales.

## 1.1.1 Operating performance by Business Sector

### A) Innovative Materials



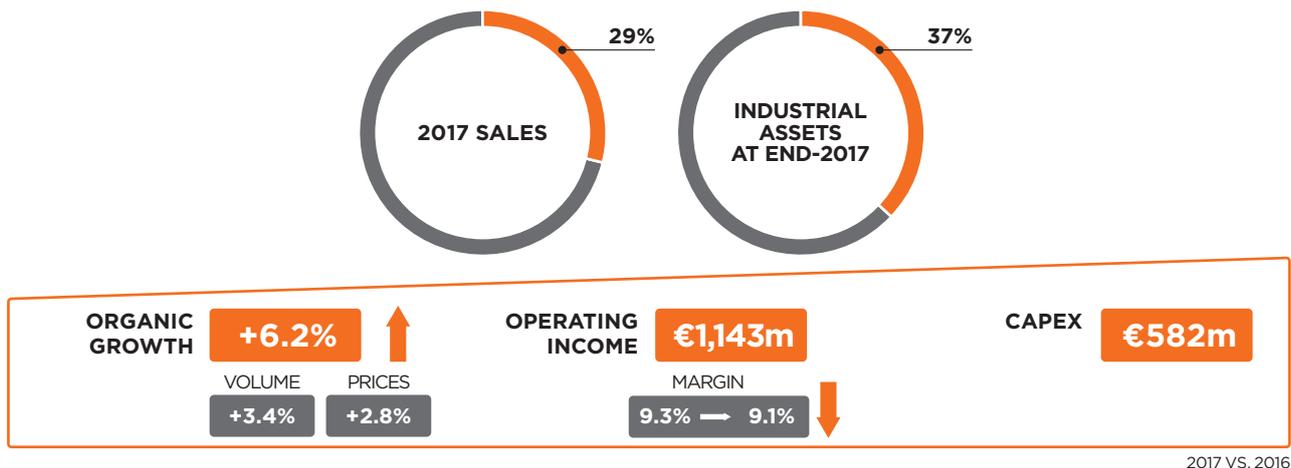
**Innovative Materials** sales climbed 5.3% like-for-like over the year and 6.5% in the second half. The operating margin for the Business Sector improved significantly, to 12.4% from 11.2%, spurred by both Flat Glass and High-Performance Materials.

◆ **Flat Glass** like-for-like sales increased 5.2% over the year (up 4.7% in the second half). Automotive glass advanced in all regions in terms of both sales and orders, bolstered in particular by strong momentum in Asia and emerging countries. Sales linked to the construction market in Western Europe improved, with float glass price trends stabilizing and higher prices for transformed glass in the second half; Asia and emerging countries continued to grow. Organic growth along with a positive price-cost

spread for raw materials and energy drove a further rally in the operating margin, up to 10.1% from 9.1% in 2016.

◆ **High-Performance Materials (HPM)** sales rose 5.8% on a like-for-like basis (up 9.2% in the second half), lifted by all regions and especially Asia and emerging countries. After a hesitant start to the year, North America saw good momentum in the second half. All HPM businesses reported growth over the year, particularly Ceramics on the back of strong sales in the second half. The operating margin continued to improve, up to 15.1% from 13.7% in 2016 driven by volumes, amid limited increases in raw material and energy costs.

### B) Construction Products



**Construction Products (CP)** reported 6.2% organic growth, with 8.8% in the second half. The operating margin was 9.1% versus 9.3% in 2016, affected primarily by the timelag between pricing and cost increases, with however a more significant pricing effect at the end of the year.

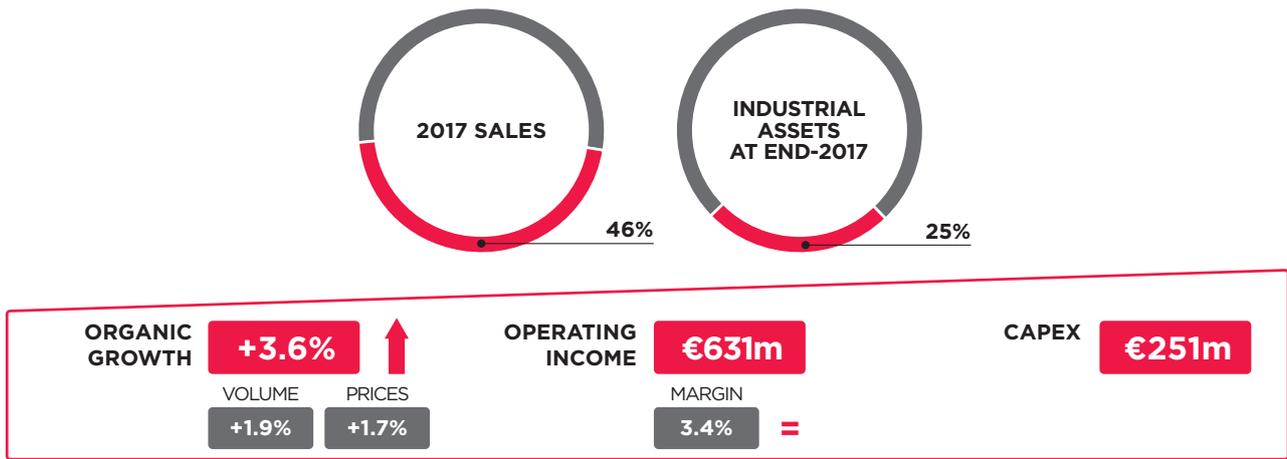
◆ **Interior Solutions** like-for-like sales moved up 5.9% over the year and 7.6% in the second half, spurred by growth in Asia and emerging countries. Volumes continued to pick up in Western Europe and especially France. Trading in North America improved in the second half. Prices rose significantly, with an

acceleration over the course of the year, but remained behind the sharp increase in raw material and energy costs. This led to a decline in the margin, at 9.5% in 2017 versus 10.3% in 2016.

- ◆ **Exterior Solutions** reported 6.7% organic growth in 2017, driven by an improvement in all businesses in the second half (up 10.1%) and particularly Exterior Products in the US. In the second half, this business benefited from additional weather-related demand in the US, whilst the pricing environment remained tough. Pipe began to recover, led by the rise in prices amid

strong inflation in raw material costs; volumes were down over the year, hit by the lack of major export contracts, but stabilized in the second half thanks to the upturn in Brazil and the improvement in China. Mortars had a very good year, reporting an acceleration in growth in the second half thanks to Asia and emerging countries, with an improved performance in Brazil in a construction market that nevertheless remains uncertain. The operating margin moved up to 8.4% from 7.9% in 2016 despite raw material and energy cost inflation.

### C) Building Distribution



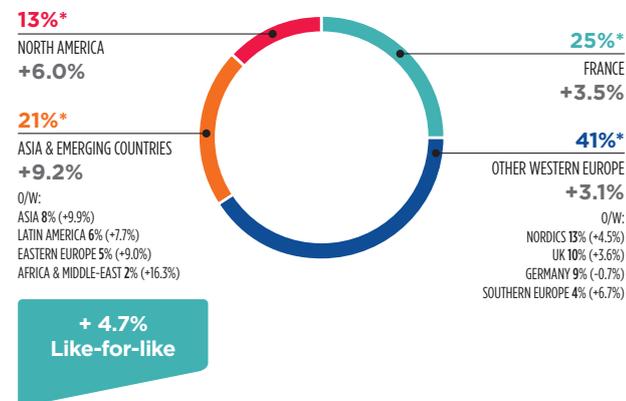
**Building Distribution** posted 3.6% organic growth for the year, with 4.1% in the second half. Trading in France continued to recover, led by good momentum in new-builds and the progress in renovation. Nordic countries enjoyed robust growth throughout the year, as did the Netherlands and Spain. The UK grew at the same rate in the second half as in the first half, with prices rising but volumes down.

Germany and Brazil contracted slightly. The operating margin for 2017 remained stable at 3.4%, despite the impact of the cyber-attack and of the acceleration in digital investments, edging up to 4.1% in the second half (versus 4.0% in second-half 2016).

### 1.1.2 Operating performance by region

#### SALES TRENDS BY REGION

(% change 2017/2016 like-for-like sales)



\* Breakdown of 2017 sales.

- ◆ **France** confirmed its recovery over the year with 3.5% organic growth, including 4.8% in the second half buoyed by dynamic new-build activity and progress in renovation. The operating margin for 2017 widened, at 3.1% versus 2.9% in 2016.
- ◆ **Other Western European countries** saw like-for-like sales growth of 3.1%, with 3.6% growth in the second half. This reflects advances in all our countries with the exception of Germany which remains hesitant, affected by production transfers. The UK delivered further growth driven by prices, despite volumes settling and a lack of visibility. The operating margin was down, at 5.9% compared to 6.2% in 2016, hit by the impact of the cyber-attack which primarily affected this region, and by the rise in raw material and energy costs.
- ◆ **North America** improved, posting like-for-like growth of 6.0%, including 9.8% growth in the second half. Construction volumes continued to trend well, boosted namely by additional weather-related demand in the second half; industry also saw a good improvement overall. The price effect improved slightly in an

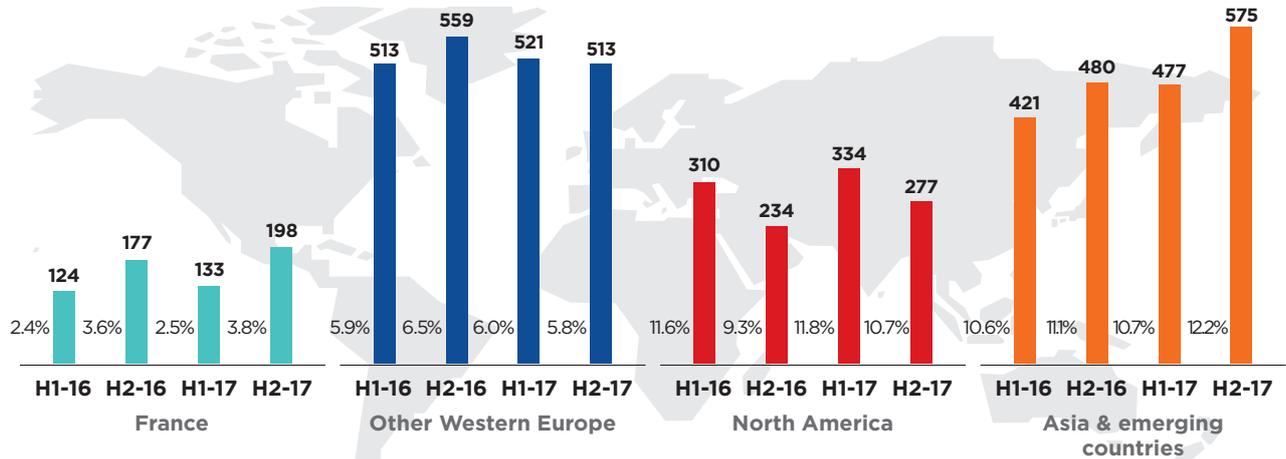
inflationary cost environment. The operating margin gained ground, up to 11.3% from 10.5% in 2016.

- ◆ **Asia and emerging countries** continued to advance, posting robust organic growth of 9.2% led by all regions. Growth came in

at 11.4% in the second half, driven by an improved performance in Brazil in particular. The operating margin continued to rise, up to 11.5% from 10.9% in 2016.

#### OPERATING INCOME BY REGION

(in EUR million and % of sales)



## 1.2 Financial Results

Consolidated **sales** increased by 4.7% like-for-like, led by both volumes and prices. On a reported basis, sales were up 4.4% with a negative 1.2% **currency impact** (even stronger in the second half at -2.6%), due mainly to the depreciation of the pound sterling, US dollar and certain Asian and emerging country currencies against the euro. The positive 0.9% **Group structure impact** essentially reflects the consolidation of acquisitions made in Asia and

emerging countries, in new niche technologies and services, and to consolidate our strong positions.

**Operating income** increased 7.5% on a reported basis despite a negative currency effect, and by 9.6% like-for-like. The operating margin stood at 7.4% of sales versus 7.2% of sales in 2016.

**EBITDA** climbed 5.9% to €4,234 million, or 10.4% of sales (10.2% of sales in 2016).

### Business income

(in EUR million)

	2016	2017	2017/2016	Like-for-like change
<b>Operating income</b>	<b>2,818</b>	<b>3,028</b>	<b>+7.5%</b>	<b>+9.6%</b>
Non-operating costs	(312)	(337)		
o/w for asbestos-related litigation	(90)	(90)		
o/w other expenses	(222)	(247)		
Other operating expenses	(202)	(180)		
o/w disposal gains (losses)	(12)	57		
o/w asset write-downs	(190)	(237)		
<b>Business income</b>	<b>2,304</b>	<b>2,511</b>	<b>+9.0%</b>	

**Non-operating costs** were higher at €337 million versus €312 million in 2016, with a decrease in restructuring costs but a rise in litigation-related expenses. Non-operating costs include a €90 million accrual to the provision for asbestos-related litigation involving CertainTeed in the US, unchanged from 2016.

**The net balance of capital gains and losses on disposals, asset write-downs and corporate acquisition fees** was an expense of €180 million compared to an expense of €202 million in 2016. In 2017, this item includes €237 million in asset write-downs and €57 million in gains on disposals of assets less acquisition fees. **Business income** rose 9.0%.

## Net income

(in EUR million)

	2016	2017	2017/2016
<b>Net financial expense</b>	<b>541</b>	<b>448</b>	
Average cost of gross debt	3.4%	2.8%	
<b>Income tax</b>	<b>416</b>	<b>438</b>	
Taxrate on recurring net income	27%	25%	
<b>Net attributable income</b>	<b>1,311</b>	<b>1,566</b>	<b>+19.5%</b>
EPS (in EUR)	2.36	2.84	+20.3%
<b>Recurring net income*</b>	<b>1,398</b>	<b>1,631</b>	<b>+16.7%</b>
Recurring EPS (in EUR)	2.53	2.96	+17%

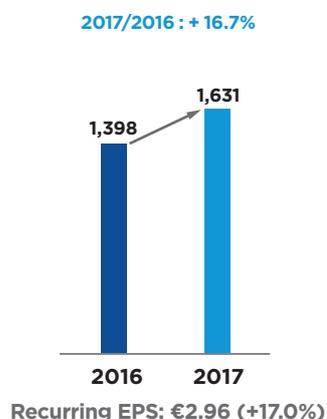
\* For continuing operations.

**Net financial expense** improved sharply, down 17.2% to €448 million from €541 million in 2016. This primarily reflects the decrease in the cost of gross debt to 2.8% at December 31, 2017 from 3.4% at end-2016.

The tax rate on recurring net income was 25% compared to 27% in 2016, owing mainly to items such as the reimbursement of the 3% tax on dividends in France. **Income tax expense** was €438 million versus €416 million in 2016, with the US tax reform resulting in a non-recurring gain of €91 million.

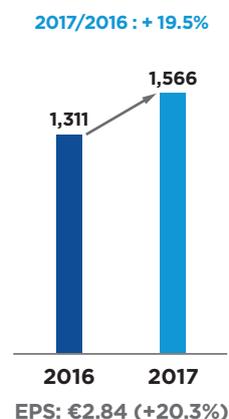
### RECURRING NET INCOME\*

(in EUR million)



### NET INCOME\*\*

(in EUR million)



**Recurring net income** (excluding capital gains and losses, asset write-downs and material non-recurring provisions) jumped 16.7% to €1,631 million.

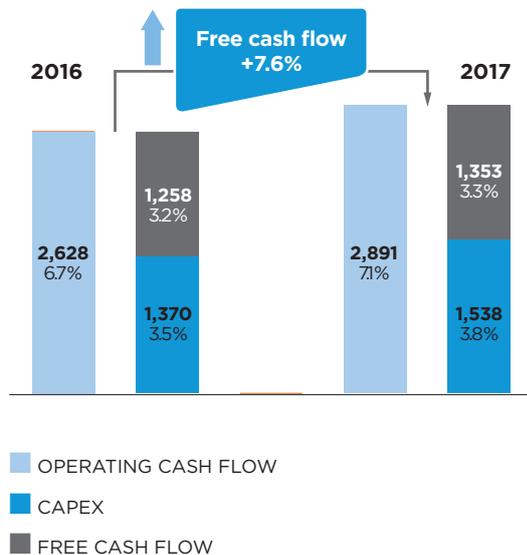
**Net attributable income** climbed 19.5% to €1,566 million in 2017.

\* Net income from continuing operations excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.

\*\* Net attributable income.

## CASH FLOW FROM OPERATIONS\* AND CAPEX

(in EUR million and % of sales)



\* Cash flow from operations excluding the tax impact of capital gains and losses on disposals, asset write-downs and material non-recurring provisions.

**Capital expenditure** totaled €1,538 million (€1,370 million in 2016), representing 3.8% of sales (3.5% of sales in 2016).

**Cash flow from operations** improved, up 9.9% to €3,020 million (€2,749 million in 2016). Before the tax impact of capital gains and losses on disposals, asset write-downs and material non-recurring provisions, cash flow from operations climbed 10.0% to €2,891 million and **free cash flow** increased 7.6% to €1,353 million (3.3% of sales versus 3.2% of sales in 2016).

**Operating working capital requirements (WCR)** remained stable at a good level of 28 days' sales, a rise of €130 million in value terms (to €3,140 million).

**Investments in securities** picked up pace, at €641 million (€362 million in 2016), and relate to targeted acquisitions in Asia and emerging countries (Megaflex, Isoroc, Tumelero), in new niche technologies and services (TekBond, Maris, Scotframe), and to consolidate our strong positions (Glava, Biolink, Kirson, Wattex, SimTek, bolt-on acquisitions in Building Distribution).

**Net debt** rose to €5.95 billion from €5.64 billion, due mainly to the acceleration in acquisitions and to share buybacks for €403 million. Net debt represents 32% of consolidated equity, compared to 29% at December 31, 2016.

**The net debt to EBITDA ratio** remained stable at 1.4 at end-2017.

## NET DEBT AND SHAREHOLDERS' EQUITY

(in EUR billion)



	12-2012	12-2013	12-2014	12-2015	12-2016	12-2017
NET DEBT	47%	42%	39%	25%	29%	32%
SHAREHOLDER'S EQUITY / EBITDA*	1.9	1.8	1.8	1.2	1.4	1.4

## STRONG BALANCE SHEET MAINTAINED

\* EBITDA = operating income + operating depreciation / amortization over a 12-month period.

## Dividend

At its meeting of February 22, 2018, Compagnie de Saint-Gobain's Board of Directors decided to recommend to the June 7, 2018 Shareholders' Meeting to pay in cash an **increased dividend of €1.30 per share** (versus €1.26 in 2016), demonstrating once again

our focus on shareholder returns in the context of our strong 2017 results and our confidence looking ahead. This dividend represents **44% of recurring net income** and a dividend yield of 2.8% based on the closing share price at December 29, 2017 (€45.98). The ex-dividend date has been set at June 11 and the dividend will be paid on June 13, 2018.

## 1.3 Strategic priorities and outlook

The Group continued to implement its strategic priorities in 2017:

- ◆ **€290 million in cost savings** versus 2016, ahead of our objectives, as part of the €1.2 billion cost reduction program for 2017-2020. Our focus on Industry 4.0 and digitalization is beginning to bear fruit;
- ◆ **28 acquisitions** of small and mid-sized companies for a total of **€641 million** and disposals for a total of €213 million, as part of the portfolio optimization strategy targeting €2 billion in acquisitions for 2017-2020;
- ◆ **8.3 million shares bought back** (€403 million) in line with long-term objectives, and 7 million shares cancelled, thereby reducing the number of outstanding shares to 550.8 million at December 31, 2017 (553.4 million at December 31, 2016).

In 2018, the Group should benefit from a supportive economic environment:

- ◆ further growth in **France**, led by the new-build market and by progress in renovation;
- ◆ progression in **other Western European countries**, despite continued uncertainty in the UK;
- ◆ growth in **North America**, in both construction markets and industry;
- ◆ good momentum in **Asia and emerging countries**.

For 2018, the Group expects the following for its Business Sectors:

- ◆ continued growth and a good margin level in **Innovative Materials**;
- ◆ better volumes and prices, focus on the price-cost spread in **Construction Products**;
- ◆ **Building Distribution** should benefit from volume growth in Western Europe.

Saint-Gobain will continue its disciplined approach to cash management and financial strength. In particular, it will pursue:

- ◆ its **focus on sales prices** amid continued inflationary pressure on costs;
- ◆ its **cost savings program**, with the aim of unlocking additional savings of around **€300 million** (calculated on the 2017 cost base);
- ◆ its **capital expenditure** program of around €1.7 billion (representing around 4% of sales, in line with our objectives), with a focus on growth capex outside Western Europe and also on productivity (Industry 4.0) and digital transformation, particularly in Building Distribution;
- ◆ its **commitment to invest in R&D** to support its differentiated, high value-added strategy;
- ◆ its **focus on high levels of free cash flow generation**.

**The Group is targeting a further like-for-like increase in operating income in 2018.**

For further information, refer to Chapter 5, Section 1 of Saint-Gobain 2017 Registration Document available on the website [www.saint-gobain.com](http://www.saint-gobain.com).

### IMPORTANT DISCLAIMER - FORWARD-LOOKING STATEMENTS

These statements on outlook constitute either trends or objectives, and are not to be considered as projected results. Although Saint-Gobain believes these forward-looking statements are based on reasonable assumptions as of the date of publication of this document, investors are warned that they are not guarantees of future performance. Actual results may differ quite significantly from forward-looking statements due to a number of risks, both known and unknown, uncertainties and other factors, most of which are difficult to anticipate and are generally outside Saint-Gobain's control, specifically the risks described in Chapter 7, Section 1 of the Saint-Gobain Registration Document, which is available on its website ([www.saint-gobain.com](http://www.saint-gobain.com)). Consequently, every precaution must be taken in using these forward-looking statements. The prospective information contained in this document can only be applied on the date of its publication. Saint-Gobain makes no commitment to supplement, update or amend these forward-looking statements as a result of any new information, future event or for any other reason.

# 2

## GOVERNANCE

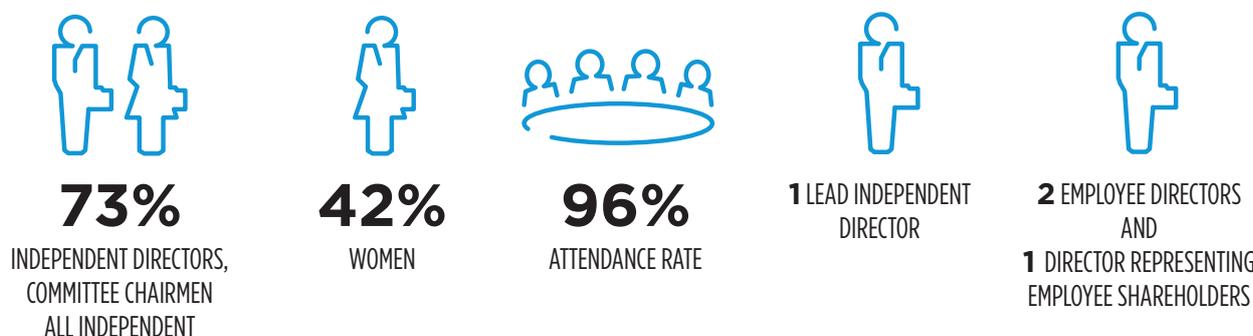
### 2.1. Presentation of the Board of Directors

As of April 1, 2018, the Board of Directors of Compagnie de Saint-Gobain consists of 14 members appointed for a renewable four-year term. It includes one Director representing employee shareholders and two employee Directors, in accordance with the law, and one Lead Independent Director in charge of overseeing the efficient running of the Company's governance bodies.

The Board of Directors comprises a proportion of **73% of independent Directors** satisfying the criteria set by the AFEP-MEDEF corporate governance code for French listed companies, to

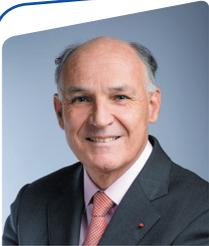
which Compagnie de Saint-Gobain refers, and a proportion of **42% of women**. The Board of Directors held ten meetings in 2017. The **global attendance rate** of the Directors in office as of April 1st, 2018 at these meetings was 96%.

For further information about the composition and the functioning of the Board of Directors, refer to Chapter 6 "Corporate Governance" Section 1 of Compagnie de Saint-Gobain 2017 Registration Document available on the website [www.saint-gobain.com](http://www.saint-gobain.com) (the "2017 Registration Document").



#### 2.1.1 Composition of the Board of Directors of Compagnie de Saint-Gobain

Information as of April 1, 2018<sup>(1)</sup>.

	<p><b>PIERRE-ANDRÉ DE CHALENDAR</b></p> <p><b>Chairman of the Board of Directors</b> <b>Member of the Strategy and Corporate Social Responsibility Committee</b></p> <p><b>Date of first election:</b> June 2006 <b>Number of shares held:</b> 165,024</p> <p><b>Other offices and duties held outside the Group:</b> – Director of BNP Paribas*</p> <p><i>Compagnie de Saint-Gobain "Les Miroirs" 18 Avenue d'Alsace 92400 Courbevoie</i></p>		<p><b>ALAIN DESTRAIN</b> <b>Employee Director</b></p> <p><b>Date of first election:</b> December 2014 <b>Number of shares held:</b> 954</p> <p><b>Other offices and duties held:</b> None</p> <p><i>Saint-Gobain Interservices "Les Miroirs" 18 Avenue d'Alsace 92400 Courbevoie</i></p>
<p><b>Chairman and Chief Executive Officer of Compagnie de Saint-Gobain</b></p> <p><b>59 years old</b> French</p>		<p><b>Safety Auditor, Saint-Gobain Interservices</b></p> <p><b>60 years old</b> French</p>	

\* Listed company.

(1) The full biography of each Director, the list of offices in which they serve or have served over the past five years and the staggering of the Directors' terms of office are provided in Chapter 6 "Corporate Governance"; Section 1.1 of the 2017 Registration Document.



**IÊDA GOMES YELL**

**Independent Director**  
**Member of the Nomination and Remuneration Committee**

**Date of first election:** June 2016

**Number of shares held:** 800

**Other offices and duties held:**

- Director and member of the Audit & Risk Committee and of the Strategy Committee of Bureau Veritas\*
- Director and member of the Nominating and Corporate Governance Committee of Exterran Corporation\* (United States)
- Director and Chairman of the Governance Committee of InterEnergy Holdings (foreign company)

*Compagnie de Saint-Gobain  
 "Les Miroirs"  
 18 Avenue d'Alsace  
 92400 Courbevoie*

**Research fellow and Director of companies**

**61 years old**

**Brazilian and English**



**PASCAL LAÏ**

**Employee Director**  
**Member of the Nomination and Remuneration Committee**

**Date of first election:** December 2014

**Number of shares held:** 1,426

**Other offices and duties held:**

None

*Saint-Gobain Sekurit France  
 249 boulevard Drion  
 59580 Aniche*

**Environment, Health and Safety promoter of Saint-Gobain Sekurit France**

**55 years old**

**French**



**ANNE-MARIE IDRAC**

**Independent Director**  
**Chair of the Nomination and Remuneration Committee**

**Date of first election:** June 2011

**Number of shares held:** 827

**Other offices and duties held:**

- Director of Air-France KLM\*
- Director of Bouygues\*
- Director of Total\*

*Compagnie de Saint-Gobain  
 "Les Miroirs"  
 18 Avenue d'Alsace  
 92400 Courbevoie*

**Chairman of the Supervisory Board of Aéroport Toulouse-Blagnac (1)**

**66 years old**

**French**



**AGNÈS LEMARCHAND**

**Independent Director**  
**Member of the Audit and Risk Committee**

**Date of first election:** June 2013

**Number of shares held:** 2,252

**Other offices and duties held:**

- Director of Solvay\* (Belgium)
- Director of BioMérieux\*
- Chairman of Orchad SAS

*Compagnie de Saint-Gobain  
 "Les Miroirs"  
 18 Avenue d'Alsace  
 92400 Courbevoie*

**Director of companies**

**63 years old**

**French**

(1) Anne-Marie Idrac intends to resign as Chairman of the Supervisory Board of Aéroport Toulouse-Blagnac mid-May 2018.



**PAMELA KNAPP**

**Independent Director**  
**Member of the Audit and Risk Committee**

**Date of first election:** June 2013

**Number of shares held:** 818

**Other offices and duties held:**

- Member of the Supervisory Board, the Nomination, Remuneration and the Finance and Governance Committee and the Finance and Audit Committee of Peugeot SA\*
- Director of HKP Group AG (Switzerland)
- Director and member of the Audit Committee of Panalpina World Transport (Holding) Ltd.\* (Switzerland)
- Director and member of the Audit Committee of NV Bekaert\* (Belgium)

*Compagnie de Saint-Gobain  
 "Les Miroirs"  
 18 Avenue d'Alsace  
 92400 Courbevoie*

**Director of companies**

**60 years old**

**German**



**FRÉDÉRIC LEMOINE**

**Director**  
**Member of the Strategy and Corporate Social Responsibility Committee**

**Date of first election:** April 2009

**Number of shares held:** 1,700

**Other offices and duties held:**

None

*Compagnie de Saint-Gobain  
 "Les Miroirs"  
 18 Avenue d'Alsace  
 92400 Courbevoie*

**Director of companies**

**52 years old**

**French**

\* Listed company.



## DOMINIQUE LEROY

Independent Director

**Date of first election:** November 2017 <sup>(1)</sup>

**Number of shares held:** - <sup>(2)</sup>

**Other offices and duties held:**

- Member of the Supervisory Board and member of the Sustainability and Innovation Committee of Ahold Delhaize\* (the Netherlands)
- Director and Chairman of the Audit Committee of Lotus Bakeries\* (Belgium) <sup>(3)</sup>

*Compagnie de Saint-Gobain  
"Les Miroirs"  
18 Avenue d'Alsace  
92400 Courbevoie*

Chief Executive  
Officer of Proximus\*

53 years old

Belgian

(1) Director co-opted by the Board of Directors on November 23, 2017 following the resignation of Olivia Qiu as of June 30, 2017. This co-optation is subject to ratification by the General Shareholders Meeting of June 7, 2018 (5<sup>th</sup> resolution, see page 39 of this document).

(2) In accordance with the law and Compagnie de Saint-Gobain's bylaws, Dominique Leroy will hold at least 800 Saint-Gobain shares by the end of May 2018.

(3) Ms. Dominique Leroy resigned as Director of Lotus Bakeries as of May 15, 2018.



## GILLES SCHNEPP

Independent Director

Member of the Audit and Risk Committee

**Date of first election:** June 2009

**Number of shares held:** 800

**Other offices and duties held:**

- Various positions and functions within subsidiaries of the Legrand Group

*Legrand  
128 avenue du Maréchal de Lattre de Tassigny  
87045 Limoges Cedex*

Chairman of the Board  
of Directors of  
Legrand\*

59 years old

French



## JACQUES PESTRE

Director representing employee  
shareholders

**Date of first election:** June 2011

**Number of shares held:** 3,447

**Other offices and duties held:**

- Director in several companies in the Building Distribution Sector of Saint-Gobain
- Chairman of the Supervisory Board of the Employee Savings Fund "Saint-Gobain PEG France"

*SGDB France - Immeuble le Mozart,  
13/15 rue Germaine Tailleferre  
75940 Paris cedex 19*

Senior Vice President  
of SGDB France, in  
charge of Point.P

61 years old

French



## JEAN-DOMINIQUE SENARD

Lead Independent Director

Independent Director

Chairman of the Strategy and CSR  
Committee

**Date of first election:** June 2012

**Number of shares held:** 1,830

**Other offices and duties held:**

None

*Michelin  
23 place des Carmes-Déchaux  
63040 Clermont-Ferrand Cedex 9*

Chief Executive  
Officer of Michelin\*

65 years old

French



## DENIS RANQUE

Director

Member of the Nomination and  
Remuneration Committee

**Date of first election:** June 2003

**Number of shares held:** 888

**Other offices and duties held:**

- Director of CMA-CGM

*Airbus  
12 rue Pasteur - BP 76  
92152 Suresnes Cedex*

Chairman of the Board  
of Directors of Airbus\*

66 years old

French



## PHILIPPE VARIN

Independent Director

Chairman of the Audit & Risks Committee

**Date of first election:** June 2013

**Number of shares held:** 3,026

**Other offices and duties held:**

None

*Orano  
1 place Jean Millier  
92400 Courbevoie*

Chairman of the Board  
of Directors of Orano  
(ex-Areva)

65 years old

French

\* Listed company.

## 2.1.2 The Board of Directors' Committees

The Board has established three Committees to improve the Board's operations and effectively contribute to the preparation of its deliberations: the **Audit and Risk Committee**, the **Nomination and Remuneration Committee**, and the **Strategy and Corporate Social Responsibility Committee**. These Committees do not have their own decision-making authority (subject to specific provision otherwise provided for by the internal rules of the Board of Directors as regards the Audit and Risk Committee), and report to the Board regarding their activities, conclusions and proposals.

The activities of these three Committees in 2017 are described in Chapter 6 "Corporate Governance", Section 1.2.3 of the 2017

Registration Document available on the website [www.saint-gobain.com](http://www.saint-gobain.com) (the "2017 Registration Document").

**The Nomination and Remuneration Committee and the Audit and Risk Committee are composed of 2/3<sup>rd</sup> and 100% of independent Directors respectively, including their respective Chairman, in compliance with the recommendations of the AFEP-MEDEF Code.**

The following table shows the composition of the Board of Directors' Committees as of April 1, 2018.

### Composition of the Board of Directors' Committees

BOARD OF DIRECTORS' COMMITTEES											Number of meetings held in 2017	Attendance rate
	Pierre-André de Chalendar	Iéda Gomes Yell†	Anne-Marie Idrac*	Pamela Knapp*	Pascal Lar†(1)	Agnès Lemarchand*	Frédéric Lemoine	Denis Ranque	Gilles Schnepp*	Jean-Dominique Senard* (2)		
Audit and Risk Committee			●		●			●		●	4	83 %
Nomination and Remuneration Committee		●	●	●			●				4	96 %
Strategy and Corporate Social Responsibility Committee.	●					●			●		6	100 %

● Chairman of a Committee.

● Member of a Committee.

\* Independent Director according to the criteria set out in the recommendation 8.5 of AFEP-MEDEF Code.

(1) Employee Director appointed pursuant to the law not included in the ratio of Directors' independence, in compliance with the recommendations of the AFEP-MEDEF Code.

(2) Lead Independent Director.

### 2.1.3 Lead Independent Director (*administrateur référent*)

The Board of Directors, taking into account the development of the practice within companies in France chaired by a combined Chairman of the Board/CEO and the expectation of certain investors expressed during the dialogue that the Company has with them, has created the role of Lead Independent Director, a position held by Jean-Dominique Senard, an independent Director, since June 8, 2017. The Lead Independent Director oversees in particular the efficient running of the Company's governance bodies.

#### Responsibilities

His responsibilities, which are described in the internal rules of the Board of Directors, are the following:

- ◆ prevent and manage conflicts of interest: the Lead Independent Director is responsible for preventing the occurrence of situations of conflicts of interest. He brings to the attention of the Board of Directors possible conflicts of interest that he is aware of concerning the Directors;
- ◆ lead the assessment of the organization and the operations of the Board of Directors which is periodically carried out;
- ◆ convene, chair, organize and report to the Chairman and Chief Executive Officer on the meetings of the Directors held without the presence of the executive Directors ("executive sessions"). These sessions may be held during or at the close of a meeting of the Board of Directors, as the case may be such sessions may be co-chaired with the Chairman of the Nomination and Remuneration Committee in the event it is a different person and for matters falling under the responsibility of the Nomination and Remuneration Committee (in particular succession plans and the executive Director's compensation);
- ◆ be a point of contact of the shareholders of Compagnie de Saint-Gobain on governance matters, and meet them at the request of the Chairman and Chief Executive Officer;
- ◆ ensure that the Directors receive the relevant information to exercise their duties under the best possible conditions, in accordance with the provisions of the internal rules of the Board of Directors;
- ◆ more generally, ensure compliance with the internal rules of the Board of Directors is honored.

In the course of his duties, the Lead Independent Director has the right to:

- ◆ suggest to the Chairman and Chief Executive Officer the addition of points to the agenda of any meeting of the Board of Directors;
- ◆ request to the Chairman and Chief Executive Officer to convene the Board of Directors on a specific agenda;
- ◆ convene and chair the meetings of the Board of Directors in the event of the temporary inability or death of the Chairman and Chief Executive Officer; and
- ◆ attend, as the case may be, the meetings of the Committees of which he is not a member to the extent strictly necessary to accomplish his duties and upon the approval of the Chairman of the relevant Committee.

The Lead Independent Director reports to the Board of Directors on the completion of his mission on an annual basis.

#### Activities during fiscal year 2017

In 2017, the Lead Independent Director attended nine out of the ten meetings of the Board of Directors, all the meetings of the Strategy and Corporate Social Responsibility Committee, which he has chaired since the close of the General Meeting held on June 8, 2017 and the meetings of the Nomination and Remuneration Committee dealing with the renewal of the term of office of Pierre-André de Chalendar,

proposed under of the 4<sup>th</sup> resolution of your General Meeting (see page 38 of this document).

At the meeting of the Board of Directors on February 22, 2018, Jean-Dominique Senard presented a review of his activity as Lead Independent Director for fiscal year 2017. This included:

- ◆ working with the Chairman of the Nomination and Remuneration Committee to examine the independence status of the Directors and of potential independent Directors, in light of the criteria set out in the AFEP-MEDEF code (including through the review of conflict of interests questionnaires and the analysis of business relationships);
- ◆ verifying the existence and content of succession plans for the Chairman and Chief Executive Officer in the event of an unanticipated vacancy as well in the long term, and discussing them with the Chairman and Chief Executive Officer; presenting this work to the members of the Nomination and Remuneration Committee and to the Board together with the Chairman of the Nomination and Remuneration Committee;
- ◆ chairing, or co-chairing with the Chairman of the Nomination and Remuneration Committee based on the topics being addressed, meetings of the Board held without the presence of the executive Directors ("executive sessions"); at the meeting of November 23, 2017, the Directors discussed and decided to maintain the combined Chairman and Chief Executive Officer roles in light of the proposed renewal of Pierre-André de Chalendar's term of office (see Section 1.2.1 of Chapter 6 "Corporate Governance" of the 2017 Registration Document);
- ◆ conducting the assessment of the organization and operation of the Board and the Committees, which took place as follows:

The Lead Independent Director reviewed the draft questionnaire to be submitted to the Directors by the General Secretary, all Directors having had the opportunity to speak with the Lead Independent Director on this topic.

The Lead Independent Director spoke with the Chairman and Chief Executive Officer and the Chairman of the Nomination and Remuneration Committee, and individually with Directors who wished so, about the Directors' individual contributions to the work of the Board, in light of their skills and their respective participation in discussions.

The Lead Independent Director also presented the results of the Board's self-assessment to the Directors at an executive session and led the debate in order to draw conclusions (see Section 1.2.4 of Chapter 6 "Corporate Governance" of the 2017 Registration Document);

- ◆ at the request of the Chairman and Chief Executive Officer, meeting and engaging in dialogue with several shareholders about Saint-Gobain's principles of governance, in preparation for the 2018 General Shareholders' Meeting;
- ◆ discussing with the Chairman of the Nomination and Remuneration Committee the opportunity and arrangements for reconfiguring the Committee and the Board, following the resignation of one of its members and the reduction of Wendel's interest in the capital of Compagnie de Saint-Gobain;
- ◆ speaking with the future independent Director, attending the meeting of the Nomination and Remuneration Committee that approved her selection and the proposal to reappoint Pierre-André de Chalendar in his role as Chairman and Chief Executive Officer;
- ◆ reviewing the draft agendas for the meetings of the Board of Directors and the Committees in fiscal year 2018;
- ◆ reviewing the section "Composition and operation of the Board of Directors" of Chapter 6 "Corporate Governance" of the 2017 Registration Document.

## 2.2 Proposed ratification and renewal of the term of Directors

### 2.2.1 Changes in the composition of the Board of Directors in 2017 and proposed to the General Meeting

The following table shows the changes in the composition of the Board of Directors in fiscal year 2017 and the ratification and renewal of the terms of Directors proposed to the General Meeting of June 7, 2018:

	General Meeting of June 8, 2017	General Meeting of June 7, 2018
<b>Cessation of duties</b>	Jean-Martin Folz Bernard Gautier <sup>(1)</sup>	None
<b>Proposed renewal</b>	Pamela Knapp <sup>(2)</sup> Agnès Lemarchand <sup>(2)</sup> Gilles Schnepf <sup>(2)</sup> Philippe Varin <sup>(2)</sup>	Pierre-André de Chalendar
<b>Proposed nomination/ ratification</b>	None	Dominique Leroy <sup>(3)</sup>

(1) In accordance with existing agreements between the Company and Wendel (see Chapter 8 "Capital and ownership structure", Section 2.4 of the 2017 Registration Document).

(2) Independent Director.

(3) Independent Director, co-opted on November 23, 2017 following the resignation of Olivia Qiu on June 30, 2017 for personal reasons.

The following table shows the changes in the composition of the Board of Directors with regard to independence, representation of women and representation of foreign members during fiscal year 2017, and as contemplated by the end of the General Meeting of June 7, 2018:

	As from General Shareholders' Meeting of June 2, 2016	As from General Shareholders' Meeting of June 8, 2017	As from General Shareholders' Meeting of June 7, 2018 (contemplated)
<b>Percentage of independents <sup>(1)</sup></b>	54%	73%	73%
<b>Percentage of women <sup>(2)</sup></b>	36%	42%	42%
<b>Percentage of foreign nationals <sup>(3)</sup></b>	23%	27%	27%

(1) In compliance with computation rules set by the AFEP-MEDEF Code.

(2) Excluding employee Directors, in accordance with the law.

(3) Excluding employee Directors appointed under specific mandatory legal provisions.

## 2.2.2. Proposed renewal of one Director

Information as of April 1, 2018. <sup>(1)</sup>



### Chairman and Chief Executive Officer of Compagnie de Saint-Gobain

Compagnie de Saint-Gobain  
« Les Miroirs »  
18 Avenue d'Alsace  
92400 Courbevoie

### PIERRE-ANDRÉ DE CHALENDAR – 59 YEARS OLD

**Chairman of the Board of Directors**

**Member of the Strategy and Corporate Social Responsibility Committee**

**Date of first election:** June 2006

**Number of shares held:** 165,024

**Attendance rate in 2017:**

- Board of Directors: 100%
- Strategy and Corporate Social Responsibility Committee: 100%

#### Expertise and experience :

A graduate of ESSEC, alumnus of École nationale d'administration and former Finance Inspector, Pierre-André de Chalendar joined Compagnie de Saint-Gobain as Corporate Planning Director on October 1, 1989.

Appointed Director of Abrasives Europe (1992-1996), then of the Abrasives Division (1996-2000) located in Worcester, United States, before being named Vice President for the United Kingdom and the Republic of Ireland (2000-2002), Pierre-André de Chalendar was named Senior Vice President of Compagnie de Saint-Gobain in charge of the Building Distribution Sector in 2003.

Appointed Chief Operating Officer of Compagnie de Saint-Gobain in May 2005, elected Director in June 2006, then Chief Executive Officer of Compagnie de Saint-Gobain on June 7, 2007, he has been Chairman and Chief Executive Officer since June 3, 2010.

Within the Saint-Gobain Group, he is a Director of Saint-Gobain Corporation and of the GIE SGPM Recherche. He was Chairman of the Board of Directors of Verallia (former Packaging Sector) from March 2011 to March 2014.

Pierre-André de Chalendar has been a Director of Compagnie de Saint-Gobain since June 2006.

#### Offices and duties held outside the Saint-Gobain Group:

- Director of BNP Paribas\*

**As announced on November 23, 2017 the Board of Directors intends to reappoint Pierre-André de Chalendar as Chairman and Chief Executive Officer if the General Shareholders' Meeting approves the renewal of his term of office (see explanations on the 4<sup>th</sup> resolution on page 38 below).**

**The renewal of Pierre-André de Chalendar's term is subject to the approval of the 4<sup>th</sup> resolution.**

\* Listed company

## 2.2.3 Proposed ratification of the co-optation of a new independent Director



### Chief Executive Officer of Proximus\* (Belgium)

Compagnie de Saint-Gobain  
« Les Miroirs »  
18 Avenue d'Alsace  
92400 Courbevoie

### DOMINIQUE LEROY - 53 YEARS OLD

#### Independent Director

**Date of first election:** November 2017

**Number of shares held:** - <sup>(1)</sup>

#### Expertise and experience:

Graduate of a Master's in Commercial Engineering and Management from the Solvay Business School (1987), Dominique Leroy spent 24 years in various roles at Unilever Belgium and Benelux. She is then appointed, until 2011, Director of Client Development and member of the Management Committee, then Managing Director of *Unilever* Belgium and sits on the Management Committee of Unilever Benelux from 2008 to 2011.

In 2011, she joins the Proximus Group (formerly Belgacom) as Vice President in charge of sales and e-business for the Consumer Business Unit, before becoming *its Executive Vice President* in June 2012. Since January 2014, Dominique Leroy has been CEO of the Proximus Group, listed on the first market of Euronext Brussels.

Within the Proximus Group, she also chairs the Boards of Directors of BICS and Be-Mobile and is a Director of Proximus Art.

Dominique Leroy is currently an independent member of the Supervisory Board and the Sustainability and Innovation Committee of Ahold Delhaize. She is a Director and chairs the Audit Committee of Lotus Bakeries. She also chairs the International Advisory Board of the *Solvay Brussels School of Economics and Management*.

Dominique Leroy has been an independent Director of Compagnie Saint-Gobain since November 23, 2017.

#### Offices and duties held outside the Saint-Gobain Group:

- Chief Executive Officer of Proximus\* (Belgium)
- Member of the Supervisory Board and member of the Sustainability and Innovation Committee of Ahold Delhaize\* (the Netherlands)
- Director and Chairman of the Audit Committee of Lotus Bakeries\* (Belgium) <sup>(2)</sup>

**Dominique Leroy will bring to the Board of Directors of Saint-Gobain her experience as a non-French executive officer of a listed group and her operational knowledge of the distribution sector and of digital transformation matters.**

**The ratification of the co-optation of Dominique Leroy is subject to the approval of the 5<sup>th</sup> resolution.**

\* Listed company

(1) In accordance with the law and Compagnie de Saint-Gobain's by-laws, Ms. Dominique Leroy will hold at least 800 Saint-Gobain shares by the end of May 2018.

(2) Ms. Dominique Leroy resigned as Director of Lotus Bakeries as of May 15, 2018.

## 2.3 Chairman and Chief Executive Officer's compensation ("Say on Pay")

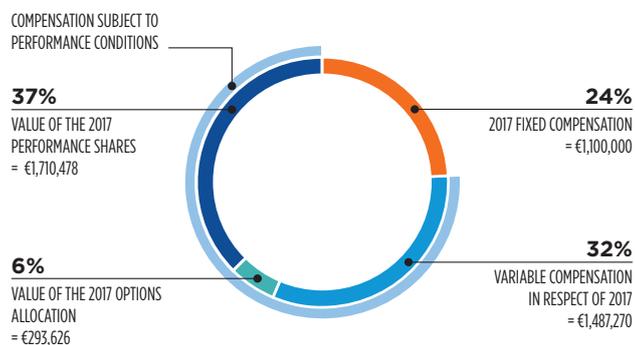
### 2.3.1 Compensation components paid or granted to Pierre-André de Chalendar, Chairman and Chief Executive Officer, in respect of fiscal year 2017, subject to the approval of the General Shareholders' Meeting of June 7, 2018 ("Say on Pay" ex post)

The so-called "Sapin II" law (*loi relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique*), enacted on December 9, 2016, requires that the fixed, variable and exceptional components of overall compensation and benefits of any kind paid or granted to executives Directors in respect of the past fiscal year, be submitted to the approval of the Ordinary Shareholders' Meeting each year, and for the first time in 2018. This vote is binding (in contrast to the advisory vote previously provided by the AFEP-MEDEF code).

In accordance with the law, the components of the compensation paid or granted in respect of fiscal year 2017 to Pierre-André de Chalendar, Compagnie de Saint-Gobain's Chairman and Chief Executive Officer, sole executive Director, are subject to the approval of your General Meeting (6<sup>th</sup> resolution). These components, described below, were decided by the Board of Directors at its meetings on February 23, 2017, November 23, 2017 and February 22, 2018, upon proposal of the Nomination and Remuneration Committee and pursuant to the Compensation policy - namely, the principles and criteria applying to the determination, distribution and allocation of the compensation components - for the Chairman and Chief Executive Officer approved by the General Shareholders' Meeting of June 8, 2017 (10<sup>th</sup> resolution).

#### Summary of the compensation components paid or granted in respect of fiscal year 2017

The following chart shows the distribution of the various components of the compensation of Pierre-André de Chalendar, Chairman and Chief Executive Officer, paid or granted in respect of fiscal year 2017.



For further information about the various components of the compensation paid or granted to Pierre-André de Chalendar in respect of fiscal year 2017, and the characteristics of the long-term incentive policy (stock options and performance shares) of which Pierre-André de Chalendar is one of the beneficiaries, refer to Chapter 6 "Corporate Governance" Sections 2.2 and 2.4 of the Saint-Gobain 2017 Registration Document available on the corporate website of Saint-Gobain at <https://www.saint-gobain.com/en/finance/general-meeting> (the "2017 Registration Document").

## Table prepared in accordance with Article L.225-100 of the French Commercial Code (“Say on pay” ex post)

Compensation components paid or granted to Pierre-André de Chalendar, Chairman and Chief Executive Officer, in respect of 2017 (Article L.225-100 of the French Commercial Code) (“Say on pay” ex post)		
Compensation components paid or granted in respect of 2017	Amount or book value submitted to vote (in EUR)	Description
<b>Fixed compensation</b>	<b>Amount due: €1,100,000</b>	Fixed compensation unchanged since 2010.
<b>Annual variable compensation</b>	<b>Amount due: €1,487,270</b> (Board of Directors’ meeting of February 22, 2018)	<p>At its February 23, 2017 meeting, the Board of Directors decided, based on the recommendations of the Nomination and Remuneration Committee, to maintain the cap on the amount of Pierre-André de Chalendar’s variable compensation in respect of fiscal year 2017 unchanged at 170% of his fixed compensation, and fixed the quantifiable and qualitative objectives detailed below, determining, up to a limit of 2/3 and 1/3 respectively, the variable portion of his compensation (cap and structure unchanged since 2014).</p> <p>Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors, at its February 22, 2018 meeting, determined Pierre-André de Chalendar’s variable compensation as follows, taking into account the extent to which the objectives outlined below have been achieved:</p> <ul style="list-style-type: none"> <li>◆ the portion of the variable compensation based on the fulfillment of the four quantifiable objectives (return on capital employed (ROCE), Group operating income, Group recurring earnings per share and operating free cash flow) amounted to €988,600, <i>corresponding to</i> an achievement rate of 79% (the completion rate of the various quantifiable objectives is presented in Chapter 6, Section 2.2.3 of the 2017 Registration Document);</li> <li>◆ the amount of the variable portion of the three qualitative objectives (continuation of the digital transformation of the Group, implementation of the corporate social responsibility policy and continuation of the Group’s development strategy) amounted to €498,670, corresponding to an overall achievement rate of the qualitative objectives of 80% (see details in Chapter 6, Section 2.2.3 of the 2017 Registration Document).</li> </ul> <p>On this basis, his 2017 annual variable compensation totaled €1,487,270, corresponding to an achievement rate of 80%.</p> <p>Overall, Pierre-André de Chalendar’s total compensation (fixed and variable) amounted to €2,587,270 for 2017, a decrease of 1.62% over 2016.</p> <p><i>Pursuant to the law, payment of the variable compensation is subject to the approval of the Ordinary Shareholders’ Meeting of June 7, 2018.</i></p>
<b>Deferred variable compensation</b>	<b>None</b>	Pierre-André de Chalendar has not been granted any deferred variable compensation.
<b>Multi-year variable compensation</b>	<b>None</b>	Pierre-André de Chalendar has not been granted any multi-year variable compensation.
<b>Exceptional compensation</b>	<b>None</b>	Pierre-André de Chalendar has not been granted any exceptional compensation.
<b>Stock options</b>	<b>Amount allocated: €293,626</b> (valuation based on method used to prepare the consolidated financial statements)	<p>On November 23, 2017, based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors decided, as in 2016, to grant Pierre-André de Chalendar 58,000 stock options, i.e., less than the sub-cap set by the General Shareholders’ Meeting of June 2, 2016.</p> <p><u>Cap on the Chairman and Chief Executive Officer’s total compensation</u></p> <p>On February 23, 2017, the Board of Directors decided, as in previous years, that the grants of stock options, performance shares and performance units to the Chairman and Chief Executive Officer could not, at the time of their allocation, represent a value (according to IFRS) greater than 100% of his total maximum gross compensation for the same year (fixed compensation plus maximum variable compensation for the same year).</p> <p>In 2017, these allocations represented a total value (according to IFRS) at the time of their grant of €2,004,104, corresponding to 68% of his total maximum gross compensation for 2017.</p>

**Compensation components paid or granted to Pierre-André de Chalendar, Chairman and Chief Executive Officer, in respect of 2017 (Article L.225-100 of the French Commercial Code) ("Say on pay" ex post)**

Compensation components paid or granted in respect of 2017	Amount or book value submitted to vote (in EUR)	Description
<b>Stock options</b>		<p><i>Main characteristics of the 2017 Plan</i></p> <p>The performance criteria applicable to the stock options plan implemented on November 23, 2017 entail, as since 2015, an internal performance condition, linked to Saint-Gobain Group's Return on Capital Employed, including goodwill, and a relative performance condition linked to the performance of the Saint-Gobain stock price compared to the performance of the CAC 40 stock market index. Furthermore, following dialogue with investors and as announced in 2016, the Board of Directors decided, at its meeting of November 23, 2017, at the proposal of the Nomination and Remuneration Committee, to add a criterion related to corporate social responsibility. These criteria have been considered relevant by the Board of Directors as they reflect the operational, financial and non-financial performance of the Saint-Gobain Group and ensure an alignment of the beneficiaries with the interest of Saint-Gobain shareholders.</p> <p>In the past, the performance conditions for stock option plans on the one hand, and performance shares and units on the other, were identical in nature but inversely weighted. At its meeting of November 23, 2017, the Board of Directors decided, at the proposal of the Nomination and Remuneration Committee, to apply the same exact conditions, weighted and calculated in the same way, to all 2017 long-term compensation plans (stock options and performance shares), with the aim of putting an end to the dual exposure to the stock market price of beneficiaries of stock options (via the overweighting of the stock market criterion provided in the plans implemented up to that date and the value of the - non-discounted - strike price for stock options).</p> <p>Exercise of the stock options is subject to fulfillment of the following cumulative conditions:</p> <ul style="list-style-type: none"> <li>◆ <i>service condition</i>: to be an employee or a Director of a Saint-Gobain Group company throughout the period up to the exercise date of the stock options, without interruption, except in a number of defined specific cases such as death, disability (as defined in paragraphs (2) and (3) of Article L.341-4 of the French Social Security Code), no-fault termination, negotiated departure, retirement, transfer to another position within the Group, or change of control of the grantee's host company to outside the Group;</li> <li>◆ <i>performance condition linked</i> to the following three criteria: <ul style="list-style-type: none"> <li>◆ 65% of the options initially allocated are subject to the criteria of Return On Capital Employed, including goodwill, of the Saint-Gobain Group ("ROCE"),</li> <li>◆ 20% of the options initially allocated are subject to a criterion linked to the performance of the Saint-Gobain stock price versus the performance of the CAC 40 stock market index, and</li> <li>◆ 15% of the options initially allocated are subject to a criterion linked to corporate social responsibility. This criterion comprises the following three indicators, all quantifiable and published each year as key CSR indicators, each applying to 5% of the options initially allocated: the total recordable accident rate - more than 24 hours' lost and non lost time (TRAR), the reduction rate of CO<sub>2</sub> emissions and the senior executives diversity index.</li> </ul> <p>The ROCE performance will be calculated as follows:</p> <ul style="list-style-type: none"> <li>◆ if the arithmetic average ROCE for the years 2018, 2019 and 2020 is greater than 12.5%, all the options subject to the ROCE performance will be exercisable;</li> <li>◆ if the arithmetic average ROCE for the years 2018, 2019 and 2020 ranges between 9.5% and 12.5%, the percentage of options subject to the ROCE performance to be exercisable will be equal to: <math>[average\ of\ 2018,\ 2019\ and\ 2020\ ROCE - 9.5\%] / [12.5\% - 9.5\%]</math>;</li> <li>◆ if the arithmetic average ROCE for the years 2018, 2019 and 2020 is less or equal to 9.5%, no options subject to the ROCE performance will be exercisable.</li> </ul> <p>Stock price performance will be calculated by comparing the average opening listing price of the Saint-Gobain stock price and the CAC 40 index over the six months prior to November 23, 2017 to the average for over the six months prior to November 23, 2021, as follows:</p> <ul style="list-style-type: none"> <li>◆ if the Saint-Gobain stock price performance is at least 10% greater than that of the CAC 40 index, all the options subject to the stock price performance will be exercisable;</li> <li>◆ if the Saint-Gobain stock price performance ranges between 0% and +10% compared to that of the CAC 40 index, the percentage of options subject to the stock price performance to be exercisable will be equal to: <math>2/3 + 1/3 * [(Saint-Gobain\ stock\ price\ performance / CAC\ 40\ index\ performance)^{(1)} - 100\%] / [110\% - 100\%]</math>;</li> <li>◆ if the Saint-Gobain stock price performance is lower than that of the CAC 40 index, no options subject to the stock price performance will be exercisable.</li> </ul> </li> </ul>

(1) *Saint-Gobain stock price performance / CAC 40 index performance (the Saint-Gobain stock price performance compared to that of the CAC 40 index) is equal to: 100% + difference between the Saint-Gobain stock price performance and the CAC 40 index performance, both expressed as a percentage.*

**Compensation components paid or granted to Pierre-André de Chalendar, Chairman and Chief Executive Officer, in respect of 2017 (Article L.225-100 of the French Commercial Code) ("Say on pay" ex post)**

Compensation components paid or granted in respect of 2017	Amount or book value submitted to vote (in EUR)	Description
<b>Stock options</b>		<p>The performance of the corporate social responsibility criterion will be calculated as follows:  <i>Total recordable accident rate - more than 24 hours' lost time and non lost time - ("TRAR")</i> <sup>(2) (3)</sup></p> <p>The TRAR performance will be calculated as follows:</p> <ul style="list-style-type: none"> <li>◆ if the arithmetic average TRAR for the years 2018, 2019 and 2020 is lower than 2.5, all the options subject to the TRAR will be exercisable;</li> <li>◆ if the arithmetic average TRAR for the years 2018, 2019 and 2020 ranges between 2.5 and 2.8, the percentage of options subject to the TRAR to be exercisable will be calculated by linear interpolation;</li> <li>◆ if the arithmetic average TRAR for the years 2018, 2019 and 2020 is greater than 2.8, no options subject to the TRAR will be exercisable.</li> </ul> <p><i>Reduction of the Group's CO<sub>2</sub> emissions between 2016 and 2020</i> <sup>(4) (5)</sup></p> <p>The performance of the reduction of the Group's CO<sub>2</sub> emissions between 2016 and 2020 will be calculated as follows:</p> <ul style="list-style-type: none"> <li>◆ if the reduction of the Group's CO<sub>2</sub> emissions between 2016 and 2020 is greater than 5.6%, all the options subject to the reduction rate of the Group's CO<sub>2</sub> emission will be exercisable;</li> <li>◆ if the reduction of the Group's CO<sub>2</sub> emissions between 2016 and 2020 ranges between 4.8% and 5.6%, the percentage of options subject to the reduction rate of the Group's CO<sub>2</sub> emission exercisable will be calculated by linear interpolation;</li> <li>◆ if the reduction of the Group's CO<sub>2</sub> emissions between 2016 and 2020 is lower than 4.8%, no options subject to the reduction rate of the Group's CO<sub>2</sub> emission will be exercisable.</li> </ul> <p><i>Senior executives diversity index</i> <sup>(6) (7)</sup></p> <p>The performance of the senior executives diversity index will be calculated as follows:</p> <ul style="list-style-type: none"> <li>◆ if the arithmetic average of the diversity index for the years 2018, 2019 and 2020 is greater than 90%, all the options subject to the diversity index will be exercisable;</li> <li>◆ if the arithmetic average of the diversity index for the years 2018, 2019 and 2020 ranges between 85% and 90%, the percentage of options subject to the diversity index exercisable will be calculated by linear interpolation;</li> <li>◆ if the arithmetic average of the diversity index for the years 2018, 2019 and 2020 is lower than 85%, no options subject to the diversity index will be exercisable.</li> </ul> <p>The performance conditions applying to stock options granted by the Group are demanding as evidenced by the achievement rates of the latest three stock option plans for which the performance condition has been determined (58.9% for the 2013 plan, 16.5% for the 2012 plan and 0% for the 2011 plan).</p> <p><u>Rules for holding shares</u></p> <p>As for previous years, the Chairman and Chief Executive Officer is required to retain a number of Saint-Gobain shares equal to at least 50% of the net capital gain on the underlying shares (after deducting social charges and taxes) at the time he exercises the 2017 options, until the cessation of his duties. However, this obligation will cease to apply if and when the total number of Saint-Gobain shares he personally holds in registered form, on the day the options are exercised, represents the equivalent of five years' gross fixed compensation (based on the opening price quoted for Saint-Gobain shares on the option exercise date and the amount of his gross compensation applicable at that time).</p> <p>Percentage of share capital represented by the allocation of stock-options to the Chairman and Chief Executive Officer: approximately 0.01%.</p> <p>Date of authorization by the General Shareholders' Meeting: June 2, 2016 (13<sup>th</sup> resolution).</p> <p>Date of the Board's grant decision: November 23, 2017.</p>

(2) *Total recordable accident rate - more than 24 hours' lost time and non lost time - for a million hours worked by the permanent and temporary employees and by permanent subcontractors of the Saint-Gobain Group.*

(3) *In light of the excellent 2017 results, the TRAR having decreased from 3.3 in 2016 to 2.6 in 2017, the Group set, early 2018, the objective to consolidate in 2018 the performance achieved in 2017 and to reach a TRAR of 2.5.*

(4) *The results will be assessed based on iso-production compared with 2016, the reference year for the 2017 plan.*

(5) *The Group set the objective of reducing Group CO<sub>2</sub> emissions by at least 20% by 2025 compared with the level measured for the year 2010.*

(6) *Index corresponding to the proportion of the Group's senior executives satisfying at least one of the three following diversity characteristics: being non-French, having diverse professional experiences (having worked at Saint-Gobain in two countries different from the country of origin or at least in three different sectors, or having an experience of more than 12 years outside the Saint-Gobain Group), being a woman.*

(7) *The Group set a general objective of maintaining a minimum of 90% of senior executives meeting one of the three abovementioned criteria and a target for 2025 of 25% of its senior executives being female.*

**Compensation components paid or granted to Pierre-André de Chalendar, Chairman and Chief Executive Officer, in respect of 2017 (Article L.225-100 of the French Commercial Code) ("Say on pay" ex post)**

Compensation components paid or granted in respect of 2017	Amount or book value submitted to vote (in EUR)	Description
<b>Performance shares</b>	<b>Amount allocated: €1,710,478</b> <b>(valuation based on method used to prepare the consolidated financial statements)</b>	<p>On November 23, 2017, the Board of Directors decided, as in 2016, to grant Pierre-André de Chalendar 67,000 performance shares, i.e. less than the sub-cap set by the General Shareholders' Meeting of June 2, 2016 and less than the 10% cap on the overall grants of performance shares and performance units decided by the Board.</p> <p>Refer to the "Stock options" item above for the cap on grants to the Chairman and Chief Executive Officer relative to his overall compensation.</p> <p><u>Main characteristics of the 2017 Plan</u></p> <p>The performance criteria applicable to the performance share plan implemented on November 23, 2017 and their respective weightings are strictly identical to those applying to stock options and will be calculated in the same way (see above).</p> <p>Vesting of performance shares is subject to fulfillment of a service condition that applies for the entire duration of the acquisition period in a manner similar to that stipulated for stock options above (see above).</p> <p>The performance conditions applying to performance shares allocated by the Group are demanding as evidenced by the achievement rates of the latest three performance share plans for which the performance condition has been determined (86.4% for the 2014 plan, 89.2% for the 2013 plan and 65.5% for the 2012 plan).</p> <p><u>Rules for holding shares</u></p> <p>The Chairman and Chief Executive Officer is required to retain 50% of the performance shares he received in 2017, that will be delivered to him, until the cessation of his duties. However, this obligation will cease to apply if and when the total number of Saint-Gobain shares he personally holds in registered form, at the delivery date of the performance shares, represents the equivalent of five years' gross fixed compensation (based on the average opening price quoted for Saint-Gobain shares in the twenty trading days preceding the delivery date of the performance shares and the amount of his gross compensation applicable at that time).</p> <p>Percentage of share capital represented by the allocation of performance shares to the Chairman and Chief Executive Officer: approximately 0.01%.</p> <p>Date of authorization by the General Shareholders' Meeting: June 2, 2016 (14<sup>th</sup> resolution).</p> <p>Date of the Board's grant decision: November 23, 2017.</p>
<b>Performance units</b>	<b>None</b>	No performance units were allocated to Pierre-André de Chalendar in 2017.
<b>Directors' attendance fees</b>	<b>None</b>	Pierre-André de Chalendar is not paid any Directors' fees.
<b>In-kind benefits</b>	<b>Amount due: €3,607 (book value)</b>	Pierre-André de Chalendar has use of a company car.

**Compensation components paid or granted to Pierre-André de Chalendar, Chairman and Chief Executive Officer, in respect of 2017, voted at the General Shareholders' Meeting of June 5, 2014 as related-party agreements and undertakings**

Compensation components	Amounts paid or granted in 2017 (in EUR)	Description
<b>Compensation for loss of office</b>	<b>None</b>	<p>In the event of forced termination of office, irrespective of the form of termination, linked to a change in control or strategy under the following circumstances:</p> <p><b>a)</b> he is removed from office or his mandate as Chairman and Chief Executive Officer is not renewed on expiry, other than at his own initiative or as a result of gross or willful misconduct or serious misconduct not related to his duties as Chief Executive Officer; or</p> <p><b>b)</b> he is forced to resign within the 12 months following:</p> <ul style="list-style-type: none"> <li>◆ the date of approval by the shareholders of a merger or demerger affecting Compagnie de Saint-Gobain, or</li> <li>◆ the effective date on which a third party or group of third parties acting in concert acquires control of Compagnie de Saint-Gobain (in accordance with Article L.233-3 of the French Commercial Code), or</li> <li>◆ the announcement by the Company's governance bodies of a significant change in the Group's strategy leading to a major refocusing of its business.</li> </ul> <p>Pierre-André de Chalendar will be able to receive compensation not to exceed the double of the sum of the fixed portion of his annual compensation received as of the date of termination of his duties, and the average annual variable compensation received or receivable in respect of his last three full fiscal years in office.</p> <p>In any case, no compensation for loss of office would be due if Pierre-André de Chalendar were to leave Compagnie de Saint-Gobain at his own initiative under circumstances other than those described above, or if, upon leaving the Company under one of the circumstances described above, he were eligible to retire during the twelve months following termination of his duties as Chairman and Chief Executive Officer and to receive a pension under the so-called "SGPM" defined benefit plan.</p> <p>In no case may the sum of the indemnity for termination of office and the non-compete indemnity described below exceed twice Pierre-André de Chalendar's gross annual total compensation.</p> <p>Payment of the compensation for termination of office will be subject to fulfillment of a performance condition defined as an allocation by the Board of Directors of a variable part of compensation at least equal to one-half of the average maximum amount fixed for this variable part for the last three full fiscal years during which he will be Chairman and Chief Executive Officer and ending prior to the date on which he ceases his duties. This performance condition is challenging, as demonstrated by the overall completion rate of the objectives corresponding to the variable share of his compensation for the past two fiscal years, which in 2017 totaled 80%, and 82% in 2016.</p> <p>Payment of an indemnity for termination of office will be subject to the Board's prior determination, in accordance with applicable laws, of fulfillment of this performance condition, on the date of his termination of office.</p> <p>Date of renewal of the authorization by the Board of Directors: March 20, 2014. Date of approval by the General Shareholders' Meeting: June 5, 2014 (6<sup>th</sup> resolution).</p>
<b>Non-compete indemnity</b>	<b>None</b>	<p>Pierre-André de Chalendar has signed a firm and binding non-compete undertaking in favor of Compagnie de Saint-Gobain with a term of one year as from the date of his loss of office as Chairman and Chief Executive Officer in circumstances entitling him to compensation for loss of office (see description above).</p> <p>In return for this undertaking, he would receive a non-compete indemnity equal to one year's total gross compensation. Gross annual compensation is considered as comprising the same fixed and variable amounts used to calculate his compensation for loss of office referred to above.</p> <p>Under no circumstances will the sum of the indemnity under the non-compete agreement and the compensation for loss of office exceed double Pierre-André de Chalendar's total gross annual compensation.</p> <p>The Board of Directors reserves the right to unilaterally waive application of the non-compete agreement no later than on the date of termination of the Chairman and Chief Executive Officer's duties, in which case he will be released from any commitment and no amount will be due to him on this account.</p> <p>Date of renewal of the authorization by the Board of Directors: March 20, 2014. Date of approval by the General Shareholders' Meeting: June 5, 2014 (6<sup>th</sup> resolution).</p>

**Compensation components paid or granted to Pierre-André de Chalendar, Chairman and Chief Executive Officer, in respect of 2017, voted at the General Shareholders' Meeting of June 5, 2014 as related-party agreements and undertakings**

Compensation components	Amounts paid or granted in 2017 (in EUR)	Description
<b>Supplementary pension plan</b>	<b>None</b>	<p>Pierre-André de Chalendar participates in the defined benefit pension plan ("SGPM") applicable to all employees and managers of Compagnie de Saint-Gobain who, as he did, joined the Company prior to January 1, 1994, and which was closed to new entrants as from that date.</p> <p>It is a so-called differential type system, according to Article 39 of the General Tax Code. As of December 31, 2017, 234 retired former employees of Compagnie de Saint-Gobain were receiving benefits under the plan and a further 25 active employees will be entitled to benefits on retirement.</p> <p>To benefit from the plan, Pierre-André de Chalendar will have to retire at 60 or over on a full pension under the compulsory government-sponsored schemes after contributing to the SGPM plan for at least 15 years. If he leaves Compagnie de Saint-Gobain before fulfilling these conditions, he will not be able to claim this benefit, unless forced to terminate his activity for health reasons.</p> <p>Benefits under the plan are determined so that retirees receive a guaranteed total income in retirement. The guaranteed amount depends on the retiree's years of service (up to 35 years) and is determined on a declining scale for each tranche of gross annual compensation excluding exceptional or temporary payments.</p> <p>Benefits received by the retiree under other basic and compulsory pension plans during the period are deducted from the guaranteed amount for the purpose of calculating the plan's total guaranteed benefits.</p> <p>Pierre-André de Chalendar's pension will be based on his final year's fixed compensation and his years of service with the Group, calculated as from October 1st, 1989, the date on which he joined the Saint-Gobain Group. If he were to leave after completing the maximum number of pensionable years of service under the SGPM plan, Pierre-André de Chalendar would be entitled to total guaranteed pension benefits (including pension benefits paid under the basic and compulsory pension schemes) representing a guaranteed replacement rate of approximately 49% of his final year's fixed compensation. The seniority-based supplementary pension benefits under the SGPM plan that would be paid by Compagnie de Saint-Gobain, which corresponds to the difference between these guaranteed total benefits and the amount of the benefits paid under the basic and compulsory pension schemes, would therefore be approximately 37% of his latest fixed compensation set in the event of retirement at maximum seniority.</p> <p>Pierre-André de Chalendar's maximum supplementary retirement payout is significantly lower than the AFEP-MEDEF code's recommended ceiling, which is 45% of the sum of the fixed and variable compensations. The annual increase in Pierre-André de Chalendar's potential rights is 1.5% of his fixed compensation per year of seniority, and thus represents only 50% of the 3% ceiling of the annual compensation set by law, that will be applicable from June 7, 2018 should Pierre-André de Chalendar's term of office be renewed.</p> <p>Date of renewal of the authorization by the Board of Directors: March 20, 2014. Date of approval by the General Shareholders' Meeting: June 5, 2014 (7<sup>th</sup> resolution).</p>

## 2.3.2 Compensation Policy for the Chairman and Chief Executive Officer, subject to the approval of the General Shareholders' Meeting of June 7, 2018 ("Say on Pay" ex ante)

### General principles of the Compensation policy applicable to the Chairman and Chief Executive Officer

The so-called "Sapin II" law (*loi relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique*), enacted on December 9, 2016 requires that the Compensation policy for the executive Directors, *i.e.*, the principles and criteria applying to the determination, distribution and allocation of fixed, variable and exceptional components of their total compensation and the benefits of any kind attributable to them in respect of their mandate, be submitted every year to the approval of the Ordinary General Shareholders' Meeting. This vote is binding (as opposed to an advisory vote).

The Compensation policy applicable to the Chairman and Chief Executive Officer, the sole executive Director of Compagnie de Saint-Gobain, is decided by the Board of Directors, based on the recommendations of the Nomination and Remuneration Committee.

The Board of Directors and the Nomination and Remuneration Committee are committed to ensuring that the Chairman and Chief Executive Officer's compensation complies at all times with the recommendations of the AFEP-MEDEF corporate governance code for French listed companies and in particular meets transparency and performance measurement requirements. They also ensure that it evolves taking into account the Group's performance and market practices.

The Chairman and Chief Executive Officer's compensation package is determined by taking into account all pay components (fixed compensation, annual variable compensation, long term compensation, compensation for loss of office and pension benefits), with a view to achieving a balanced mix of these components.

When setting the various components of the Chairman and Chief Executive Officer's compensation, the Board of Directors also takes into consideration benchmarks of CAC 40 companies comparable to Saint-Gobain in terms of sales, workforce and international scope of operations.

The Board also seeks to ensure that the allocation of long-term compensation instruments, (stock options, performance shares and performance units, as the case may be) to the Chairman and Chief Executive Officer in a given year does not represent a disproportionate portion of his total maximum compensation for that year and conditions these allocations to demanding caps and holding rules (see 2.3.1 above for the application of this policy in 2017).

### Principles and criteria applying to the determination, distribution and allocation of the compensation components of the Chairman and Chief Executive Officer, for the 2018 fiscal year

At the proposal of the Nomination and Remuneration Committee, the Board of Directors, at its meeting of November 23, 2017, decided unanimously to propose to the General Shareholders' Meeting to be held on June 7, 2018 the renewal of the Director's term of office of Pierre-André de Chalendar, and announced its intention to reappoint him as Chairman and Chief Executive Officer, should the General Shareholders' Meeting approve the renewal of his term of office (see Section 2.2.2 below and the explanations on the 4<sup>th</sup> resolution on page 38 of this document).

The renewal of the related-party agreements and undertakings to the benefit of Pierre-André de Chalendar is described in Section 2.3.3 below.

The following table describes the principles and criteria applying to the determination, distribution and allocation of the compensation components of the Chairman and Chief Executive Officer for 2018, submitted to the approval of your General Shareholders' Meeting in accordance with Article L.225-37-2 of the French Commercial Code (7<sup>th</sup> resolution).

## Table prepared in accordance with Article L.225-37-2 of the French Commercial Code (“Say on Pay” ex ante)

Principles and criteria applying to the determination, distribution and allocation of the compensation components of the Chairman and Chief Executive Officer, for 2018, submitted to the approval of the Ordinary General Shareholders' Meeting (Article L.225-37-2 of the French Commercial Code)		
Compensation components attributable to the Chairman and Chief Executive Officer	Cap	Description
<b>Fixed compensation</b>	-	<p>The fixed compensation of the Chairman and Chief Executive Officer is commensurable with his experience and responsibilities as Chairman and Chief Executive Officer, and shall be compared with fixed compensation offered by similar large companies in terms of sales, workforce and international scope of operations. This amount is reviewed at relatively long intervals of time.</p> <p><i>In application of these principles, taking into account the fact that the fixed compensation of Pierre-André de Chalendar has remained unchanged since his appointment as Chairman and Chief Executive Officer in 2010, that the operational performance has been restored in all of the Group's activities and given its very good 2017 results, the Board decided on February 22, 2018, at the proposal of the Nomination and Remuneration Committee, in view of the renewal of Pierre-André de Chalendar's term of office and for its full term, to increase this fixed compensation from €1,100,000 to €1,200,000 for 2018 (+9%). The Committee noted that, on the one hand, this increase was less than that of base salaries within the Group in France since 2010, and that, on the other hand, with the help of an external firm, that this level of compensation was at the median for industrial CAC 40 companies comparable to Saint-Gobain in terms of size: whether in terms of sales, workforce or international footprint.</i></p>
<b>Annual variable compensation</b>	<b>170% of the fixed compensation</b>	<p>The Board of Directors decided to maintain the cap on the annual variable part of the compensation of the Chairman and Chief Executive Officer unchanged at 170% of his fixed compensation (cap unchanged since 2014).</p> <p>The amount of the variable compensation for 2018 will be decided by the Board of Directors in 2019 based on the achievement of quantifiable and qualitative objectives that it established, respectively at 2/3 and 1/3 of the variable portion of his compensation (structure unchanged since 2014).</p> <p>As regards the quantifiable objectives, the Board decided to maintain for 2018, the following four quantifiable objectives, each counting for 25%, deemed relevant for assessing the operational and financial performance of the Saint-Gobain Group and its strategy (unchanged since the renewal of his mandate in 2010): the rate of return on capital employed (ROCE), the operating income of the Group, the recurring net income of the Group per share and the <i>operating free</i> cash flow.</p> <p>In addition, the Board retained the following qualitative objectives, deemed relevant to the extent that they reflect the implementation of strategic orientations for 2018: continuation of the digital transformation of the Group, implementation of the corporate social responsibility policy and continuation of the Group's development strategy.</p> <p><i>In accordance with the law, the payment of the annual variable compensation will be conditioned to the approval of the 2019 Ordinary Shareholders' Meeting.</i></p>
<b>Deferred variable compensation</b>	<b>None</b>	<p>The Board of Directors does not intend to grant deferred variable compensation to the Chairman and Chief Executive Officer in 2018.</p>
<b>Multi-year variable compensation</b>	<b>None</b>	<p>The Board of Directors does not intend to grant multi-year compensation to the Chairman and Chief Executive Officer in 2018.</p>
<b>Exceptional compensation</b>	<b>None</b>	<p>The Board of Directors does not intend to grant exceptional compensation to the Chairman and Chief Executive Officer in 2018.</p> <p><i>In accordance with the law, the payment of any exceptional compensation would be conditioned to the approval of the 2019 Ordinary Shareholders' Meeting.</i></p>
<b>Indemnity for taking up office</b>	-	<p>The Board of Directors reserves the option, should a new Chief Executive Officer be recruited outside the Group, to grant him/her an indemnity for taking up office to compensate for his/her loss of benefits, in compliance with current practices, such as the annual variable compensation and/or long-term compensation components which he/she was entitled to as part of his/her previous duties. This indemnity for taking up office could take the form of payments in cash and/or allocation of securities subject to performance conditions.</p>

**Principles and criteria applying to the determination, distribution and allocation of the compensation components of the Chairman and Chief Executive Officer, for 2018, submitted to the approval of the Ordinary General Shareholders' Meeting (Article L.225-37-2 of the French Commercial Code)**

Compensation components attributable to the Chairman and Chief Executive Officer	Cap	Description
<p><b>Long-term compensation</b></p>	<p><b>Cap for grants of long-term compensation instruments to the Chairman and CEO, i.e., stock options, free shares and performance units (valuation based on IFRS standards) set at 85% of his 2018 total maximum gross compensation and</b></p> <p><b>Cap for allocation to the Chairman and CEO fixed at 10% of the overall grants of performance shares and performance units in 2018 and</b></p> <p><b>Caps for allocation to the Chairman and CEO provided by resolutions 13 (stock options) and 14 (free shares) of the General Shareholders' Meeting of June 2, 2016</b></p>	<p>The Board of Directors has decided that grants of stock options, performance shares and performance units to the Chairman and Chief Executive Officer in 2018, could not, at the time of their grant, represent a value (in accordance with the IFRS standards) greater than 85% of his total maximum gross compensation for the 2018 fiscal year (fixed compensation plus maximum variable compensation for the 2018 fiscal year).</p> <p><i>The grants of stock options, performance shares and performance units to the Chairman and Chief Executive Officer for the 2017 and 2016 fiscal years represented a value of less than 70% and 50% respectively of his total maximum gross compensation for such fiscal years.</i></p> <p>In addition, the Board of Directors has decided that the Chairman and Chief Executive Officer may not receive more than 10% of the overall grants of performance shares and performance units allocated under the long-term compensation plans 2018.</p> <p>For the record, the sub-limit for the grant of stock options to the executive Directors was set by the General Shareholders' Meeting of June 2, 2016 at 10% of the limit determined by the 13<sup>th</sup> resolution (such limit being also applicable to the 14<sup>th</sup> resolution of the same General Shareholders' Meeting relative to the grant of free shares which fixed a sub-limit at 10% of the limit set by the resolution for the allocation to the executive Directors).</p> <p>At the occasion of the General Shareholders' Meeting of June 2, 2016, the Board of Directors indicated its intention to subject the exercise of the stock options and the vesting of the performance shares under long-term compensation plans <b>to a service condition and performance conditions which will be based as a minimum on an internal performance criterion (Group ROCE) and on a relative performance criterion (the stock market performance of Saint-Gobain vis-à-vis the CAC 40 stock market index), taken individually or combined, and that it reserves the right to add the criterion of free cash flow</b>, a published market indicator (for more information see pages 31 and 32 of the Notice of Meeting for the General Shareholders' Meeting of June 2, 2016).</p> <p>Furthermore, following dialogue with investors and as announced in 2016, the Board of Directors decided on November 23, 2017, at the proposal of the Nomination and Remuneration Committee, <b>to add a criterion related to corporate social responsibility, comprising the following three indicators, all quantifiable and published each year as key CSR indicators: total recordable accident rate – more than 24 hours' lost time and non lost time (TRAR) –, the reduction rate of CO<sub>2</sub> emissions and the senior executives diversity index</b>. These criteria have been considered relevant by the Board of Directors as they reflect the operational, financial and non-financial performance of the Saint-Gobain Group and ensure an alignment of the beneficiaries with the interest of Saint-Gobain shareholders.</p> <p><b>The duration of vesting periods applicable under long-term compensation plans shall not be shorter than three years.</b></p> <p>In the event that the Board of Directors should decide in 2018 to implement in favor of certain beneficiaries a plan of performance units instead of the grant of performance shares, as in the past, the grants of performance units will be subject to the same service and performance conditions as the grants under performance share plans which would be implemented in 2018 in favor of other beneficiaries of long-term compensation plans.</p> <p>As in the past, the Board will set for the Chairman and Chief Executive Officer, for any allocation in 2018 under long-term compensation plans, <b>a demanding obligation</b> to retain shares resulting from the exercise of stock options or vested performance shares or to reinvest in shares upon exercise of performance units, that the Chairman and Chief Executive Officer will be required to retain in registered form until the cessation of his duties.</p>
<p><b>Consequences of departure of the Director on his stock options, performance shares and performance units</b></p>		<p><b>a)</b> In the event of his departure as Director as a result of <b>death, disability or retirement</b>, as provided in the rules of the relevant long-term compensation plans, the Chairman and Chief Executive Officer <b>will not be deprived of his right to exercise stock options and performance units or to receive the performance shares</b> that he has been granted on his departure date.</p> <p><b>b)</b> <b>In the event of his departure as Director for other reasons</b>, with the exception of the following, which will lead to forfeiture of the rights:</p> <ul style="list-style-type: none"> <li>◆ dismissal for serious misconduct or gross negligence separate from his duties, and</li> <li>◆ resignation (other than in the 12 months following a merger or demerger affecting Compagnie de Saint-Gobain, the acquisition of control of Compagnie de Saint-Gobain or a material change in the Group's strategy leading to a major refocusing of its activity),</li> </ul> <p><b>the Board of Directors may</b>, at the proposal of the Nomination and Remuneration Committee, decide whether <b>to maintain, purely on a prorata temporis basis</b>, his benefit of all or part of the stock options, performance shares and performance units that he holds on his departure date and for which the minimum exercise period has not elapsed or which have not been delivered on that date, as the case may be.</p> <p>Any such decision by the Board of Directors must be <b>justified</b> in accordance with the AFEP-MEDEF code.</p> <p>The exercise of stock options and performance units, and the allocation of performance shares, <b>would</b> nonetheless remain <b>subject</b> in this case to the <b>performance condition(s)</b> stipulated in the rules of the relevant plans <b>being met</b>.</p>
<p><b>Directors' attendance fees</b></p>	<p><b>None</b></p>	<p>The Chairman and Chief Executive Officer is not paid any Directors' fees.</p>
<p><b>In-kind benefits</b></p>	<p><b>-</b></p>	<p>The Chairman and Chief Executive Officer has use of a company car.</p>

### 2.3.3 Related-party agreements and undertakings to the benefit of Pierre-André de Chalendar

At its meeting of February 22, 2018 and at the proposal of the Nomination and Remuneration Committee, the Board of Directors approved, in view of the renewal of Pierre-André de Chalendar's term of office, Chairman and Chief Executive Officer (see Section 2.2.2 below and the explanations on the 4<sup>th</sup> resolution on page 38 of this document), the renewal of the commitments described below, taken to his benefit and corresponding on the one hand to compensation components, indemnities or benefits due or to be due upon termination of his duties, and on the other hand, to his continuing benefit during his term of the Group's health and personal risk insurance policies.

Renewal of these commitments is subject to the approval of your General Meeting (8<sup>th</sup> to 10<sup>th</sup> resolutions).

It is specified that these commitments initially authorized by the Board of Directors and approved by your General Meeting in 2008, were amended successively in 2010, 2014 and 2018 mainly to incorporate the new recommendations introduced by the revised versions of the AFEP-MEDEF Code. They are also described in the same terms in the Statutory Auditors' special report on related-party agreements and undertakings, which is included at the end of this section.

Compensation components subject to the approval of the General Shareholders' Meeting of June 7, 2018 as related-party agreements and undertakings	Description
<b>Compensation for loss of office</b>	<p>In the event of <b>forced termination of office</b>, irrespective of the form of termination under the following circumstances:</p> <ul style="list-style-type: none"> <li>a) he is removed from office or his mandate as Chairman and Chief Executive Officer is not renewed on expiry, other than at his own initiative or as a result of gross or willful misconduct or serious misconduct not related to his duties as Chief Executive Officer; or</li> <li>b) he is forced to resign within the 12 months following: <ul style="list-style-type: none"> <li>◆ the date of approval by the shareholders of a merger or demerger affecting Compagnie de Saint-Gobain, or</li> <li>◆ the effective date on which a third party or group of third parties acting in concert acquires control of Compagnie de Saint-Gobain (in accordance with Article L.233-3 of the French Commercial Code), or</li> <li>◆ the announcement by the Company's governance bodies of a significant change in the Group's strategy leading to a major refocusing of its business.</li> </ul> </li> </ul> <p><b>Pierre-André de Chalendar would be able to receive compensation not to exceed the double of the sum of the fixed portion of his annual compensation received as of the date of termination of his duties, and the average annual variable compensation received or receivable in respect of his last three full fiscal years in office.</b></p> <p>In any case, no compensation for loss of office would be due if Pierre-André de Chalendar were to leave Compagnie de Saint-Gobain at his own initiative under circumstances other than those described above, or if, upon leaving the Company under one of the circumstances described above, he were eligible to retire during the twelve months following termination of his duties as Chairman and Chief Executive Officer and to receive a pension under the so-called "SGPM" defined benefit plan.</p> <p><b>In no case may the sum of the indemnity for termination of office and the non-compete indemnity described below exceed twice Pierre-André de Chalendar's gross annual total compensation.</b></p> <p>The indemnity for loss of office shall be subject to fulfillment of a performance condition defined as the allocation by the Board of Directors of a variable part of compensation at least equal to one-half of the average maximum amount fixed for this variable part for the last three full fiscal years during which he will be Chairman and Chief Executive Officer and ending prior to the date on which he ceases his duties.</p> <p>Payment of this compensation for loss of office will be subject to prior determination by the Board of Directors, in accordance with applicable law, of fulfillment of this performance condition, on the date of his loss of office.</p> <p>Date of renewal of the authorization by the Board of Directors: February 22, 2018. Date of approval by the General Shareholders' Meeting: June 7, 2018 (8<sup>th</sup> resolution).</p>

Compensation components subject to the approval of the General Shareholders' Meeting of June 7, 2018 as related-party agreements and undertakings	Description
<b>Non-compete indemnity</b>	<p>Pierre-André de Chalendar has signed a firm and binding non-compete undertaking in favor of Compagnie de Saint-Gobain with a term of one year as from the date of his loss of office as Chairman and Chief Executive Officer.</p> <p>In consideration for this undertaking, in the event of his loss of office as Chairman and Chief Executive Officer for any reason whatsoever, he would receive a non-compete <b>indemnity equal to one year's total gross compensation</b>. Gross annual compensation is considered as comprising the same fixed and variable amounts used to calculate his compensation for loss of office referred to above.</p> <p>Under no circumstances will the <b>sum of the indemnity under the non-compete agreement and the compensation for loss of office exceed twice Pierre-André de Chalendar's total gross annual compensation</b>.</p> <p>It should be noted that the non-compete undertaking is a <b>means of protection for Saint-Gobain</b>, a non-compete indemnity being a mandatory compensation for the restrictions imposed.</p> <p>The Board of Directors reserves the right to unilaterally waive application of the non-compete agreement no later than on the date of termination of the Chairman and Chief Executive Officer's duties, in which case he will be released from any commitment and no amount will be due to him on this account.</p> <p>Date of renewal of the authorization by the Board of Directors: February 22, 2018. Date of approval by the General Shareholders' Meeting: June 7, 2018 (8<sup>th</sup> resolution).</p>
<b>Supplementary pension plan</b>	<p>Pierre-André de Chalendar is a beneficiary under the defined benefit pension plan applicable to all employees and managers of Compagnie de Saint-Gobain who, as he did, joined the Company prior to January 1, 1994, date on which this plan was closed to new entrants. It is a so-called differential type system, according to Article 39 of the General Tax Code.</p> <p>As of December 31, 2017, 234 retired employees of Compagnie de Saint-Gobain were receiving benefits under the plan - so-called "SGPM" - and a further 25 active employees will be entitled to benefits upon retirement.</p> <p>To benefit from the plan, Pierre-André de Chalendar will have to retire at 60 or over on a full pension under the compulsory government-sponsored schemes after contributing to the SGPM plan for at least 15 years. If he leaves Compagnie de Saint-Gobain before fulfilling these conditions, he will not be able to claim this benefit, unless forced to terminate his activity for health reasons.</p> <p>Benefits under the plan are determined so that retirees receive a guaranteed total income in retirement. The guaranteed amount depends on the retiree's years of service (up to 35 years) and is determined on a declining scale for each tranche of gross annual compensation excluding exceptional or temporary payments.</p> <p>Benefits received by the retiree under other basic and compulsory pension plans during the period are deducted from the guaranteed amount for the purpose of calculating the plan's total guaranteed benefits.</p> <p>Pierre-André de Chalendar's pension will be based on his final year's fixed compensation and his years of service with the Group, calculated as from October 1, 1989, the date on which he joined the Saint-Gobain Group. If he were to leave after completing the maximum number of pensionable years of service under the SGPM plan, Pierre-André de Chalendar would be entitled to total guaranteed pension benefits (including pension benefits paid under the basic and compulsory pension schemes) representing a guaranteed replacement rate of approximately 49% of his final year's fixed compensation. The seniority-based supplementary pension benefits under the SGPM plan that would be paid by Compagnie de Saint-Gobain, which corresponds to the difference between these guaranteed total benefits and the amount of benefits paid under the basic and compulsory pension schemes, would therefore be approximately 37% of his latest fixed compensation set in the event of retirement at maximum seniority.</p> <p>Pierre-André de Chalendar's maximum supplementary retirement payout is significantly lower than the AFEP-MEDEF code's recommended ceiling, which is 45% of the sum of the fixed and variable compensations.</p> <p>In accordance with Article L.225-42-1 of the French Commercial Code based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors, at its meeting of February 22, 2018, decided upon <b>the performance condition to which the annual increase in Pierre-André de Chalendar's retirement benefits will be subject</b>, defined as follows: allocation by the Board of Directors of a variable part of compensation at least equal to one-half of the average maximum amount fixed for this variable part for the last three full fiscal years during which he will be Chairman and Chief Executive Officer and ending prior to the date on which he ceases his duties (this condition being the same as for the compensation for loss of office). Fulfillment of this performance condition determining the increase in rights as of October 1st will be ascertained each year by the Board of Directors, in accordance with the law.</p> <p>Date of renewal of the authorization by the Board of Directors: February 22, 2018. Date of approval by the General Shareholders' Meeting: June 7, 2018 (9<sup>th</sup> resolution).</p>
<b>Health and personal risk insurance</b>	<p>On the recommendation of the Nomination and Remuneration Committee, at its meeting on February 22, 2018, the Board of Directors decided that Pierre-André de Chalendar will continue to benefit during his term in full from the Group health and personal risk insurance contracts entered into with GAN and Mutuelle Malakoff Médéric respectively.</p> <p>Date of renewal of the authorization by the Board of Directors: February 22, 2018. Date of approval by the General Shareholders' Meeting: June 7, 2018 (10<sup>th</sup> resolution).</p>

## 2.3.4 Statutory Auditors' special report on related-party agreements and undertakings

(Annual General Meeting for the approval of the financial statements for the year ended December 31, 2017)

*This is a free translation into English of the Statutory Auditors' special report on related party agreements and undertakings issued in French and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

### **COMPAGNIE DE SAINT-GOBAIN S.A.**

Les Miroirs  
18, avenue d'Alsace  
92400 Courbevoie  
France

In our capacity as Statutory Auditors of Compagnie de Saint-Gobain, we hereby report to you on related party agreements and undertakings.

It is our responsibility to report to you, based on the information provided to us, on the main terms, conditions of agreements and undertakings, and the reasons put forward for their benefit to the company that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or undertakings. Under the provisions of Article R.225-31 of the French Commercial Code (*Code de commerce*), it is your responsibility to assess whether the agreements and undertakings are appropriate and should be approved.

Where applicable, it is also our responsibility to provide you with the information required by Article R.225-31 of the French Commercial Code (*Code de commerce*) in relation to the implementation during the year of agreements and undertakings already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

## **Agreements and undertakings to be submitted for the approval of the Annual General Meeting**

### **Agreements and undertakings authorized during the year**

We were not informed of any agreements or undertakings authorized during the year to be submitted for the approval of the Annual General Meeting in accordance with Article L.225-38 of the French Commercial Code (*Code de commerce*).

### **Agreements and undertakings authorized since the closing**

We have been advised of the following agreements and undertakings, which have been authorized since the closing of the previous financial year and which have been subject to the prior authorization of your Board of Directors.

#### ***Undertakings given to Pierre-André de Chalendar concerning the compensation and benefits potentially due, in certain cases, on the termination of his duties as Chairman and Chief Executive Office***

##### *Nature*

On recommendation of the Nomination and Remuneration Committee, at its meeting of February 22, 2018, the Board of Directors authorized the renewal of benefits payable to Pierre-André de Chalendar on the termination of his duties as Chairman and Chief Executive Officer ("compensation for termination of office") of Compagnie de Saint-Gobain ("the Company").

The terms and conditions of this compensation for termination of office are as follows:

1. The compensation for termination of office will be paid in the event of the forced termination of Pierre-André de Chalendar's duties as Chairman and Chief Executive Officer, irrespective of the form of termination under the following circumstances:
  - a. he is removed from office or his appointment as Chairman and Chief Executive Officer is not renewed, other than at his own initiative or as a result of gross or willful misconduct (by reference to case law relating to employment matters) or serious misconduct not related to his duties as Chief Executive Officer (in accordance with the case law definition), or

- b. he is forced to resign within the twelve months following:
- ◆ the date of approval by the shareholders of a merger or a demerger affecting the Company, or
  - ◆ the date on which a third party or group of third parties acquires control of the Company (in accordance with Article L.233-3 of the French Commercial Code), or
  - ◆ the announcement by the Company's management bodies of a significant shift in the Group's strategy leading to a major change in its business.
2. No compensation for termination of office will be due if Pierre-André de Chalendar leaves the Company (i) at his own initiative in circumstances other than those described in 1. above, or (ii) in one of the circumstances described in 1. above, if he would have been eligible to retire during the following twelve months and to receive a pension under the SGPM supplementary pension plan for engineers and managers.
3. The amount of the compensation for termination of office will be equal to no more than twice the amount of Pierre-André de Chalendar's total gross annual compensation as Chairman and Chief Executive Officer, defined as the sum of the fixed portion of the annual compensation of the Chairman and Chief Executive Officer received as of the date of termination of his duties, and the average annual variable bonus of the Chairman and Chief Executive Officer received or receivable in respect of his last three full fiscal years in office (this total gross annual compensation is defined hereinafter as the "Reference Compensation"). In any case, the sum of the compensation for termination of office and of the non-compete agreement compensation will not exceed two times the amount of the Reference Compensation.
4. Payment of the compensation for termination of office will be subject to fulfilment of a performance condition evidenced by the Board of Directors' decision to award him an average bonus for the last three full fiscal years ended before the termination of his duties as Chairman and Chief Executive Officer at least equal to one half of the average maximum bonus.

Payment of the compensation for termination of office will be dependent on the Board of Directors' acknowledgement, under the conditions set out by the legislation in force, of the fulfilment of this performance condition as of the date his duties are terminated.

On the recommendation of the Nomination and Remuneration Committee, at its meeting on February 22, 2018, the Board of Directors authorized the renewal of a firm and irrevocable non-compete undertaking between Pierre-André de Chalendar and the Company for a period of one year from the date on which his functions as Chairman and Chief Executive Officer are terminated in circumstances qualifying him for the compensation for termination of office. In consideration for this undertaking, Pierre-André de Chalendar will receive a compensation equal to the Reference Compensation, it being specified that the amount of the compensation for termination of office due to Pierre-André de Chalendar will, if necessary, be reduced so that the sum of the non-compete agreement compensation and the compensation for termination of office amount will not exceed two times the Reference Compensation. The Board of Directors reserves the right to unilaterally waive the implementation of the non-competition agreement no later than the day of termination of the Chairman and Chief Executive Officer's duties, in which case he would be released from any commitment and no amount would be due to him on this account.

#### *Person concerned*

Pierre-André de Chalendar – Chairman and Chief Executive Officer

#### *Reason explaining the interest of the undertakings for the company*

Your Board of Directors explained the interest of these undertakings by recalling that Pierre-André de Chalendar waived his employment contract in 2010 to be appointed as Chairman and Chief Executive Officer, which is why these undertakings have been given and renewed since that date.

#### *Pension plan for Pierre-André de Chalendar in his capacity as non-salaried executive corporate officer*

##### *Nature*

On the recommendation of the Nomination and Remuneration Committee, at its meeting on February 22, 2018, the Board of Directors decided, in accordance with Article 17 of the rules and regulations of the SGPM supplementary pension plan for engineers and managers, that Pierre-André de Chalendar would continue to benefit in full from the provisions of said rules and regulations under the same conditions as those applicable to all members of the pension plan, except for the following amendment. In accordance with law (Article L.225-42-1, paragraphs 7 and 8 of the French Commercial Code), the Board of Directors has decided that, as from the renewal of the mandate of Pierre-André de Chalendar, the annual increase of his potential rights under the SGPM supplementary pension plan for engineers and managers will be subject to a performance condition defined as having been allocated by the Board of Directors a variable part of compensation at least equal to one half of the average maximum amount fixed for this variable part for the last three full fiscal years during which he will be Chairman and Chief Executive Officer and ending prior to the date on which he ceases his duties (this condition being the same as for the compensation for termination of office described above).

##### *Person concerned*

Pierre-André de Chalendar – Chairman and Chief Executive Officer

##### *Reason explaining the interest of the undertaking for the company*

Your Board of Directors explained the interest of this undertaking by recalling that Pierre-André de Chalendar waived his employment contract in 2010 to be appointed as Chairman and Chief Executive Officer, which is why this undertaking has been given and renewed since that date.

### **Benefits under the Group health and personal risk insurance contracts applicable to employees of Compagnie de Saint-Gobain to be maintained for Pierre-André de Chalendar in his capacity as non-salaried executive corporate officer**

#### **Nature**

On the recommendation of the Nomination and Remuneration Committee, at its meeting on February 22, 2018, the Board of Directors decided that Pierre-André de Chalendar will continue to benefit in full from the Group health and personal risk insurance contracts entered into with GAN and Mutuelle Malakoff Médéric respectively.

#### **Person concerned**

Pierre-André de Chalendar – Chairman and Chief Executive Officer

#### **Reason explaining the interest of the undertaking for the company**

Your Board of Directors explained the interest of this undertaking by recalling that Pierre-André de Chalendar waived his employment contract in 2010 to be appointed as Chairman and Chief Executive Officer, which is why this undertaking has been given and renewed since that date.

## **Agreements and undertakings previously approved by the Annual General Meeting**

### **Agreements and undertakings approved in previous years**

#### **a) Which were implemented during the year**

Pursuant to Article R.225-30 of the French Commercial Code, we were informed that the following agreements and undertakings, approved in previous years by the Annual General Meeting, were implemented during the year.

<b>Nature and date of approval by the Annual General Meeting</b>	<b>Person(s)/entity(ies) concerned</b>	<b>Implementation in the year ended December 31, 2017</b>
<p>Agreements with Wendel, a shareholder of Compagnie de Saint-Gobain</p> <p><b>Approved by the Annual General Meeting of :</b> June 7, 2012</p> <p>(Statutory Auditors' special report of March 9, 2012)</p>	<p>Wendel, shareholder with an interest of over 10% in Compagnie de Saint-Gobain</p> <p>Directors : Frédéric Lemoine, Chairman of the Management Board of Wendel and Bernard Gautier, member of the Management Board of Wendel</p>	<p>These agreements, which were entered into on May 26, 2011 for a ten-year term, and which set out the principles and objectives of the long-term cooperation between Wendel and Saint-Gobain, have not given rise to any payment and mainly concern corporate governance, voting rights and changes in Wendel's interest in the capital of the Company.</p>
<p>Group health and personal risk insurance contract for employees and corporate officers</p> <p><b>Approved by the Annual General Meeting of :</b> June 5, 2014</p> <p>(Statutory Auditors' special report of March 24, 2014)</p>	<p>Chairman and Chief Executive Officer: Pierre-André de Chalendar</p>	<p>On the recommendation of the Nomination, Remuneration and Governance Committee, at its meeting on March 20, 2014, the Board of Directors decided that Pierre-André de Chalendar would continue to benefit in full from the Group health and personal risk insurance contracts entered into with GAN and Mutuelle Malakoff Médéric respectively.</p> <p>Payment of €8,246, made by the Company for Pierre André de Chalendar's insurance coverage in respect of 2017.</p>

#### **b) Which were not implemented during the year**

Furthermore, we were informed that the following agreements and undertakings, already approved by an Annual General Meeting in previous years, remained in force but were not implemented during the year.

### **Undertakings given to Pierre-André de Chalendar concerning the compensation and benefits potentially due, in certain cases, on the termination of his duties as Chairman and Chief Executive Officer**

#### **Nature and date of approval by the Annual General Meeting**

On recommendation of the Nomination, Remuneration and Governance Committee, at its meeting of March 20, 2014, the Board of Directors authorized the renewal of benefits payable to Pierre-André de Chalendar on the termination of his duties as Chairman and Chief Executive Officer ("compensation for termination of office") of Compagnie de Saint-Gobain (the "Company").

The terms and conditions of this compensation for termination of office are as follows:

1. The compensation for termination of office will be paid in the event of the forced termination of Pierre-André de Chalendar's duties as Chairman and Chief Executive Officer, irrespective of the form of termination, resulting from a change in control or strategy, if and only if:
  - a. he is removed from office or his appointment as Chairman and Chief Executive Officer is not renewed, other than at his own initiative or as a result of gross or willful misconduct (by reference to case law relating to employment matters) or serious misconduct not related to his duties as Chief Executive Officer (in accordance with the case law definition), or
  - b. he is forced to resign within the twelve months following:
    - ◆ the date of approval by the shareholders of a merger or a demerger affecting the Company, or
    - ◆ the date on which a third party or group of third parties acquires control of the Company (in accordance with Article L.233-3 of the French Commercial Code), or
    - ◆ the announcement by the Company's management bodies of a significant shift in the Group's strategy leading to a major change in its business.

2. No compensation for termination of office will be due if Pierre-André de Chalendar leaves the Company (i) at his own initiative in circumstances other than those described in 1. above, or (ii) in one of the circumstances described in 1. above, if he would have been eligible to retire during the following twelve months and to receive a pension under the SGPM supplementary pension plan for engineers and managers.
3. The amount of the compensation for termination of office will be equal to no more than twice the amount of Pierre-André de Chalendar's total gross annual compensation as Chairman and Chief Executive Officer, defined as the sum of the fixed portion of the annual compensation of the Chairman and Chief Executive Officer received as of the date of termination of his duties, and the average annual variable bonus of the Chairman and Chief Executive Officer received or receivable in respect of his last three years in office (this total gross annual compensation is defined hereinafter as the "Reference Compensation"). In any case, the sum of the compensation for termination of office and of the non-compete agreement compensation (defined hereinafter) will not exceed two times the amount of the Reference Compensation.
4. Payment of the compensation for termination of office will be subject to fulfilment of a performance condition evidenced by the Board of Directors' decision to award him an average bonus for the last three full years ended before the termination of his duties as Chairman and Chief Executive Officer at least equal to one half of the average maximum bonus.

Payment of the compensation for termination of office will be dependent on the Board of Directors' acknowledgement, under the conditions set out by the legislation in force, of the fulfilment of this performance condition as of the date his duties are terminated.

On the recommendation of the Nomination, Remuneration and Governance Committee, at its meeting on March 20, 2014, the Board of Directors authorized the renewal of a firm and irrevocable non-compete agreement between Pierre-André de Chalendar and the Company for a period of one year from the date on which his functions as Chairman and Chief Executive Officer are terminated in circumstances qualifying him for the compensation for termination of office. In consideration for this undertaking, Pierre-André de Chalendar will receive a compensation ("non-compete agreement compensation") equal to the Reference Compensation, it being specified that the amount of the compensation for termination of office due to Pierre-André de Chalendar will, if necessary, be reduced so that the sum of the non-compete agreement compensation and the compensation for termination of office amount will not exceed two times the Reference Compensation.

On the recommendation of the Nomination, Remuneration and Governance Committee, at its meeting on March 20, 2014, the Board of Directors decided that, in the event of termination of his duties as Chairman and Chief Executive Officer under circumstances qualifying him for the compensation for termination of office, it reserves the right, on the proposal of the Nomination, Remuneration and Governance Committee, to choose whether or not to maintain all or some of Pierre-André de Chalendar's rights to Saint-Gobain stock options, performance shares and performance units granted to him as of the date of termination that have not been delivered as of this date or for which the exercise period has not expired, as the case may be, provided that, where applicable, the performance condition(s) set out in the plans concerned have been fulfilled.

**Approved by the Annual General Meeting of:** June 5, 2014

(Statutory Auditors' special report of March 24, 2014)

*Person concerned*

Pierre-André de Chalendar – Chairman and Chief Executive Officer

***Pension plan for Pierre-André de Chalendar in his capacity as non-salaried executive corporate officer***

*Nature and date of approval by the Annual General Meeting*

On the recommendation of the Nomination, Remuneration and Governance Committee, at its meeting on March 20, 2014, the Board of Directors decided, in accordance with Article 17 of the rules and regulations of the SGPM supplementary pension plan for engineers and managers, that Pierre-André de Chalendar would continue to benefit in full from the provisions of said rules and regulations under the same conditions as those applicable to all members of the pension plan.

**Approved by the Annual General Meeting of:** June 5, 2014

(Statutory Auditors' special report of March 24, 2014)

*Person concerned*

Pierre-André de Chalendar – Chairman and Chief Executive Officer

Neuilly-sur-Seine and Paris La Défense, March 12, 2018

The Statutory Auditors

PricewaterhouseCoopers Audit

Edouard Sattler

Cécile Saint-Martin

KPMG Audit  
Department of KPMG S.A.

Jean-Paul Thill

Bertrand Pruvost

# 3

## AGENDA FOR THE GENERAL MEETING AND OVERVIEW OF THE PROPOSED RESOLUTIONS

### 3.1 Agenda for the General Meeting

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#### Ordinary General Meeting

**1<sup>st</sup> resolution:** Approval of the Company's non-consolidated financial statements for 2017.

**2<sup>nd</sup> resolution:** Approval of the Company's consolidated financial statements for 2017.

**3<sup>rd</sup> resolution:** Appropriation of income and determination of the dividend.

**4<sup>th</sup> resolution:** Re-election of Mr. Pierre-André de Chalendar as Director.

**5<sup>th</sup> resolution:** Ratification of the co-optation of Ms. Dominique Leroy as Director.

**6<sup>th</sup> resolution:** Approval of the compensation components paid or granted to the Chairman and Chief Executive Officer, Mr. Pierre-André de Chalendar in respect of 2017.

**7<sup>th</sup> resolution:** Approval of the components of the Compensation policy of the Chairman and Chief Executive Officer for 2018.

**8<sup>th</sup> resolution:** Approval of the commitments to pay compensation for loss of office and other benefits to Mr. Pierre-André de Chalendar in the event that his term of office as Chairman and Chief Executive Officer is terminated under certain circumstances.

**9<sup>th</sup> resolution:** Approval of the post-employment benefit obligations towards Mr. Pierre-André de Chalendar.

**10<sup>th</sup> resolution:** Approval of the decision to allow Mr. Pierre-André de Chalendar to continue to be covered by the death, disability and health insurance plans for employees of Compagnie de Saint-Gobain in his capacity as an executive Director without an employment contract.

**11<sup>th</sup> resolution:** Re-appointment of KPMG Audit firm as primary Statutory Auditor.

**12<sup>th</sup> resolution:** Authorization given to the Board of Directors to trade in the Company's shares.

#### Extraordinary General Meeting

**13<sup>th</sup> resolution:** Delegation of authority granted to the Board of Directors to carry out equity or equity-linked securities issues, without preferential subscription rights, reserved for certain categories of beneficiaries, up to a maximum nominal amount of eight hundred eighty thousand euros excluding any applicable adjustment, representing approximately 0.04% of the share capital, the amount of any share capital increase to be set off against

the limit specified in the seventeenth resolution of the Combined General Meeting of June 8, 2017.

**14<sup>th</sup> resolution:** Amendments to the by-laws relative to the number of Directors representing employees at the Company's Board of Directors.

**15<sup>th</sup> resolution:** Powers to carry out formalities.

## 3.2 Board of Directors' report and text of the proposed resolutions

The 1<sup>st</sup> to 12<sup>th</sup> resolutions that you are invited to vote upon are governed by the rules applicable to Ordinary General Meetings, while the 13<sup>th</sup> to 15<sup>th</sup> resolutions are governed by the rules applicable to Extraordinary General Meetings.

Each proposed resolution is preceded by the corresponding extract from the Board of Directors' report describing the purpose of such proposed resolution.

### (1<sup>ST</sup> TO 3<sup>RD</sup> RESOLUTIONS)

#### APPROVAL OF COMPANY'S NON-CONSOLIDATED AND CONSOLIDATED FINANCIAL STATEMENTS - APPROPRIATION OF INCOME AND DETERMINATION OF DIVIDEND (€1.30 PER SHARE)

Shareholders are requested to approve Compagnie de Saint-Gobain's non-consolidated financial statements which report net income of €840 million (1<sup>st</sup> resolution) and consolidated financial statements of the Saint-Gobain Group which report net income (Group share) of €1,566 million (2<sup>nd</sup> resolution) for the fiscal year ended December 31, 2017.

Further details on the 2017 results of the Saint-Gobain Group are provided in the section headed "Saint-Gobain in 2017" on pages 4 to 11 of this document, and in Chapter 5 of the 2017 Registration Document, which can be found online at [www.saint-gobain.com](http://www.saint-gobain.com) (the "2017 Registration Document").

Based on the Company's net income for 2017 of €840 million and retained earnings of €5,448 million, creating distributable earnings of €6,288 million, the General Meeting is invited to set the total dividend at €1.30 per share, compared to €1.26 for fiscal year 2016, yielding a total dividend to shareholders of €717 million<sup>(1)</sup>, and to carry forward approximately €5,571 million (3<sup>rd</sup> resolution).

The ex-dividend date will be June 11, 2018 and the dividend of €1.30 per share will be paid as from June 13, 2018.

For individual shareholders who are French tax residents, dividends received will be subject to a single standard tax rate of 30%, or, by option, to the application of the income tax progressive scale following the 40% deduction provided for under Article 158, 3. 2° of the French General Tax Code and social taxes.

**First resolution:** (Approval of the Company's non-consolidated financial statements for 2017): The shareholders in Ordinary Meeting, fulfilling corresponding conditions of quorum and majority, having considered the report of the Board of Directors and the report of the Statutory Auditors, approve the Company's non-consolidated financial statements for the year ended December 31, 2017 as presented, as well as the transactions reflected in these financial statements and summarized in these reports.

**Second resolution:** (Approval of the Company's consolidated financial statements for 2017): The shareholders in Ordinary Meeting, fulfilling corresponding conditions of quorum and majority, having considered the report of the Board of Directors and the report of the Statutory Auditors, approve the Company's consolidated financial statements for the year ended December 31, 2017 as presented, as well as the transactions reflected in these financial statements and summarized in these reports.

**Third resolution:** (Appropriation of income and determination of the dividend): The shareholders in Ordinary Meeting, fulfilling corresponding conditions of quorum and majority, having noted that the financial statements prepared as at December 31, 2017 and approved by this Meeting show net income of 2017 amounting to €839,495,722.19 and retained earnings at December 31, 2017 amounting to €5,448,360,480.65, yielding total distributable

earnings of €6,287,856,202.84, approve the proposals made by the Board of Directors with respect to the appropriation of profits, and resolve to allocate distributable earnings as follows:

- ◆ to dividend distribution:
  - ◆ a first dividend of €110,264,285.00, in accordance with Article 20 paragraph 4, 2° of the Company's by-laws,
  - ◆ an additional dividend of €606,453,567.50, representing a total dividend payment of €716,717,852.50,
- ◆ the appropriation of €5,571,138,350.34 to retained earnings.

The calculation of the above total amount for distribution is based on the number of shares carrying dividend rights as of January 31, 2018, i.e. 551,321,425 shares, which may fluctuate if the number of shares carrying dividend rights changes between January 31, 2018 and the ex-dividend date, in particular as a function of the number of treasury shares held.

The dividend on each share carrying dividend rights will be €1.30. The ex-dividend date will be June 11, 2018 and the dividend will be paid as from June 13, 2018. It is specified that in the event that the Company holds some of its own shares after the ex-dividend date, the corresponding dividend amounts not paid on these will be allocated to retained earnings.

(1) This amount is calculated as of January 31, 2018 based on 553,557,091 shares entitling to dividend in respect of the 2017 fiscal year less 2,235,666 treasury shares and may vary if the number of shares entitling to dividend changes between January 31, 2018 and the ex-dividend date, depending in particular on the number of treasury shares held.

In accordance with the law, the General Meeting notes that dividends paid in the last three fiscal years preceding fiscal year 2017 are as presented in the table below:

Fiscal year	Number of shares on which a dividend was paid	Dividend per share (in EUR)	Total dividends distributed (in EUR)
2014	560,497,926	1.24	695,017,428.24
2015	548,857,730	1.24	680,583,585.20
2016	550,907,388	1.26	694,143,308.88

For individual shareholders who are French tax residents, dividends received will be subject to a single standard tax rate of 30%, or, by option, to the application of the income tax progressive scale following the 40% deduction provided for under Article 158, 3. 2° of the French General Tax Code and social taxes.

#### (4<sup>TH</sup> RESOLUTION)

### RE-ELECTION OF MR. PIERRE-ANDRÉ DE CHALENDAR AS DIRECTOR

At the proposal of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on November 23, 2017, decided unanimously to propose the renewal of the Director's term of office of Pierre-André de Chalendar for a period of four years, its term expiring at the end of the General Meeting of June 7, 2018. Furthermore, the Board of Directors announced its intention to reappoint him as Chairman and Chief Executive Officer, should the General Meeting approve the renewal of his term of office.

Having discussed the matter most recently in its meeting of November 23, 2017 as part of the assessment of the Board conducted by the Lead Independent Director, the Board of Directors concluded that combining the two roles is in the best interest of the Company and wished for this to continue including, in 2018, should the General Meeting decide to renew the Director's term of office of Pierre-André de Chalendar. The combination of the Chairman of the Board and CEO roles is well suited to Saint-Gobain and to the experience and highly transparent approach of the Chairman and Chief Executive Officer, and helps to ensure more responsive and efficient corporate governance and strategy implementation.

Moreover, the decision to combine the two roles is in line with the Group's longstanding management tradition.

Presence of counterweights at the Board, which is a key factor in good governance, should also be highlighted. Must be especially emphasized:

- all Board Directors, especially, but not only, independent Directors, who account for 73% of the Board of Directors, 100% of members of the Audit and Risk Committee and two-thirds of the members of the Nomination and Remuneration Committee, and the Committee Chairmen-all independent-, all of whom are extremely competent and experienced; as well as
- the permanent representatives of the main shareholders, the PEG corporate mutual fund and Wendel; and
- the employee Directors appointed by the Saint-Gobain Group Works Council, pursuant to the Company's by-laws and in accordance with the law.

To this should be added:

- the specific role played in respect of governance matters and management of conflicts of interests by the Lead Independent Director, a position held by Jean-Dominique Senard, an independent Director, who has very good knowledge of the Group (see details on the responsibilities of the Lead Independent Director and its activities during fiscal year 2017 on page 16 of this document);
- the ability of the Directors to meet in the absence of the executive Director during or after a Board meeting;
- the limitation of the powers of the Chairman and Chief Executive Officer regarding all capital expenditures, restructuring, disposals, acquisitions or divestments of non-controlling interests in individual amounts greater than €150 million, and any material transaction that falls outside the scope of Saint-Gobain's stated strategy, which require the prior approval of the Board of Directors.

The full biography of Pierre-André de Chalendar is provided on page 18 of this document.

**Fourth resolution:** (*Re-election of Mr. Pierre-André de Chalendar as Director*): The shareholders in Ordinary Meeting, fulfilling corresponding conditions of quorum and majority, having considered the report of the Board of Directors, and having noted that the term as Director of Mr. Pierre-André de Chalendar expires at the close of this General Meeting, resolve to reelect him as Director.

This term of office is approved for a period of four years expiring at the close of the General Meeting to be called to approve the financial statements for the year ending December 31, 2021.

**(5<sup>TH</sup> RESOLUTION)**

**RATIFICATION OF THE CO-OPTATION OF MS. DOMINIQUE LEROY AS DIRECTOR**

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on November 23, 2017, co-opted Dominique Leroy as an independent Director in order to replace Olivia Qui, who had resigned for personal reasons. Following this resignation, the Committee launched, with a specialist firm, a process of identifying a new female independent Director with an international background, assuming an executive role and with experience in innovation/digital and/or distribution.

On completion of a selection process and interviews conducted by the specialist firm and also the Chairman of the Committee and the Lead Independent Director, the Committee recommended that the Board co-opt Dominique Leroy who will bring to the Board of Directors of Saint-Gobain her experience as a non-French executive officer of a listed group and her operational knowledge of the distribution sector and of digital transformation matters.

In accordance with the law, this co-optation is subject to ratification by your General Meeting. Dominique Leroy's term of office would be granted for the remainder of Olivia Qiu's term of office, *i.e.* until the close of the General Meeting approving the financial statements for the fiscal year 2018.

The full biography of Dominique Leroy, as well as a summary of changes in the composition of the Board of Directors, are provided on pages 17 and 19 of this document.

**Fifth resolution:** (*Ratification of the co-optation of Ms. Dominique Leroy as Director*): The shareholders in Ordinary Meeting, fulfilling corresponding conditions of quorum and majority, having considered the report of the Board of Directors, ratify the co-optation of Ms. Dominique Leroy as Director decided by the Board of Directors held on November 23, 2017, to replace Ms. Olivia Qiu, who resigned as Director.

This term of office is approved for the remainder of Ms. Olivia Qiu's term of office, expiring at the close of the General Meeting to be called to approve the financial statements for the year ending December 31, 2018.

**(6<sup>TH</sup> RESOLUTION)**

**APPROVAL OF THE COMPENSATION COMPONENTS PAID OR GRANTED TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER, MR. PIERRE-ANDRÉ DE CHALENDAR IN RESPECT OF 2017 ("SAY ON PAY" EX POST)**

In compliance with Article L.225-100 of the French Commercial Code, the Board of Directors submits to the approval of your General Meeting the compensation components paid or granted in respect of fiscal year 2017 to Mr. Pierre-André de Chalendar, Chairman and Chief Executive Officer and the sole executive Director of Compagnie de Saint-Gobain (**6<sup>th</sup> resolution**).

These components, decided by the Board of Directors upon recommendation of the Nomination and Remuneration Committee, are described in the report of the Board of Directors on corporate governance (see pages 148 to 159 of the 2017 Registration Document) and in paragraph 2.3.1 of the "Governance" section, on pages 20 to 26 of this document.

**Sixth resolution:** (*Approval of the compensation components paid or granted to the Chairman and Chief Executive Officer, Mr. Pierre-André de Chalendar in respect of 2017*): The shareholders in Ordinary Meeting, fulfilling corresponding conditions of quorum and majority, in compliance with Article L.225-100 of the French Commercial Code, and having considered the report of the Board of

Directors, approve the compensation components paid or granted to the Company's Chairman and Chief Executive Officer, Mr. Pierre-André de Chalendar, in respect of 2017, as presented in the report of the Board of Directors on corporate governance referred to in Article L.225-37 of the French Commercial Code.

**(7<sup>TH</sup> RESOLUTION)**

**APPROVAL OF THE COMPONENTS OF THE COMPENSATION POLICY FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR 2018 ("SAY ON PAY" EX ANTE)**

In compliance with Article L.225-37-2 of the French Commercial Code, the Board of Directors submits to the approval of your General Meeting the principles and criteria of determination, distribution and allocation of the fixed, variable and exceptional components composing the total compensation and benefits of any kind attributable to the Chairman and Chief Executive Officer in respect of his mandate for the 2018 fiscal year, and forming the Compensation policy applying to him (**7<sup>th</sup> resolution**).

These principles and criteria, decided by the Board of Directors, based on the recommendations of the Nomination and Remuneration Committee, are provided in the report of the Board of Directors on corporate governance (see pages 160 to 165 of the 2017 Registration Document) and in paragraph 2.3.2 of the "Governance" section, on pages 27 to 29 of this document.

**Seventh resolution:** *(Approval of the Compensation policy of the Chairman and Chief Executive Officer for 2018):* The shareholders in Ordinary Meeting, fulfilling corresponding conditions of quorum and majority, in compliance with Article L.225-37-2 of the French Commercial Code, and having considered the report of the Board of Directors, approve the principles and criteria of determination,

distribution and allocation of the fixed, variable and exceptional components composing the total compensation and benefits of any kind attributable, in respect of his mandate, to the Chairman and Chief Executive Office, as presented in the report of the Board of Directors on corporate governance referred to in Article L.225-37 of the French Commercial Code.

## (8<sup>TH</sup>, 9<sup>TH</sup> AND 10<sup>TH</sup> RESOLUTIONS)

### APPROVAL OF RELATED-PARTY AGREEMENTS AND UNDERTAKINGS TO THE BENEFIT OF PIERRE-ANDRE DE CHALENDAR

In compliance with the procedure for related-party agreements and undertakings, the Board of Directors submits to the approval of your General Meeting the renewal of the commitments taken to the benefit of Pierre-André de Chalendar, Chairman and Chief Executive officer, and corresponding, on the one hand, to compensation components, indemnities or benefits due or to be due upon termination of his duties and, on the other hand, to his continuing benefit during his term of the Group's health and personal risk insurance policies **(8<sup>th</sup> to 10<sup>th</sup> resolutions)**.

These commitments, whose renewal was approved by the Board of Directors, at the proposal of the Nomination and Remuneration Committee, in view of the renewal of Pierre-André de Chalendar's term of office (see the 4<sup>th</sup> resolution above), are described in paragraph 2.3.3 of the "Governance" section of this document (on pages 30 to 31) and in the Statutory Auditors' special report on related-party agreements and undertakings (on pages 32 to 35),

**Eighth resolution:** *(Approval of the commitments to pay compensation for loss of office and other benefits to Mr. Pierre-André de Chalendar in the event that his term of office as Chairman and Chief Executive Officer is terminated under certain circumstances):* The shareholders in Ordinary Meeting, fulfilling corresponding conditions of quorum and majority, having considered the special report of the Statutory Auditors on related party agreements and commitments presented in accordance with Article L.225-40 of the French Commercial Code, approve in accordance with Article L.225-42-1 of the French Commercial Code, in connection with Mr. Pierre-André de Chalendar's re-election as Director, the commitments described therein concerning the compensation for loss of office and other benefits that would be payable to Mr. Pierre-André de Chalendar in connection with the termination of his duties as Chairman and Chief Executive Officer in certain circumstances.

in accordance with Article L.225-40 of the French Commercial Code, approve in accordance with Article L.225-42-1 of the French Commercial Code and in connection with Mr. Pierre-André de Chalendar's re-election as Director, the agreement described therein concerning Mr. Pierre-André de Chalendar's pension entitlement.

**Tenth resolution:** *(Approval of the decision to allow Mr. Pierre-André de Chalendar to continue to be covered by the death, disability and health insurance plans for employees of Compagnie de Saint-Gobain in his capacity as an executive Director without an employment contract):* The shareholders in Ordinary Meeting, fulfilling corresponding conditions of quorum and majority, having considered the special report of the Statutory Auditors on related party agreements and commitments presented in accordance with Article L.225-40 of the French Commercial Code, approve the continuation to the benefit of Mr. Pierre-André de Chalendar of the death, disability and health insurance policy for employees of Compagnie de Saint-Gobain which is described in such special report in connection with Mr. Pierre-André de Chalendar's re-election as Director.

**Ninth resolution:** *(Approval of the post-employment benefit obligations towards Mr. Pierre-André de Chalendar):* The shareholders in Ordinary Meeting, fulfilling corresponding conditions of quorum and majority, having considered the special report of the Statutory Auditors on related party agreements and commitments presented

## (11<sup>TH</sup> RESOLUTION)

### RE-APPOINTMENT OF KPMG AUDIT FIRM AS PRIMARY STATUTORY AUDITOR

Upon recommendation of the Audit and Risk Committee, the Board of Directors, at its meeting held on February 22, 2018, decided to propose to your General Meeting to re-appoint KPMG Audit, whose current term of office expires upon completion of this General Meeting, as primary Statutory Auditor **(11<sup>th</sup> resolution)**. KPMG Audit is located at 2 avenue Gambetta, 92066 Paris La Defense.

It should be noted that KPMG Audit performs its mission as joint Statutory Auditor with the firm PricewaterhouseCoopers Audit, whose current term will expire at the close of the General Meeting to be held in 2022, date on which a successor firm will have to be appointed in accordance with the rules applying to audit firm's rotation. The renewal of KPMG Audit's term as Statutory Auditor by your General Meeting is in the interest of sound management of the rotation of the Statutory Auditors.

KPMG Audit has confirmed that it agrees in advance to its appointment, provided it is approved by the General Meeting, and that it is not subject to any prohibitive measures, nor to any disqualification. Its appointment would be granted for a period of six fiscal years expiring at the close of the General Meeting to be convened to approve the financial statements for fiscal year 2023.

**Eleventh resolution:** (*Re-appointment of KPMG Audit firm as primary Statutory Auditor*). The shareholders in Ordinary Meeting, fulfilling corresponding conditions of quorum and majority, having considered the report of the Board of Directors, and having noted that the term of appointment expires at the close of this General

Meeting, resolve to re-appoint as primary Statutory Auditor the firm KPMG Audit, 2 avenue Gambetta, 92066 Paris La Défense.

This appointment is approved for a term of six fiscal years, expiring at the close of the General Meeting to be called to approve the financial statements for the year ending December 31, 2023.

## (12<sup>TH</sup> RESOLUTION)

### AUTHORIZATION GIVEN TO THE BOARD OF DIRECTORS TO TRADE IN SAINT-GOBAIN SHARES

The purpose of the **12<sup>th</sup> resolution** is to renew the **annual authorization given to the Board of Directors to trade in Saint-Gobain shares**.

The main characteristics of the requested authorization are as follows:

- securities in question: ordinary shares;
- maximum number of shares that may be acquired: 10% of the total number of shares making up the share capital as of the date of the General Meeting;
- maximum purchase price per share: €80, subject to adjustment in the event of a transaction involving the Company's share capital or shareholders' equity.

The purposes of the share buyback program are detailed in the text of the resolution below and in the program description, available on Saint-Gobain's website (<https://www.saint-gobain.com/en/finance/general-meeting>).

Implementation of the share buyback program for fiscal year 2017 is described in Chapter 8, Section 1.3, of the 2017 Registration Document.

This resolution rules out the option for the Company of pursuing execution of its share buyback program while a public tender offer for the Company's shares is in progress.

This share buyback program can be carried out within 18 months of the date of this General Meeting, by December 6, 2019. This authorization shall replace, as from its adoption, the one granted in the 11<sup>th</sup> resolution of the General Meeting of June 8, 2017, and shall cancel any unused portion.

**Twelfth resolution:** (*Authorization given to the Board of Directors to trade in the Company's shares*): The shareholders in Ordinary Meeting, fulfilling corresponding conditions of quorum and majority, having considered the report of the Board of Directors, authorize the Board of Directors to buy back or arrange for the buy back of Company shares, in accordance with Articles L.225-209 *et seq.* of the French Commercial Code, European (EU) Regulation No. 596/2014 dated April 16, 2014, and the delegated regulations taken for its application, the French Financial Markets Authority (AMF)'s General Rules and the latter's authorization of a market practice, for the purpose of:

- ◆ the allotment of free shares, the grant of stock options, and the allotment or sale of shares under employee savings plans or other similar plans;
- ◆ offsetting the potential dilutive impact of free shares' or stock options allocations, or of subscription by employees as part of the employee savings plans or other similar plans;
- ◆ delivering shares upon exercise of the rights attaching to securities giving access to the Company's share capital;
- ◆ enabling an independent investment services provider to ensure the management of the market of the Company share under liquidity agreements that comply with the ethical code recognized by the French Financial Markets Authority;
- ◆ canceling shares, either wholly or partially, pursuant to approval of the nineteenth resolution by the Combined General Meeting of June 8, 2017;
- ◆ implementing any market practice that may become authorized by the French Financial Markets Authority and, more generally, carrying out any other transaction authorized under the relevant laws or regulations.

Shares may be purchased, sold, transferred or exchanged at any time on one or more occasions, except during a public tender offer period, and by any means, provided that laws and regulations in force are complied with, on or off the stock market, over the counter, in whole or in part in blocks of shares, by public tender offer in cash or in shares, by using options or derivatives, either directly or indirectly through the intermediation of an investment services provider, or in any other way.

The shareholders set the maximum purchase price at €80 per share and decide that the maximum number of shares that may be bought back may not exceed 10% of the total number of shares making up the share capital of the Company as of the date of this General Meeting, it being specified that the number of shares acquired with a view to retaining them for subsequently delivering them as payment or in exchange as part of mergers, split-ups or contributions may not exceed 5% of the Company's share capital as of such date, and that the Company may not hold more than 10% of its share capital, either directly or indirectly.

For information purposes, as of March 1, 2018, the theoretical maximum amount of funds that the Company would have been able to invest in these purchases was €4,428,577,360, which corresponds to €55,357,217 shares bought at a price of €80 each.

In the event of transactions on the Company's share capital, and in particular an increase in capital through the capitalization of reserves, the allocation of free shares, a stock split or reverse stock split, the distribution of reserves or any other assets, impairment of share capital or any other transaction involving share capital or shareholders' equity, the above-mentioned maximum price will be adjusted to take into account the impact of these transactions on the stock value.

The General Meeting of shareholders gives full powers to the Board of Directors with powers to sub-delegate under the conditions set out by law, to use this authorization, in particular to give any and all orders, enter into any and all agreements, draw up any and all documents and press releases, make any adjustments related to the above-mentioned transactions, carry out any and all formalities and make all appropriate declarations to the authorities, and in general take all necessary measures.

The authorization is granted for a period of eighteen months as from the date of this General Meeting. It supersedes, for the unexpired period, and cancels, any unused portion of the authorization granted in the eleventh resolution of the Combined General Meeting of June 8, 2017.

## (13<sup>TH</sup> RESOLUTION)

### CONTINUING DEVELOPMENT OF EMPLOYEE SHARE OWNERSHIP

The **13<sup>th</sup> resolution** falls within the context of the continuing development of Saint-Gobain's employee share ownership, which has been a constant objective of the Company for 31 consecutive years, thereby strengthening the sense of belonging of the employees of the Saint-Gobain Group, enabling them to be more closely associated with its future growth and performance. This resolution has been adopted in 2017 for a legal duration of 18 months. It is proposed to your General Meeting to renew it in the same terms.

You are namely requested to delegate to the Board of Directors authority to potentially increase the Company's share capital, **without preferential subscription rights for existing shareholders** to be reserved (i) directly to the employees and Directors of the Saint-Gobain Group' companies with headquarters **based outside France** or (ii) in their favor through financial institutions operating at the request of the Company for the implementation of a shareholding device or a savings option for the benefit of the individuals listed in (i).

The purpose of this resolution is to allow the employees located in countries where it is not possible, for local reasons (regulatory or other), to offer the subscription of shares through a mutual investment fund (French FCPE), to benefit from shareholding device financially equivalent to those benefiting to the other employees of the Saint-Gobain Group.

The beneficiaries may subscribe to equity securities of the Company at a price (i) identical to that specified for the share capital increase carried out as part of the Saint-Gobain Group Savings Plan listed in the 17<sup>th</sup> resolution of the Combined General Meeting of June 8, 2017 in case of a concomitant transaction or (ii) with a maximum discount of 20% off on the stock market reference price preceding the date of the decision establishing the subscription of shares by the Board of Directors or its delegate. Specific methods for establishing the subscription price will apply for the beneficiaries who reside in the United Kingdom in order to meet applicable local constraints.

The delegation of authority would be granted for up to a maximum nominal amount of eight hundred eighty thousand euros (**approximately 0.04% of the share capital**), subject to adjustment in the event of financial transactions involving the Company's share capital or shareholders' equity, in accordance with legal and regulatory provisions and any applicable contractual stipulations, for a duration of eighteen months. The nominal amount of these share capital increases would count toward the limit specified in the 17<sup>th</sup> resolution of the Combined General Meeting of June 8, 2017 or that to be specified by a resolution of the same kind that might succeed it during the term of validity of the 13<sup>th</sup> resolution.

**Thirteenth resolution:** *(Delegation of authority granted to the Board of Directors to carry out equity or equity-linked securities issues, without preferential subscription rights, reserved for certain categories of beneficiaries, up to a maximum nominal amount of eight hundred eighty thousand euros excluding any applicable adjustment, representing approximately 0.04% of the share capital, the amount of any share capital increase to be set off against the limit specified in the seventeenth resolution of the Combined General Meeting of June 8, 2017):* The shareholders in Extraordinary Meeting, fulfilling corresponding conditions of quorum and majority, having considered the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with legal provisions relative to French company law, in particular Article L.225-129-2 and L.225-138 of the French Commercial Code:

**1/** Delegate authority to the Board of Directors, with powers to sub-delegate under the conditions set out by law, to decide to increase the share capital on one or more occasions, at its sole initiative, in such proportion and at such times as it deems appropriate through the issuance of equity securities reserved for one or more categories of beneficiaries as listed below in paragraph 4/ of this delegation.

**2/** Resolve that this delegation of authority to the Board of Directors is valid for a period of 18 months from the date of this General Meeting.

**3/** Resolve to cancel the preferential subscription rights of shareholders for equity securities to be issued pursuant to this delegation, in favor of one or more categories of beneficiaries listed below.

**4/** Resolve that the beneficiaries of the share capital increases subject of this delegation shall pertain to the following categories: (i) employees and Directors of companies affiliated with the Company in accordance with Articles L.225-180 of the French Commercial Code with headquarters located outside France; (ii) UCITS or other entities, with or without legal personality, of shareholding invested in securities of the Company with bearers of such units or shareholders being individuals listed in (i); (iii) any banking institution or subsidiary of such an institution participating at the request of the Company for the implementation of a shareholding device or a savings device (entailing or not a shareholding scheme in the Company) benefiting to the individuals listed in (i).

- 5/ Set, if the Board of Directors uses this delegation, the maximum nominal amount of the equity securities that may thus be issued at eight hundred eighty thousand euros, it being specified that this maximum nominal amount will be supplemented by the nominal amount of any shares that may be issued in order to preserve, in accordance with laws and regulations or any contractual stipulations, providing for other types of adjustments, the rights of holders of securities giving access to the Company's share capital or of beneficiaries of stock subscription or purchase options or allocations of free shares, and that the nominal amount of capital increases carried out pursuant to this delegation will be set off against the maximum amount referred to in the seventeenth resolution of the Combined General Meeting of June 8, 2017 or, as applicable, the maximum amount stipulated by a resolution of the same kind that might succeed such resolution for the validity of this delegation.
- 6/ a) Resolve that the subscription price of the equity securities issued pursuant to this delegation will be (i) equal to the issue price of the shares issued as part of the share capital increase which will be carried out for the benefit of the members of Saint-Gobain Group Savings Plans (PEG) in application of the seventeenth resolution of the Combined General Meeting of June 8, 2017 in case of concomitant transaction or (ii) may not be greater than the average of the opening trading prices for the Saint-Gobain share on the Euronext Paris regulated market during the twenty stock market trading sessions preceding the date of the decision by the Board of Directors or its delegate establishing the subscription of shares in connection with this resolution, nor less than 80% of this average, and that the Board of Directors or its delegate will have full authority to set the subscription price or prices within the above-mentioned limit.
- b) For the specific needs of an offer targeting the beneficiaries listed in paragraph 4 residing in the United Kingdom as part of a *Share Incentive Plan*, the Board of Directors may also decide that the subscription price of the Company's shares to be issued as part of this plan will be the lower of (i) the price of the share on the Euronext Paris regulated market at the opening of the period of reference used to determine the subscription price in this plan and (ii) the price recorded at the close of this period, the determination dates being fixed in accordance with applicable local regulations. This price will be set without any discount on the price selected.
- 7/ Grant full powers to the Board of Directors, with powers to sub-delegate under the conditions set out by law, to use this delegation in order to determine the conditions, and in particular to:
- ◆ determine the list of the beneficiaries in the aforementioned categories and the number of securities to be issued to each one of them,
  - ◆ set the terms and conditions of subscription, in particular the subscription price of the shares, the subscriptions opening and closing dates,
  - ◆ set and make, where applicable, any adjustments to take into account the impact of any financial transactions on the Company's share capital or shareholders' equity in accordance with laws and regulations and, as the case may be, any contractual stipulations providing for other types of adjustments, to preserve the rights of holders of securities giving access to the Company's share capital or of beneficiaries of stock subscription or purchase options or allocations of free shares,
  - ◆ record or arrange for the recording of the completion of the share capital increase for the amount of equity securities that are actually subscribed and set or arrange the setting of the terms and conditions for the reduction of subscriptions in the event they exceed the amount of the issue,
  - ◆ at its sole initiative, charge issue costs to the related issue premiums and deduct from such amount the amounts required in order to fund the legal reserve after each capital increase,
  - ◆ generally, enter into any and all agreements, take any and all actions and carry out any and all formalities necessary to ensure completion of the issue, the listing of the securities, the due and proper completion and the financial servicing of the securities issued pursuant to this delegation of authority as well as in relation to the exercise of the rights attaching to such securities and amend the by-laws accordingly.

## (14<sup>TH</sup> RESOLUTION)

### AMENDMENTS TO THE BY-LAWS RELATIVE TO THE NUMBER OF DIRECTORS REPRESENTING EMPLOYEES AT THE BOARD OF DIRECTORS

The Board of Directors decided, during its meeting of March 22, 2018, upon proposal of the Nomination and Remuneration Committee, to amend Compagnie de Saint-Gobain's by-laws so that two Directors representing employees be appointed at the Board of Directors irrespective of the size of the Board of Directors. Indeed, the current drafting of the by-laws provides the appointment of a single Director representing employees if the number of Directors at the Board (excluding employee Directors) is less than or equal to twelve (which is the case to date), and two Directors representing employees when the number of Directors at the Board (excluding employee Directors) becomes greater than twelve. As a reminder, the Article L.225-27-1 of the French Commercial Code provides for the appointment of at least one Director representing employees if the number of Directors (excluding employee Directors) is less than or equal to twelve, and at least two Directors representing employees when the number of Directors (excluding employee Directors) becomes greater than twelve.

As part of its self-assessment conducted in 2017, the Board of Directors considered that the Directors representing employees who took office in December 2014 are well integrated and considers that the appointment of two Directors representing employees is in line with Saint-Gobain's culture of social dialogue (for more details on the Board's self-assessment, see Chapter 6, Section 1.2.4 of the 2017 Registration Document).

The method of appointment by the Group Works Council (*Comité de groupe*) remains unchanged.

As a result, under the **14<sup>th</sup> resolution**, you are requested to approve the amendments of paragraphs 5, 7 and 10 of Article 9 of Compagnie de Saint-Gobain's by-laws, the content of the others paragraphs of Article 9 remaining unchanged.

**Fourteenth resolution:** (*Amendments to the by-laws relative to the number of Directors representing employees at the Company's Board of Directors*): The shareholders in Extraordinary Meeting, fulfilling corresponding conditions of quorum and majority, having

considered the report of the Board of Directors, resolve to amend paragraphs 5, 7 and 10 of Article 9 of the Company by-laws relative to the number of Directors representing employees at the Company's Board of Directors, as follows:

#### Article 9 - COMPOSITION OF THE BOARD OF DIRECTORS

##### Paragraph 5 - Current drafting

One or two Director(s) representing employees is or are appointed by the Group Works Council (Comité de groupe) of the Company. If twelve or fewer Directors are elected by the General Meeting of Shareholders, one Director representing employees is appointed by the Group Works Council of the Company. If more than twelve Directors are elected by the General Meeting of Shareholders or the number of Directors elected by the General Meeting of Shareholders increases to more than twelve, a second Director representing employees is appointed by the Group Works Council of the Company (provided that the number of Directors elected by the General Meeting of Shareholders is still more than twelve on the appointment date). If the number of Directors elected by the General Meeting of Shareholders subsequently falls to twelve or fewer, the two Directors representing employees will remain in office for the rest of their term. The Director(s) representing employees is or are appointed by the Group Works Council of the Company within six months of the General Meeting. The Director representing employee shareholders appointed by the General Meeting of Shareholders is not taken into account for the purpose of determining the number of Directors representing employees to be appointed.

##### Paragraph 7 - Current drafting

A Director's term of office ceases at the close of the Ordinary General Meeting called to approve the financial statements for the year preceding the year of expiry. The term of office of a Director representing employees ends as specified in the preceding sentence and also upon termination of his or her employment contract, on the termination date, unless he or she is transferred to another Group company. If the Company is no longer concerned by the provisions of the law relating to employee representation at the Board, the term(s) of office of the Director(s) representing employees will end at the close of the Board meeting during which the non-applicability of the law is noted.

##### Paragraph 10 - Current drafting

Should one or both of the seats at the Board held by the Director or Directors representing employees become vacant due to the termination of his, her or their employment contract, death, resignation, removal from office or due to any other reason, the Group Works Council of the Company will appoint one or two Directors in accordance with the process described in paragraph 5 (but within six months of the seat or seats becoming vacant). The Board may validly make decisions and take action during this period until the seats reserved for Directors representing employees have been filled.

#### Article 9 - COMPOSITION OF THE BOARD OF DIRECTORS

##### Paragraph 5 - New drafting

Two Directors representing employees are appointed by the Group Works Council (Comité de groupe) of the Company. The Directors representing employees are appointed within six months of the General Meeting.

##### Paragraph 7 - New drafting

A Director's term of office ceases at the close of the Ordinary General Meeting called to approve the financial statements for the year preceding the year of expiry. The term of office of a Director representing employees ends as specified in the preceding sentence and also upon termination of his or her employment contract, on the termination date, unless he or she is transferred to another Group company. If the Company is no longer concerned by the provisions of the law relating to employee representation at the Board, the terms of office of the Directors representing employees will end at the close of the Board meeting during which the non-applicability of the law is noted.

##### Paragraph 10 - New drafting

Should one or both of the seats at the Board held by the Directors representing employees become vacant due to the termination of his, her or their employment contract, death, resignation, removal from office or due to any other reason, the Group Works Council of the Company will appoint one or two Directors in accordance with the process described in paragraph 5 (but within six months of the seat or seats becoming vacant). The Board may validly make decisions and take action during this period until the vacant seats reserved for Directors representing employees have been filled.

## (15<sup>TH</sup> RESOLUTION)

### POWERS TO CARRY OUT FORMALITIES

The **15<sup>th</sup> resolution** gives authority to carry out formalities in connection with decisions made by the General Meeting.

**Fifteenth resolution:** (*Powers to carry out formalities*): The shareholders in Extraordinary Meeting, fulfilling corresponding conditions of quorum and majority, give full powers to the bearer

of an original, a copy or an extract of the minutes of this Meeting, to carry out all necessary formalities in connection with decisions made by the General Meeting.

## Financial authorizations submitted for approval to the General Meeting

### Summary

The following table summarizes the scope, term and limits of use of the financial resolutions presented to you above that are submitted to the approval of your General Meeting.

Purpose of the resolution and type of securities concerned	Source (Resolution No.)	Authorization duration and expiration	Maximum par value of the capital increase
<b>Issuances reserved for Group employees and Directors</b>			
Capital increase (equity securities) reserved for certain categories of beneficiaries to allow Group's employees outside France to benefit from a mechanism equivalent to the Group Savings Plan	2018 AGM 13 <sup>th</sup> resolution	18 months (December 2019)	€880,000, i.e. approximately 0.04% of the share capital  Allocation to the cap of the 17 <sup>th</sup> resolution of the General Shareholders' Meeting of June 8, 2017
<b>Share buyback program</b>			<b>Features</b>
Share buyback	2018 AGM 12 <sup>th</sup> resolution	18 months (December 2019)	10% of the total number of shares forming the share capital on the date of the AGM Maximum purchase price per share: €80

## Financial authorizations in force on the date of the General Meeting

### Summary

The following table summarizes the status of the delegation of authority and the financial authorizations granted by the General Meetings of June 2, 2016 and June 8, 2017 to the Board of Directors and the use made of these delegations during 2017.

Purpose of the resolution and type of securities concerned	Source (Resolution No.)	Authorization duration and expiration	Maximum par value of the capital increase
<b>Issuances with preferential subscription right</b>			
Capital increase (ordinary shares or securities giving access to shares in the Company or its subsidiaries) (A)	2017 AGM 12 <sup>th</sup> resolution	26 months (August 2019)	€444 million excluding adjustments, i.e. approximately 20% of the share capital <sup>(1)</sup>  (A)+(B)+(C)+(D)+(I) limited to €444 million ("Global Cap") <sup>(2)</sup>
Capital increase by incorporation of premiums, reserves, profits and free allocation of shares to shareholders (B)	2017 AGM 16 <sup>th</sup> resolution	26 months (August 2019)	€111 million, excluding adjustments, i.e. approximately 5% of the share capital Included in the Global Cap <sup>(2)</sup>
<b>Issuance without preferential subscription right</b>			
Capital increase, by public offer, with compulsory priority period for shareholders, through issuance of ordinary shares or securities giving access to shares in the Company or its subsidiaries, or shares in the Company to which securities to be issued by subsidiaries would grant entitlement, where applicable by subsidiaries (C)	2017 AGM 13 <sup>th</sup> resolution	26 months (August 2019)	€222 million (shares), excluding adjustments, i.e. approximately 10% of the share capital <sup>(1)</sup> Included in <b>the Global Cap</b> <sup>(2)</sup>
Capital increase (ordinary shares or securities giving access to shares in the Company with shares as primary securities) in compensation for contribution in kind (D)	2017 AGM 15 <sup>th</sup> resolution	26 months (August 2019)	10% of the share capital, i.e. approximately €222 million, excluding adjustments Allocation to the cap of (C), included in the Global Cap <sup>(2)</sup>

Purpose of the resolution and type of securities concerned	Source (Resolution No.)	Authorization duration and expiration	Maximum par value of the capital increase
<b>Issuances reserved for Group employees and Directors</b>			
Capital increase (equity securities) through the Group Savings Plan (E)	2017 AGM 17 <sup>th</sup> resolution	26 months (August 2019)	€49 million, excluding adjustments, i.e. approximately 2.2% of the share capital <sup>(3)</sup>
Capital increase (equity securities) reserved for certain categories of beneficiaries to allow Group's employees outside France to benefit from a mechanism equivalent to the Group Savings Plan (F)	2017 AGM 18 <sup>th</sup> resolution	18 months (December 2018)	€880,000, i.e. approximately 0.04% of the share capital Allocation to the cap of E (2)
Allocation of stock options for new or existing shares (G)	2016 AGM 13 <sup>th</sup> resolution	38 months (August 2019)	1.5% of the share capital on the date of the 2016 AGM, i.e. approximately €33.2 million, with a sub-cap of 10% of this limit of 1.5% for executives Directors <sup>(4)</sup> (G)+(H), limited to 1.5% of the share capital (4)
Allocation of existing free shares (H)	2016 AGM 14 <sup>th</sup> resolution	38 months (August 2019)	1.2% of the share capital on the date of the 2016 AGM, i.e. approximately €26.6 million with a sub-cap of 10% of this limit of 1.2% for executives Directors <sup>(5)</sup> Allocation to the cap of (G)
<b>Other</b>			
Option for complementary issuance in case of oversubscription of an issuance of ordinary shares or securities giving access to the share capital with or without preferential subscription right (I)	2017 AGM 14 <sup>th</sup> resolution	26 months (August 2019)	For each issuance, legal limit of 15% of the initial issuance <sup>(1)</sup> Included in the Global Cap <sup>(2)</sup>
<b>Share buyback program</b>			Features
Share buyback <sup>(6)</sup>	2017 AGM 11 <sup>th</sup> resolution	18 months (December 2018)	10% of the total number of shares forming the share capital on the date of the AGM <sup>(7)</sup> Maximum purchase price per share: €80
Cancellation of shares	2017 AGM 19 <sup>th</sup> resolution	26 months (August 2019)	10% of the share capital per 24-month period <sup>(8)</sup>

(1) Maximum nominal amount of debt securities giving access to the share capital that may be issued capped at €1.5 billion. Global cap applicable to (A), (C) and (I) resolutions.

(2) No use of the delegation of authority in 2017.

(3) No use of the delegation of authority in 2017. Based on the 17<sup>th</sup> resolution of the AGM of June 4, 2015, confirmation of the issuance of 4,593,807 shares in May 2017 by the Chairman and Chief Executive Officer, acting pursuant to a delegation of authority granted by the Board of Directors on November 24, 2016 to implement a capital increase reserved to employees through the Group Savings Plan.

(4) Allocation of 284,500 options to purchase new or existing shares by the Board of Directors on November 23, 2017.

(5) Allocation of 1,226,680 existing free performance shares by the Board of Directors on November 23, 2017.

(6) The purposes of the program are the following: cancellation, delivery of shares upon exercise of the rights attached to securities giving access in any way to the allocation of shares of the Company or in the context of external growth, merger, demerger and contribution transactions, market animation under a liquidity agreement, delivery of existing shares in the context of free shares allocations, upon exercise of stock options, or as part of an Employee Group Savings Plan or other similar schemes, hedging against the potential dilutive impact of free share allocations, the grant of stock options and employee share subscriptions under the Group Savings Plan or other similar schemes, the implementation of any market practice that may become authorized by the French Financial Markets Authority (Autorité des marchés financiers) and, more generally, for any other transaction authorized under the relevant laws and regulations.

(7) See Chapter 8, Section 1.3 of Saint-Gobain's 2017 Registration Document, available on [www.saint-gobain.com](http://www.saint-gobain.com), for a description of implementation of the share buyback program in 2017.

(8) Cancellations of (i) five million shares resulting in a reduction in share capital of a par value of €20 million, decided by the Board of Directors on September 28, 2017, effective on September 29, 2017 and (ii) two million shares resulting in a reduction in share capital of a par value of €8 million, decided by the Board of Directors on November 23, 2017, effective on November 30, 2017 (see Chapter 8, Section 1.3.1 of Saint-Gobain's 2017 Registration Document).

# 4

## HOW TO PARTICIPATE IN THE GENERAL MEETING

As a Saint-Gobain shareholder, you are entitled to participate in the General Meeting, irrespective of the number of shares you hold. You may do so by attending the meeting in person, casting a vote in advance or appointing a proxy to represent you at the meeting. You may request an admission card, cast your vote or give proxy via the internet rather than by mail. If you hold registered shares, either directly or through an intermediary, or at least 2,000 bearer shares, you will receive a notice of Meeting directly.

### Who can participate in the General Meeting?

In order to be entitled to participate in the General Meeting, you must prove that you have the capacity of shareholder by having your **shares entered in the share register** in your name (or in the name of the financial intermediary acting on your behalf if you are not a resident of France) at least two business days prior to the General Meeting, *i.e.* at 12:00 a.m. (Paris time) on **Tuesday June 5, 2018**.

Transactions occurring after Friday 1st June, 2018 (12:00 a.m., Paris time) will therefore not be counted in determining a shareholders' right to participate in the meeting.

Please read the following instructions carefully.

#### Registered shares

**For shareholders with registered shares, held either directly or through an intermediary**, the shares are entered in the accounts

kept by **BNP Paribas Securities Services**, CTO Assemblées Générales, Les Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex.

#### Bearer shares

**For shareholders with bearer shares**, the entry is made by the banking or financial intermediary that holds your securities on your behalf (**financial intermediaries**). Entry in such accounts is recorded by a certificate (attestation de participation).

If you hold Saint-Gobain bearer shares, your financial intermediary will be your sole contact for the purposes of the General Meeting.

### Participate in our sustainable development efforts

Saint-Gobain's environmental vision is to ensure the sustainable development of its activities, while preserving the environment from the impacts of its processes and services over their entire life cycle. In this way, the Group seeks to ensure the conservation and availability of natural resources.

That is why, for its General Meeting, Saint-Gobain offers all its shareholders the tools to enable them to contribute to its sustainable development efforts: availability of General Meeting documents on the Company's website, e-convocation and online voting. Moreover, each year Saint-Gobain broadcasts the discussions of the General Meeting on its website.

#### Documents available on the Company's website

General Meeting documents that are provided to shareholders according to the French Commercial Code can be viewed or downloaded on the Saint-Gobain website: <http://www.saint-gobain.com/en/finance/general-meeting>.

#### Registered shareholders: choose e-convocation

By opting for e-convocation, *i.e.*, receiving the Notice of Meeting by email, you are choosing a simple, fast, secure and economical form of notification. You can contribute to protect the environment in reducing Saint-Gobain's carbon impact by avoiding the printing and mailing paper notices by Post.

It is now too late to opt for e-convocation for the General Meeting of June 7, 2018. To receive e-convocations for subsequent General Meetings, simply do the following:

- ◆ either fill in the reply form provided on the last page under the category "Request for registration by internet" (downloadable also from the Saint-Gobain website (<http://www.saint-gobain.com/en/finance/general-meeting>) and return it, signed and dated, to BNP Paribas Securities Services (address on the form);
- ◆ or go directly to the "My personal information" then "My subscriptions" tabs on the website <https://planetshares.bnpparibas.com>.

If you opted for e-convocation and are still receiving "paper" documentation, it means that your request was either incomplete or illegible. You should renew your request by following the above instructions.

## Participate in the General Meeting



### I. TO COMPLETE THE FORMALITIES VIA THE INTERNET

For years, Saint-Gobain has given all shareholders the option of using the services of the **VOTACCESS** secure online platform to:

- ◆ **request your admission card** if you wish to attend the meeting in person;
- ◆ **vote online prior to the meeting;**
- ◆ **give or revoke your proxy** to the Chairman of the meeting or to another designated person. In this case, in accordance with Article R.225-79 of the French Commercial Code, you may notify BNP Paribas Securities Services of the person to whom you are giving proxy or, as the case may be, whose proxy you are revoking, by the same process.

The VOTACCESS platform is available for use by shareholders according to the terms and conditions provided below:

### A If you hold registered shares

If you hold registered shares in the accounts kept by BNP Paribas Securities Services, you must connect to the PlanetShares website (<https://planetshares.bnpparibas.com>) using your usual identifier code, to view your registered shares accounts.

If you hold registered shares with a financial intermediary, you should log onto the PlanetShares website by entering the identifier code shown in the top right-hand corner of your postal voting form.

Once you have logged on, you should follow the instructions on the screen to access the VOTACCESS platform, where you may **request**

**an admission card** or **vote online** or **give proxy** to the Chairman of the meeting or another designated person, or revoke your proxy, as applicable.

If you are no longer in possession of your identifier code and/or your password, please phone:

- ◆ 0800 033 333 from a landline in France (toll-free number); or
- ◆ 00 33 1 40 14 80 12 from outside France (for the cost of a local call from a landline).

### B If you hold bearer shares

You should ask your financial intermediary whether it is connected to the VOTACCESS platform and, if so, whether access to the platform is subject to specific terms and conditions of use.

In such cases, you can connect to **your financial intermediary's Internet portal** using your usual identifier codes. Then follow the

instructions given on the screen opposite the account entry for your Saint-Gobain shares to access the VOTACCESS platform. You will then be **able to request an admission card, vote online prior to the meeting, give proxy** to the Chairman of the meeting or another designated person, or revoke your proxy, as applicable.

### C Special case: if you hold bearer shares and your qualified intermediary is not connected to the VOTACCESS platform

To **request an admission card** to attend the meeting in person, **vote by mail** or **give proxy**, you must request a single admission card/ postal vote/ proxy request form (*formulaire unique*) from your financial intermediary and return the form **by mail**, as explained below.

If you wish to vote by proxy, you may give or revoke proxy *via* the Internet, according to the instructions below:

- ◆ send an email to the following address: **paris.bp2s.france.cts.mandats@bnpparibas.com**
- ◆ this email must contain the following information: Company name (Saint-Gobain), Annual General Meeting date (June 7, 2018), full name, address and registered share account number

for yourself (principal), as well as the full name and, if possible, address of the individual or legal entity you are designating to vote on your behalf (proxy); and

- ◆ ask your financial intermediary that manages the securities account containing your Saint-Gobain shares to confirm your request by writing to BNP Paribas Securities Services, CTO Assemblées Générales, Les Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex (France).

The above email addresses have been set up exclusively to receive requests to give or revoke proxy. Any and all other unrelated requests or information sent to this address will be disregarded.



**You may request an admission card, cast your vote, give or revoke proxy *via* the Internet until the day preceding the date of the meeting, i.e. up to 3:00 p.m. (Paris time) on Wednesday 6 June, 2018.**

*You are advised not to wait until the last minute to start the process you have selected.*



## II. TO COMPLETE THE FORMALITIES BY MAIL

### A To request an admission card

You can request an admission card using the single admission card/postal vote/proxy request form (**formulaire unique**). If you do not directly receive a notice of meeting, such admission card is available upon request through your financial intermediary. Simply tick **box A** at the top of the form, and then sign and date the form and return it in the prepaid envelope if you mail it from France. If you hold registered shares, this form should be returned to BNP Paribas Securities Services. If you hold bearer shares, it should be returned to your financial intermediary. **The form must not in any event be returned to Saint-Gobain.**

If you have not received your admission card by at least the second business day prior to the General Meeting, *i.e.* June 5, 2018, you may obtain one from the admission desks at the General Meeting after 2:00 p.m. by presenting:

- ◆ proof of identity if you hold registered shares; or
- ◆ proof of identity and the shareholding certificate (attestation de participation) indicating the number of shares held, issued by your financial intermediary at your request and dated June 5, 2018, 12:00 a.m. (Paris time) if you hold bearer shares.

### B To vote or give or revoke proxy by mail

For shareholders who will not be attending the meeting in person and wish to vote or give proxy to the Chairman or another designated person or revoke proxy by mail:

- ◆ **if you hold registered shares or at least 2,000 bearer shares, and directly receive a notice of meeting:** sign and date the form provided, duly completed according to your choice of participation method, and return it by mail to BNP Paribas Securities Services if you hold **registered** shares, and to your financial intermediary if you hold **bearer** shares, in which case your financial intermediary will forward the form to BNP Paribas Securities Services;

- ◆ **if you hold bearer shares and do not directly receive a notice of meeting:** request a single admission card/postal vote/proxy request form (*formulaire unique*) from your financial intermediary. Once you have signed and dated the form provided, duly completed according to your choice of participation method, simply return it by mail to your financial intermediary, who will attach a certificate (*attestation de participation*) to the form and then forward it to BNP Paribas Securities Services.



**To be taken into account, this form and the accompanying certificate must be received by BNP Paribas Securities Services no later than the day before the meeting, *i.e.* at the latest by 3:00 p.m. (Paris time) on 6 June, 2018.**

*You are advised not to wait until the last minute to start the process you have selected*

*The admission card, duly completed and signed, should not be directly returned to Compagnie de Saint-Gobain.*

### Note :

- ◆ Shareholders who have already requested an admission card, given proxy or cast a vote prior to the meeting may not subsequently choose another means of participation or recall their vote.
- ◆ Shareholders who have chosen their means of participation in the meeting, whether or not their vote is already cast, may sell all or part of their shares. **However if the sale takes place before 12:00 a.m. (Paris time) on Friday June 1, 2018, involving a transfer of share ownership before 12:00 a.m. (Paris time) on Tuesday June 5, 2018, BNP Paribas Securities Services will, as appropriate, invalidate or modify the admission card, the**

**proxy instructions, the vote cast or the certificate.** To this end, the financial intermediary that manages the shareholder's securities account, in the case of shares not held in the accounts kept by BNP Paribas Securities Services, shall notify BNP Paribas Securities Services of transfer of ownership of the shares and provide all necessary information. Shares sales carried out after 12:00 a.m. (Paris time) on Friday 1st June, 2018, involving a transfer of ownership of the shares after 12:00 a.m. (Paris time) on Tuesday 5 June, 2018 will not affect the shareholder's chosen method of participation in the meeting or his/her vote.



**Website dedicated to the Saint-Gobain Annual General Meeting:**  
<https://www.saint-gobain.com/en/finance/general-meeting>

## How to fill out the form?

### IF YOU PLAN TO ATTEND THE MEETING IN PERSON:

tick **box A** at the top of the form to request your admission card and sign and date the form at the bottom.

### IF YOU ARE UNABLE TO ATTEND THE MEETING AND WISH TO CAST A POSTAL VOTE OR APPOINT A PROXY:

follow the instructions on how to vote, then sign and date the form at the bottom.

**IMPORTANT : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - Important : Before selecting please refer to instructions on reverse side**  
**Quelle que soit l'option choisie, noircir comme ceci la ou les cases correspondantes, dater et signer au bas du formulaire - Whichever option is used, shade box(es) like this, date and sign at the bottom of the form**  
**A** Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire / I wish to attend the shareholders' meeting and request an admission card : date and sign at the bottom of the form.  
**B** J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.

**COMPAGNIE DE SAINT-GOBAIN**  
 S A au Capital de 2 214 228 364 €  
 Siège social :  
 Les Mirroirs, 18 avenue d'Alsace  
 92400 COURBEVOIE  
 542 039 532 RCS NANTERRE

**ASSEMBLEE GENERALE MIXTE** convoquée pour le **jeudi 7 juin 2018**  
 à **15 heures** au Palais des Congrès, 2, place de la Porte Maillot, 75017 Paris  
**COMBINED GENERAL MEETING to be held on Thursday June 7th, 2018**  
 at **3:00 pm** at Palais des Congrès, 2, place de la Porte Maillot, 75017 Paris

**CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY**

Identifiant - Account  
 Nominatif Registered  
 Porteur Bearer  
 Nombre d'actions Number of shares  
 Vote simple Single vote  
 Vote double Double vote  
 Nombre de voix - Number of voting rights

**B1 JE VOTE PAR CORRESPONDANCE / I VOTE BY POST**  
 Cf. au verso (2) - See reverse (2)  
 Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci la case correspondante et pour lesquels je vote NON ou je m'abstiens.  
 I vote YES all the draft resolutions approved by the Board of Directors EXCEPT those indicated by a shaded box - like this, for which I vote NO or I abstain.  
 Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directoire ou la Gérance, je vote en noircissant comme ceci la case correspondant à mon choix.  
 On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this.

	1	2	3	4	5	6	7	8	9	Oui / Yes	Non/No	Oui / Yes	Non/No
	<input type="checkbox"/>												
	<input type="checkbox"/>												
	<input type="checkbox"/>												
	<input type="checkbox"/>												
	<input type="checkbox"/>												
	<input type="checkbox"/>												
	<input type="checkbox"/>												
	<input type="checkbox"/>												
	<input type="checkbox"/>												

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting  
 - Je donne pouvoir au Président de l'assemblée générale de voter en mon nom. / I appoint the Chairman of the general meeting to vote on my behalf .....  
 - Je m'abstiens (l'abstention équivaut à un vote contre). / I abstain from voting (is equivalent to vote NO) .....  
 - Je donne procuration (cf. au verso renvoi (4)) à M., Mme ou Mlle, Raison Sociale pour voter en mon nom / I appoint (see reverse (4)) Mr, Mrs or Miss, Corporate Name to vote on my behalf .....

Pour être prise en considération, toute formule doit parvenir au plus tard à BNP Paribas Securities Services le 6 juin 2018 avant 15 heures.  
 In order to be considered, this completed form must be returned to BNP Paribas Securities Services at the latest on June 6th, 2018 before 3:00 p.m.  
 En aucun cas le document ne doit être retourné à la Compagnie de Saint Gobain / In no case, this document must be returned to Compagnie de Saint Gobain

La langue française fait foi / The French version of this document governs; the English translation is for convenience only

**B2 JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**  
 Cf. au verso (3)  
**I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING**  
 See reverse (3)

**B3 JE DONNE POUVOIR A :** Cf. au verso (4)  
**I HEREBY APPOINT :** See reverse (4)  
 M., Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name  
 Adresse / Address

**ATTENTION :** s'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre banque.  
**CAUTION :** if it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.  
 Nom, prénom, adresse de l'actionnaire (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'aide de ce formulaire). Cf au verso (1)  
 Surname, first name, address of the shareholder (Change regarding this information have to be notified to relevant institution, no change can be made using this proxy form). See reverse (1)

**WHATEVER YOUR CHOICE, REMEMBER TO SIGN AND DATE THE FORM HERE.**

Date & Signature

### TO CAST A POSTAL VOTE:

tick here.

- To vote **YES** to a resolution, leave the box next to the resolution number concerned blank.
- To vote **NO** to a resolution or to abstain from voting on a resolution (which counts as a NO), fill in the box next to the resolution number concerned.

TO GIVE PROXY TO THE CHAIRMAN OF THE GENERAL MEETING TO VOTE ON YOUR BEHALF:  
 tick here.

TO GIVE PROXY TO ANY INDIVIDUAL OR LEGAL ENTITY OF YOUR CHOICE WHO WILL REPRESENT YOU AT THE MEETING:

tick here and indicate your representative's name and contact details.



**Whatever your choice, remember to sign and date the form at the bottom of the page.**

# 5

## REQUEST FOR DOCUMENTS AND TO BE CONVENED THROUGH THE INTERNET



### REQUEST FOR DOCUMENTS

**TO BE SENT EXCLUSIVELY TO THE FINANCIAL INTERMEDIARY  
RESPONSIBLE FOR MANAGING YOUR SECURITIES**



I, the undersigned:  M.  Ms.

Surname and Given Name: .....

Address: .....

Postal Code: ..... City: ..... Country: .....

Email address: ..... Owner of ..... Saint-Gobain shares:

pure registered <sup>(1)</sup>  administered registered or bearer shares, held in account with <sup>(2)</sup> .....

**request that you send me the Compagnie de Saint-Gobain registration document for fiscal year 2017, containing the Annual Financial Report and the corporate social responsibility report, which is available on Saint-Gobain's website at: [www.saint-gobain.com](http://www.saint-gobain.com).**

In: ..... on: ..... 2018 **Signature**

(1) Registered in an account with BNP Paribas Securities Services, Les Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex.  
(2) Identification of the bank or financial institution holding your securities.

#### NOTA

A/ The notice of meeting containing the information required by Article R.225-73 of the French Commercial Code has been published in the BALO on March 28, 2018.  
B/ The information and documents provided for in Article R. 225-73-1 of the French Commercial Code as well as the summary tables of the current delegations and of the proposed delegations to the General Meeting of Shareholders and the auditor's report will be published on the Company's website: <https://www.saint-gobain.com/en/finance/general-meeting>, no later than the 21st day before the meeting, i.e. May 17, 2018.



### REQUEST TO BE CONVENED THROUGH THE INTERNET (for holders of Registered shares ONLY)



#### TO BE SENT EXCLUSIVELY TO:

BNP Paribas Securities Services  
CTO - Services aux émetteurs - Assemblée Saint-Gobain  
Grands Moulins de Pantin, 9, rue du Débarcadère - 93761 Pantin Cedex  
France



**Warning: this document can only be used by holders of registered shares (whether pure or administered)**

I, the undersigned\*:  M.  Ms.

Surname and Given Name: .....

Address: .....

Postal Code: ..... City: ..... Country: .....

Email address: ..... Date of birth: [M][M] [D][D] [Y][Y][Y][Y]

Owner of ..... Saint-Gobain shares:

pure registered <sup>(1)</sup>  administered registered or bearer shares, held in account with <sup>(2)</sup> .....

**request to be convened and receive electronically the next Notices of Meeting and documentation relating to Compagnie de Saint-Gobain's General Meetings for upcoming years.**

In: ..... on: ..... 2018 **Signature**

\* All fields must be filled in.

(1) Registered in an account with BNP Paribas Securities Services, Les Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex.  
(2) Identification of the bank or financial institution holding your securities.



COMPAGNIE DE SAINT-GOBAIN

A FRENCH *SOCIÉTÉ ANONYME* WITH A SHARE CAPITAL OF € 2,214,228,364 €  
REGISTERED OFFICE: LES MIROIRS, 18 AVENUE D'ALSACE, 92400 COURBEVOIE

[www.saint-gobain.com](http://www.saint-gobain.com)

