

SAINT-GOBAIN COMBINED GENERAL SHAREHOLDERS' MEETING

June 6, 2019



SAINT-GOBAIN ANNUAL GENERAL MEETING

Pierre-André de Chalendar
Benoit Bazin

JUNE 06TH 2019



GROWING FINANCIAL RESULTS IN 2018



+4.4%

Sales growth*

+4.5%

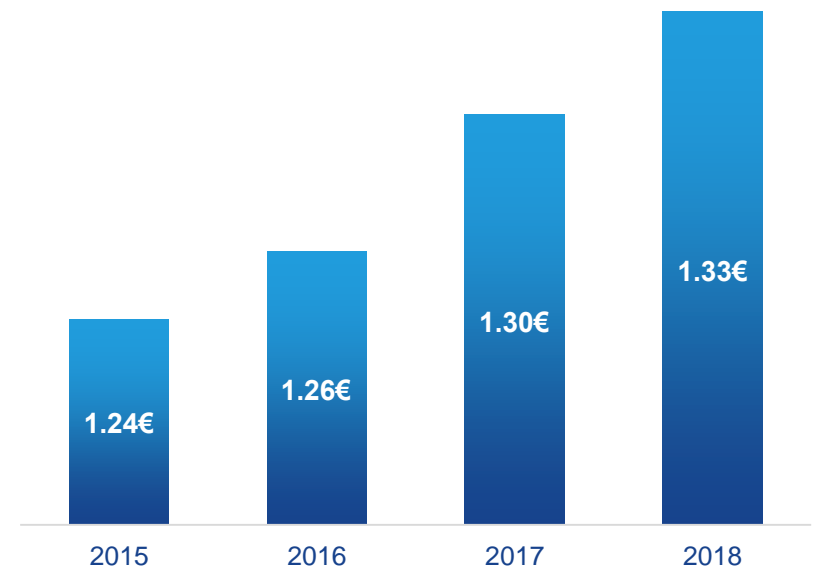
Operating income growth*

+6.0%

Recurring net income growth

€1.33

Increased dividend



AN AMBITIOUS CSR ROADMAP

To share our **VALUES** with our stakeholders to build together over the long term

To guarantee the **HEALTH** and **SAFETY** of our employees and our stakeholders

To contribute to the emergence of a **LOW-CARBON** economy capable of preserving the common good



To change the way we design, produce and distribute our products and solutions to develop the **CIRCULAR ECONOMY**

To be a **CORPORATE CITIZEN** in each country

To have broadly **DIVERSE** teams to build an open and engaging corporate culture



MATERIALS THAT POWER LIFE



Saint-Gobain designs, manufactures and distributes materials and solutions which are key ingredients in the well-being of each of us and the future of all



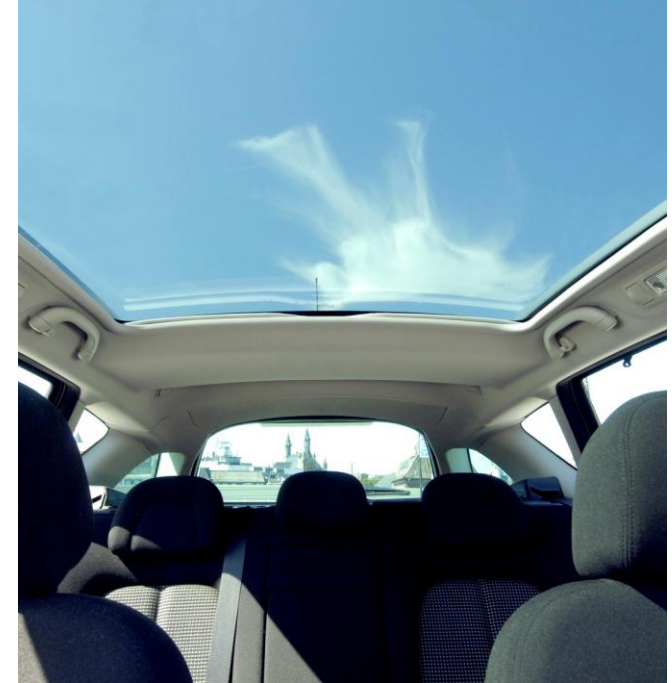
AN ENGAGING AND RESPONSIBLE VISION



**Work for the wellbeing
of everyone**

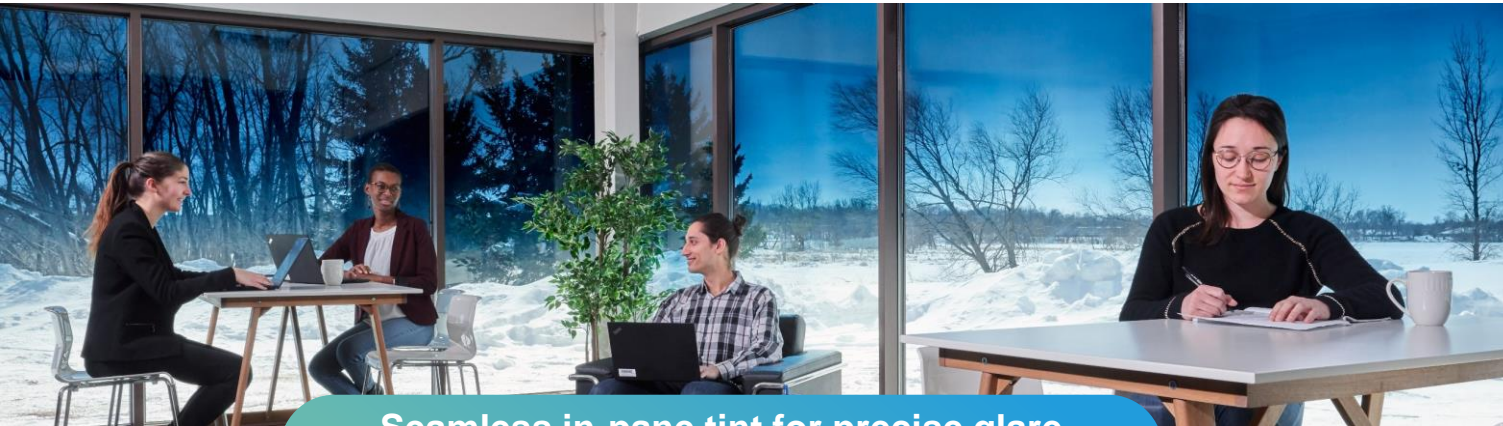


Protect the future of all



**Improve our customers'
productivity
and performance**

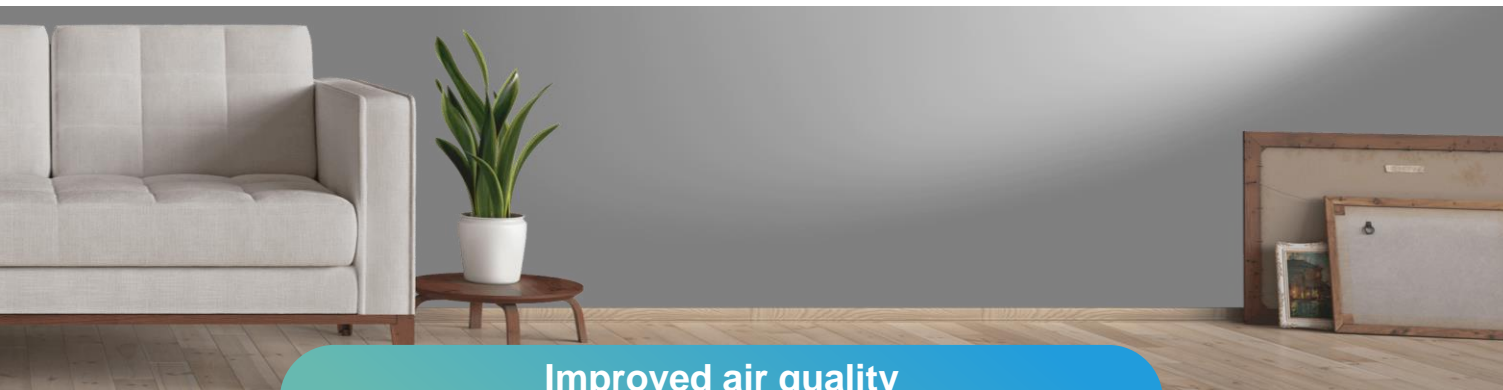
INNOVATE FOR THE WELLBEING OF EVERYONE



Seamless in-pane tint for precise glare control with SageGlass Harmony



Pleasant, healthy and attractive workspaces with KANDU

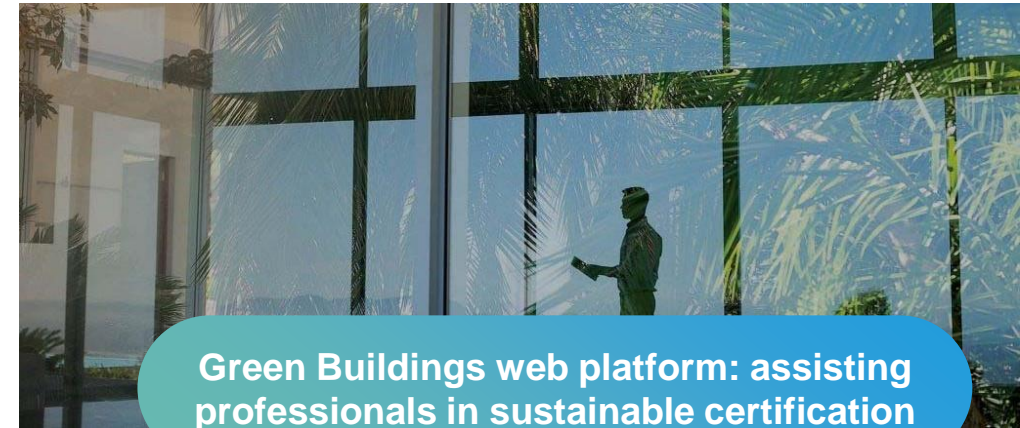


Improved air quality with Novelio Nature wall coverings



Acoustic performance, impact resistance and aesthetics with Acoustiroc wall panels

MEET THE DEMAND FOR SUSTAINABLE PRODUCTS AND SOLUTIONS



Green Buildings web platform: assisting professionals in sustainable certification



Saint-Gobain solutions for carbon-free construction

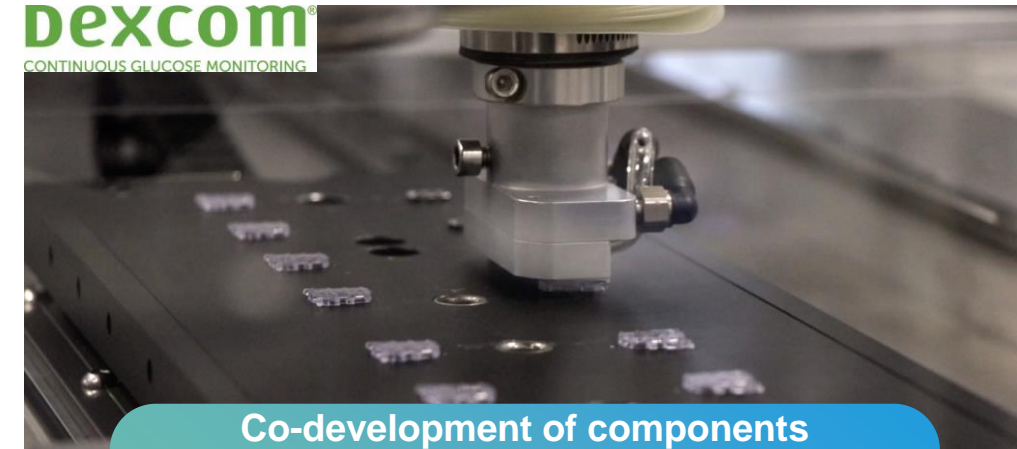


New blowing wool production line in Chemillé in France

IMPROVE OUR CUSTOMERS' PRODUCTIVITY AND PERFORMANCE



Improved worksite productivity through services



Co-development of components in diabetes measurement systems



New ways of construction

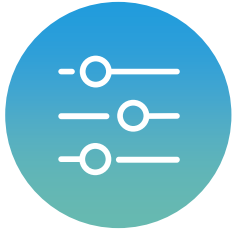


Prefab in the United-Kingdom

NEW OPPORTUNITIES ON VALUE-CHAINS



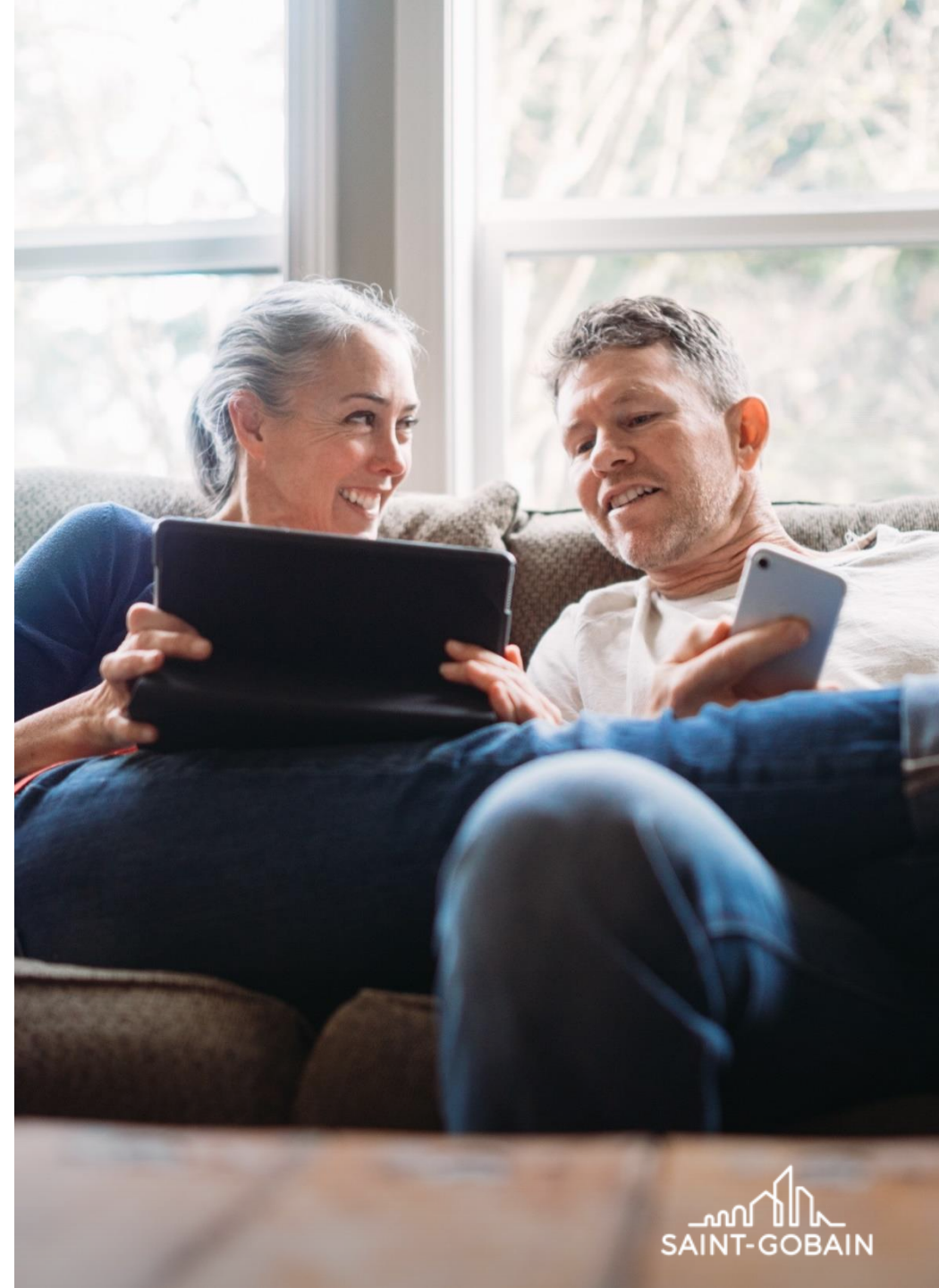
An **informed** and **influential** end-user



A growing need for **tailor-made solutions**



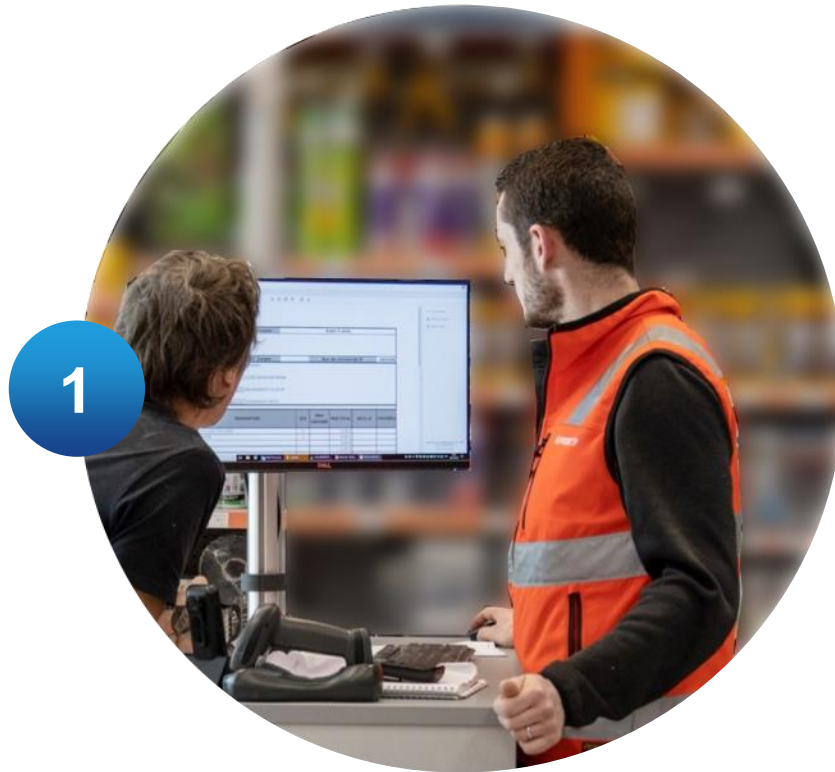
A **unique positioning**
on an evolving value chain





Fully leverage Saint-Gobain's assets
to **strengthen its competitiveness**
and unleash **growth potential**

A PLAN STRUCTURED AROUND TWO KEY COMPONENTS



**A customer-oriented,
lean and agile
organization**



**An active and value
creating portfolio
management**

AN AGILE AND CUSTOMER ORIENTED ORGANIZATION

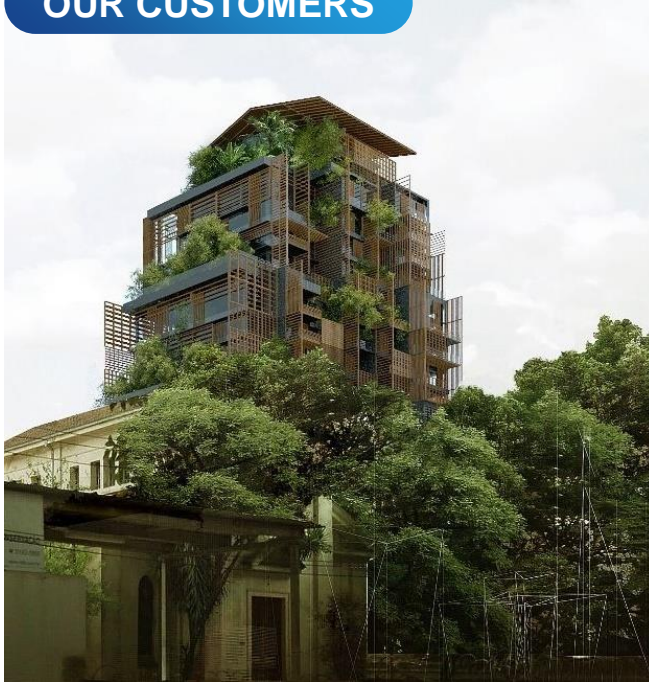


GROUP'S EXPERTISE TO SUPPORT PERFORMANCE

CAPITALIZE ON OUR SYNERGIES TO ACCELERATE GROWTH

**MORE EFFICIENCY
TO SERVE**

OUR CUSTOMERS



**In Brazil: sales forces
by sales channel**

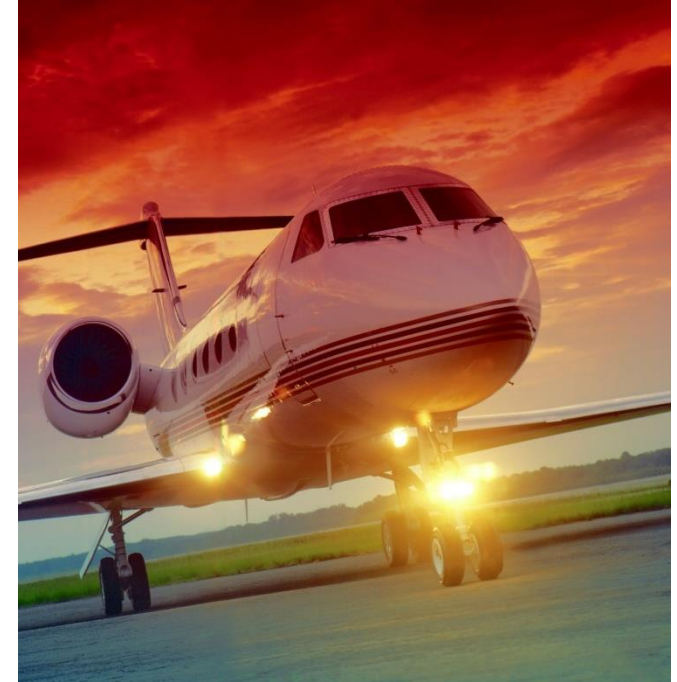
**ACCELERATED
DEVELOPMENT OF**

OUR OFFER



**In India: a unique prescription team
on the whole range of products**

**FURTHER INNOVATION
& CO-DEVELOPMENT**



**An integrated team
to serve the aerospace market**



FOCUS OUR INVESTMENTS ON GROWTH

EMERGING COUNTRIES



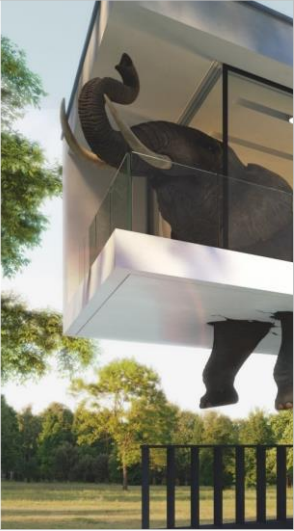
New Gyproc plant in Hai Phong in Vietnam

PROMISING MARKETS



**New capacities for the Life Science business unit
in the United-States**

ACCELERATE THE GROUP'S DIGITAL TRANSFORMATION



Services
& Customer experience

Industry 4.0

Digital construction

New ways of working



KEEP STRIVING FOR OPERATIONAL EXCELLENCE



Sekurit plant in Spain



Vaujours gypsum plant in France



Brodrene Dahl logistics center in Norway



La Plateforme du Bâtiment Express delivery in France



Excellence at the core of our operations

- Industrial performance
- Logistics efficiency
- Purchasing savings



~€300m

savings per year
in 2017-2020

A WELL UNDER WAY TRANSFORMATION PROGRAM

NEW ORGANISATION IMPLEMENTED SINCE

JANUARY 1ST



**Over 80% General Managers
native to their countries**

ACTION PLANS IN

EXECUTION PHASE



Over 1,000 identified levers

**→ €250m savings by 2021
(>€50m in 2019)**

GROWTH INITIATIVES



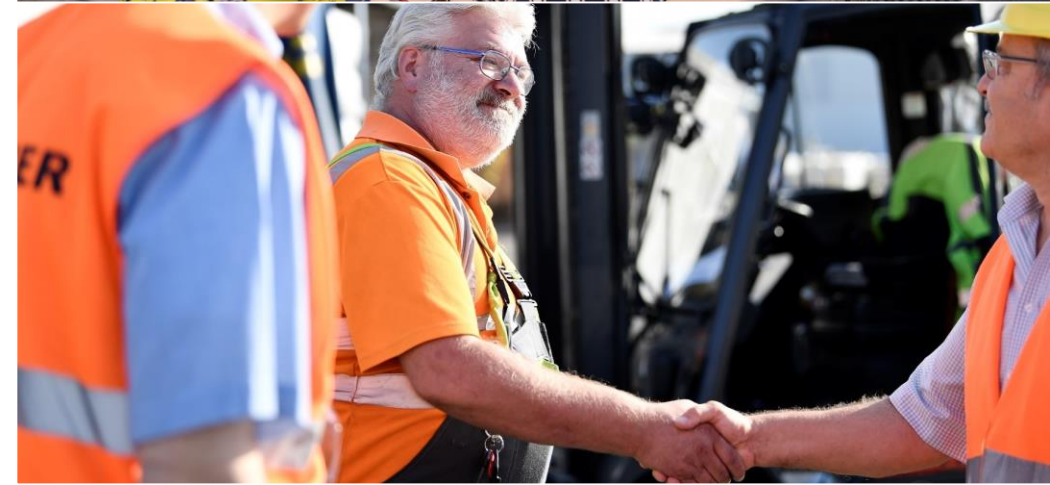
Promising first successes

STRONGLY COMMITTED TEAMS

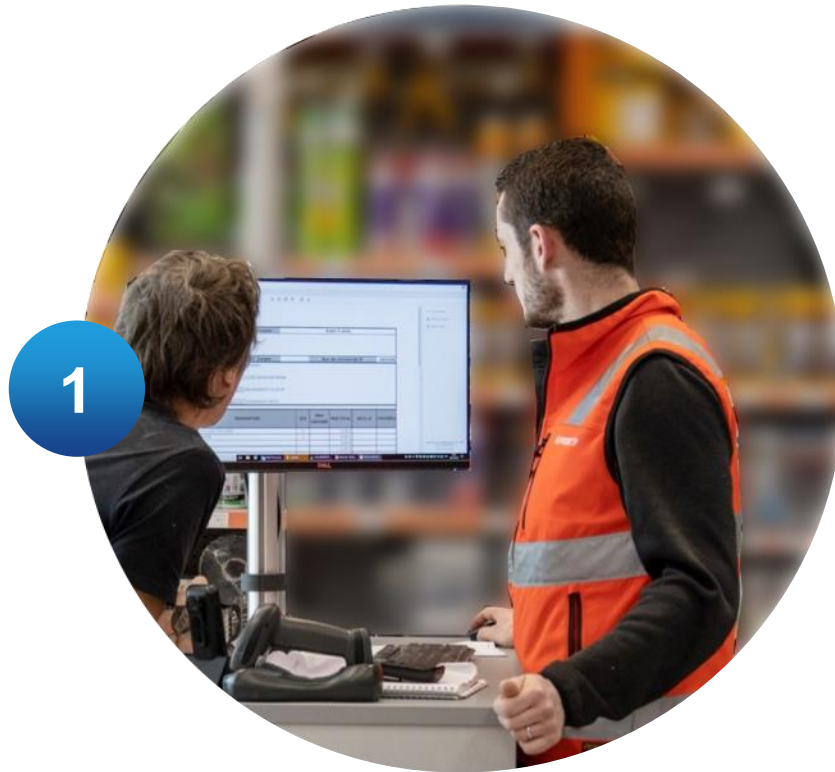


An organization based on

- Collaboration
- Empowerment
- Trust



A PLAN STRUCTURED AROUND TWO KEY COMPONENTS



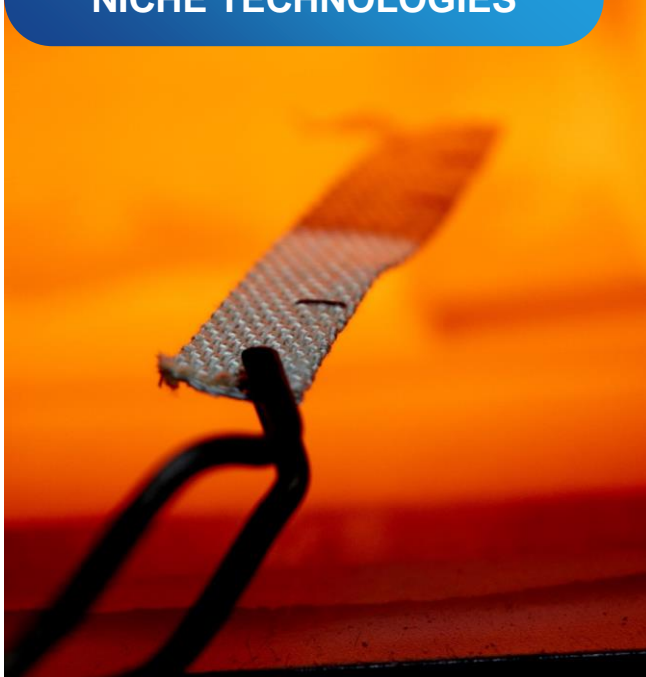
**A customer-oriented,
lean and agile
organization**



**An active and value
creating portfolio
management**

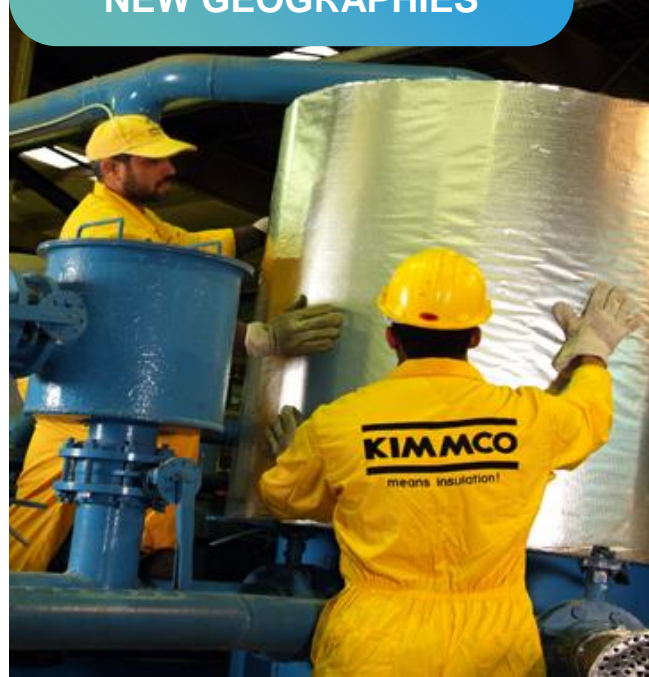
VALUE CREATING ACQUISITIONS

NICHE TECHNOLOGIES



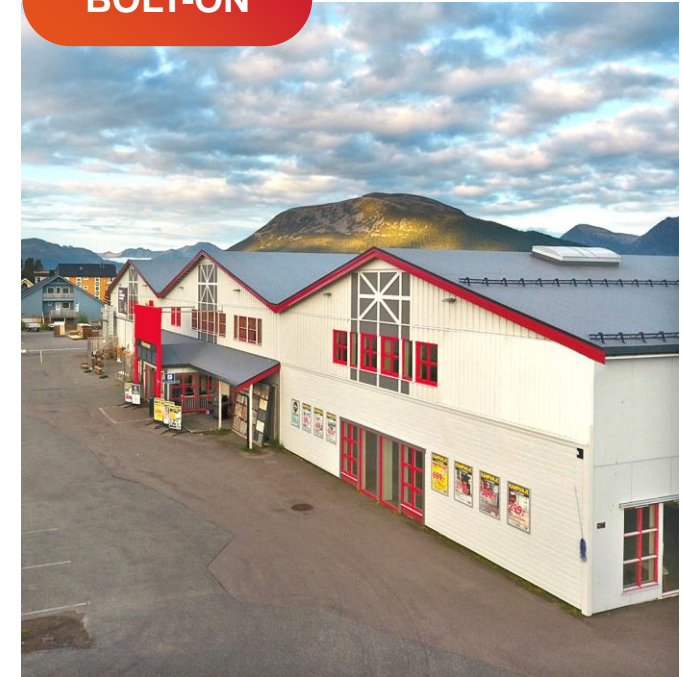
**HKO high temperature insulation
in Germany**

NEW GEOGRAPHIES



**Kimmco insulation
in Koweït**

BOLT-ON



**Per Strand distribution network
in Norway**

ACCELERATION OF OUR DIVESTMENT STRATEGY



Objective of **over €3bn in sales divested by the end of 2019**

➔ **Over 80% of the objective already reached**



Strategic review under way in the context of the new organization to lead to **additional divestments**



**DEDICATE ALL OF OUR ENERGIES
TO TRANSFORM THE GROUP
AND UNLEASH GROWTH**

SAINT-GOBAIN ANNUAL GENERAL MEETING

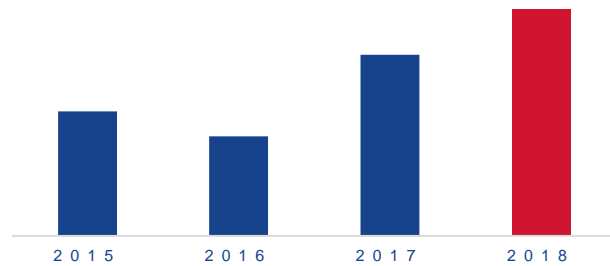
June 6, 2019



2018: ANOTHER YEAR OF PROGRESS

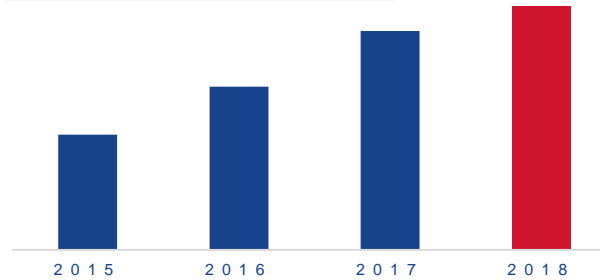
Growth in Sales
like-for-like

2018 Sales: €41,774m **+4.4%**



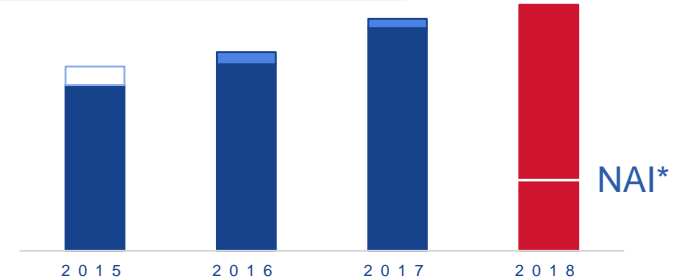
Growth in Operating income
like-for-like

2018 OI: €3,122m **+4.5%**



Growth in recurring net income

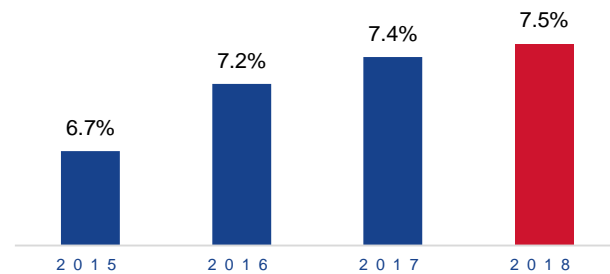
2018 RNI: €1,729m **+6.0%**



* Net attributable income

Growth in operating margin (%)

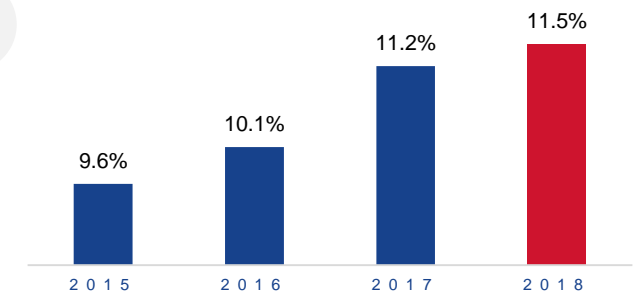
2018 OM: 7.5%



+10 bp

Growth in ROCE (%)

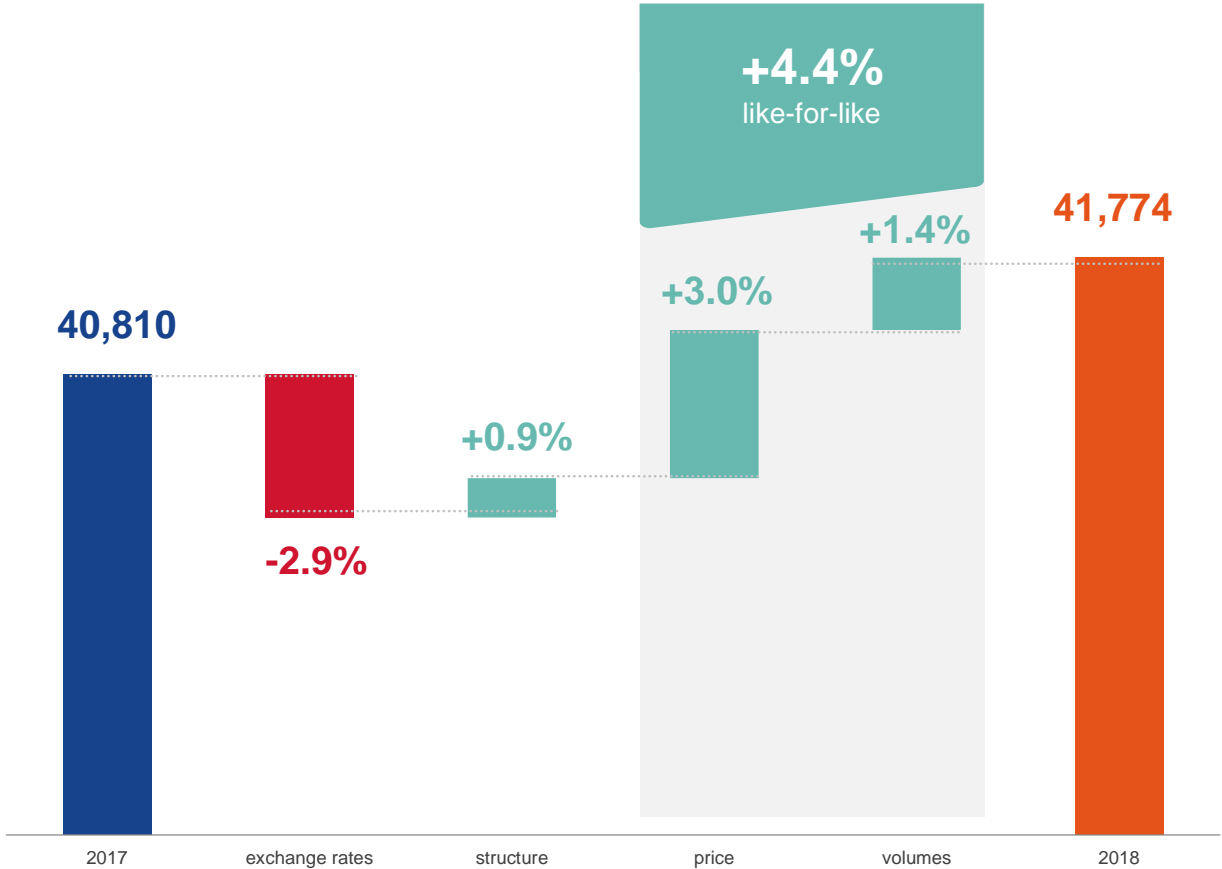
2018 ROCE: 11.5%



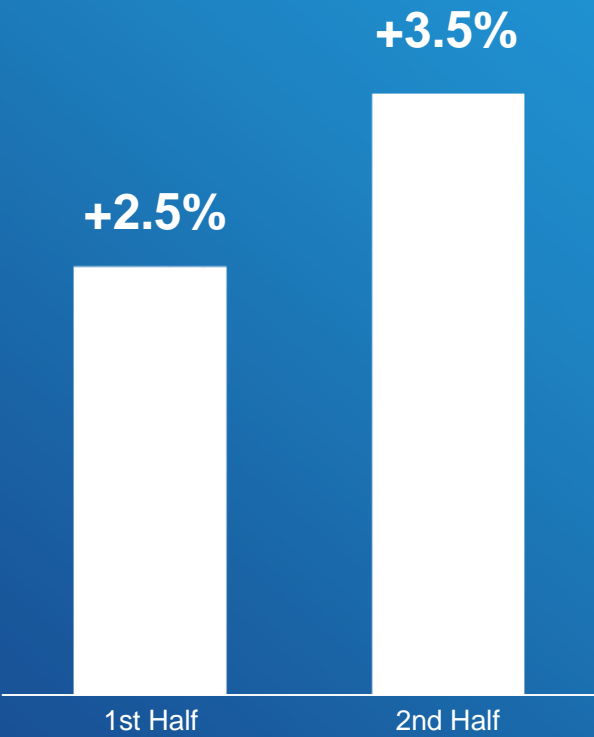
+30 bp

GOOD DYNAMIC IN VOLUMES AND PRICING

SALES TREND



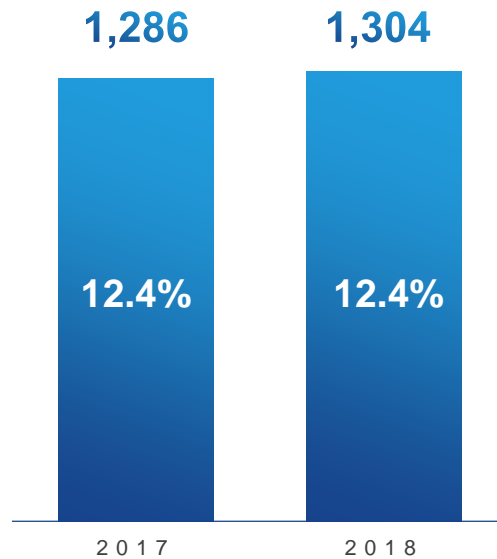
PRICE EFFECT ON A HALF-YEARLY BASIS



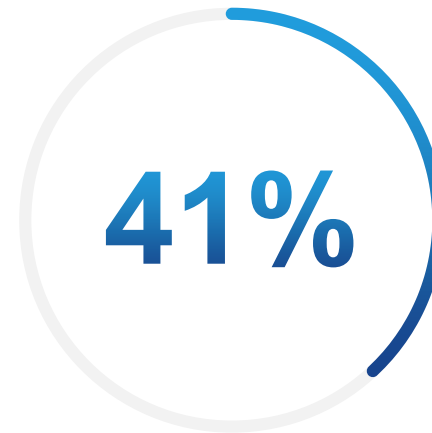
INNOVATIVE MATERIALS

ROBUST GROWTH AND PROFITABILITY

Operating income &
operating margin
(€m; %)



Assets at end-2018



of Group assets

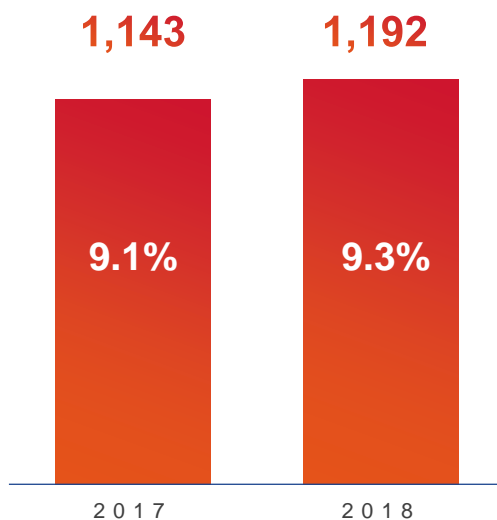
Sales

+4.8%

CONSTRUCTION PRODUCTS

IMPROVEMENT AGAINST AN INFLATIONARY BACKDROP

Operating income &
operating margin
(€m; %)



Assets at end-2018



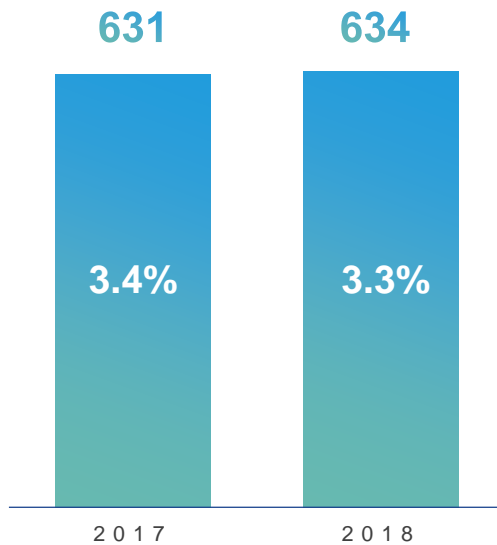
Sales

+5.6%

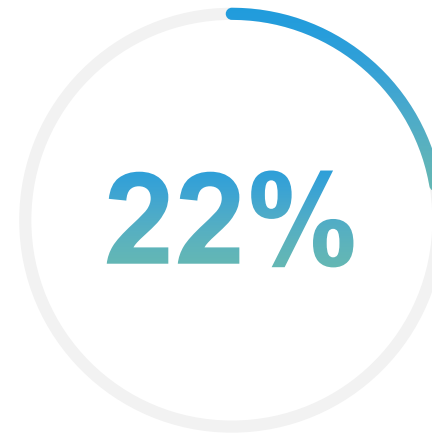
BUILDING DISTRIBUTION

SOLID GROWTH

Operating income &
operating margin
(€m; %)



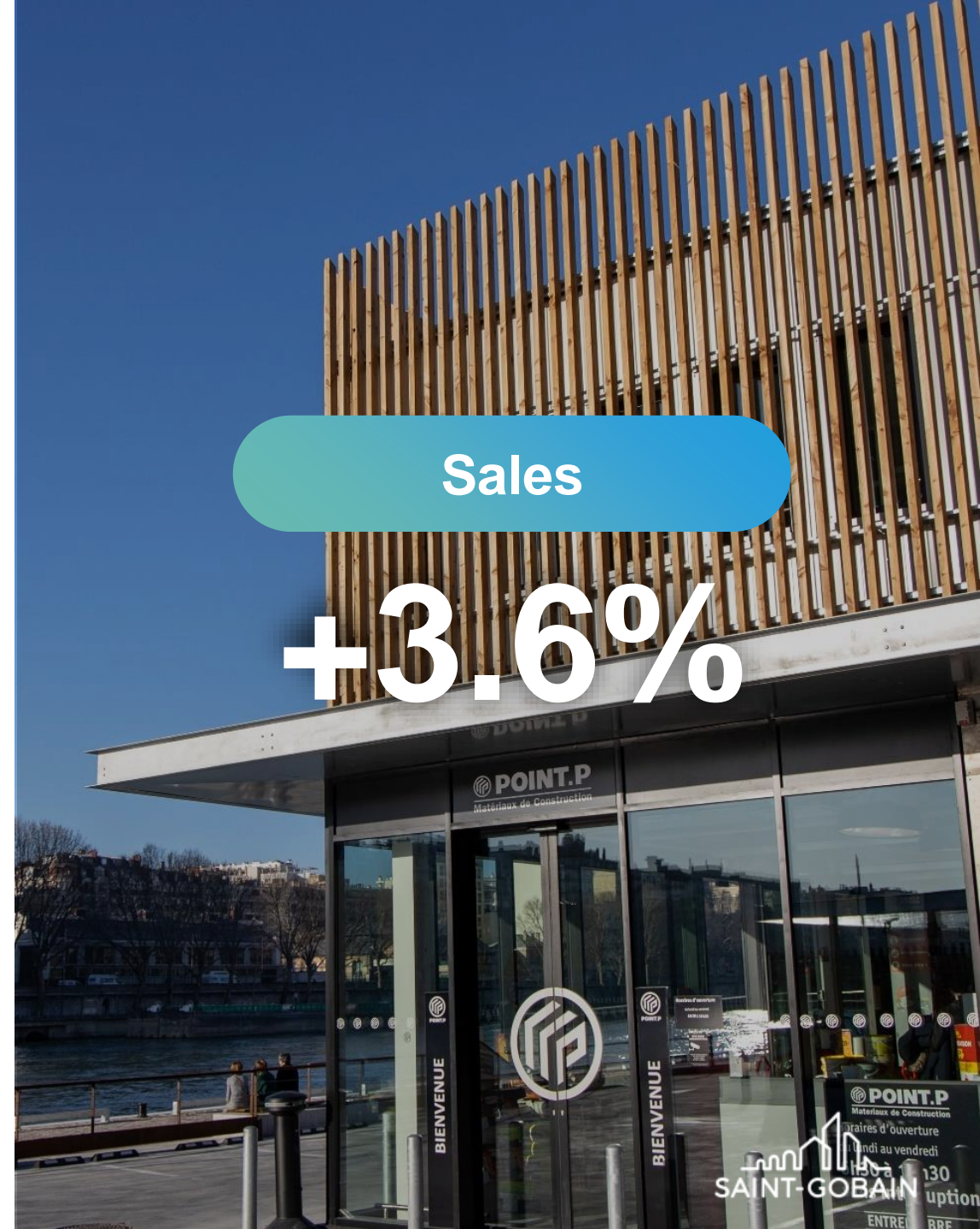
Assets at end-2018



of Group assets

Sales

+3.6%



A GOOD PERFORMANCE ACROSS ALL REGIONS

NORTH AMERICA

Sales +6.2%

OM 11.3%  11.9%

ASIA & EMERGING COUNTRIES

Sales +7.4%

OM 11.5%  11.7%

FRANCE

Sales +3.0%

OM 3.1%  3.6%

OTHER WESTERN EUROPE

Sales +3.5%

OM 5.9%  5.5%



Sales: like-for-like change
Operating margin: 2017 and 2018

CONTINUED FINANCIAL DISCIPLINE

Cost savings

€300m *calculated on the 2017 cost base*

► 2017-2020 Plan: €1.2bn

Cash flow

+1.6%

► Increase in growth capex affecting free cash flow

Operating Working Capital Requirement

29 *days' sales*

► Demonstration of Group's ability to remain below 30 days on a long-term basis

Net debt/EBITDA

1.9x

► Solid balance sheet and rating



A RENEWED AMBITION

Research & Development

€454m

- ▶ Around 400 patents filed
- ▶ 3,700 R&D employees

Capital expenditure

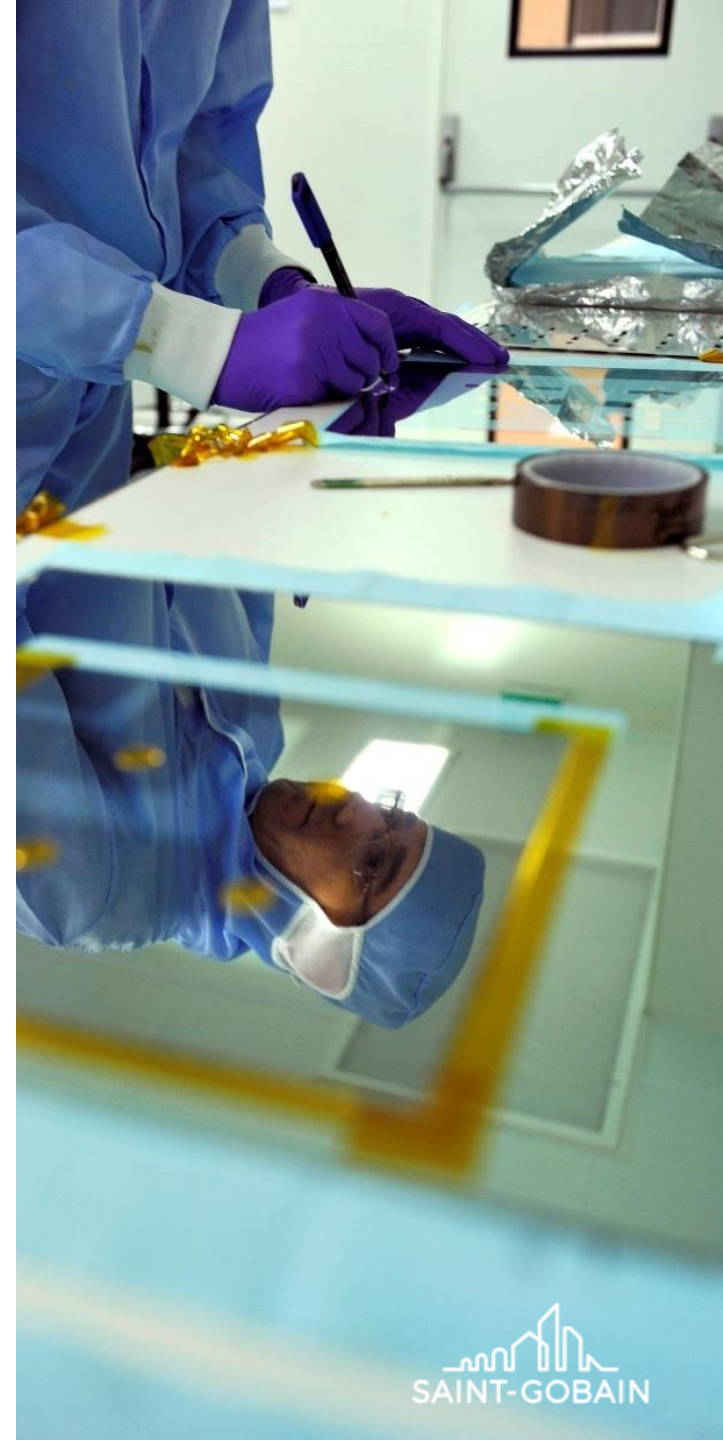
€1,666m

- ▶ 40% dedicated to growth capex in Asia and emerging countries
- ▶ Focus on productivity and digital transformation

Acquisitions

€768m *(excluding Sika transaction)*

- ▶ Small and mid-sized acquisitions +20% vs. 2017
- ▶ Sika: €930m investment, impact on net income +€781m



FIRST-QUARTER 2019: CONFIRMATION OF GOOD UNDERLYING TRENDS

SALES IN €M AND LIKE-FOR-LIKE CHANGE IN %



Northern Europe

+7.8%

3,660

Q 1 - 2 0 1 9

Southern Europe, Middle East, Africa

+5.0%

3,386

Q 1 - 2 0 1 9

High Performance Solutions

+2.4%

1,893

Q 1 - 2 0 1 9

Americas

+4.6%

1,307

Q 1 - 2 0 1 9

Asia-Pacific

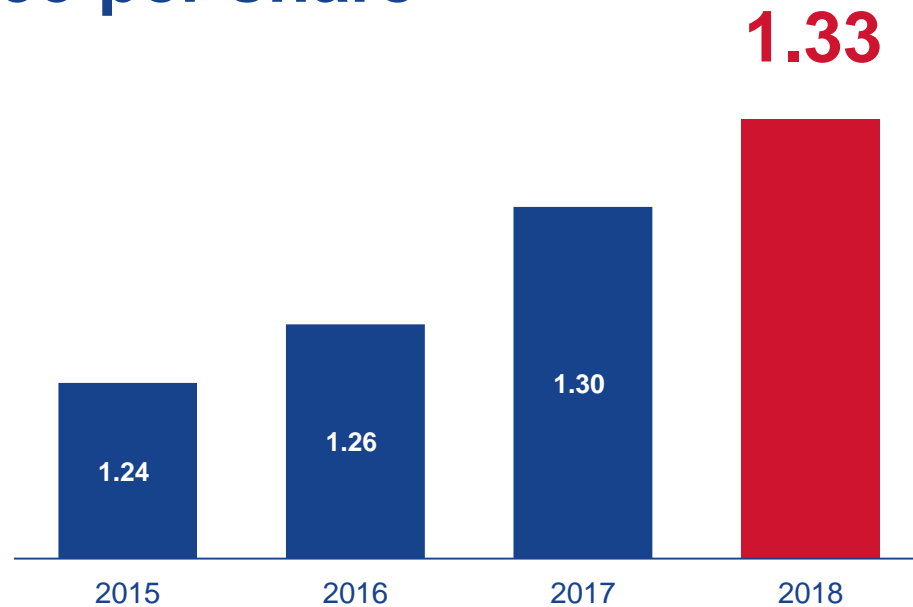
+7.7%

426

Q 1 - 2 0 1 9

2018 DIVIDEND

€1.33 per share



Dividend yield at Dec. 31, 2018: **4.6%**

Payout ratio based on recurring net income: **42%**

Calendar

June 6, 2019
AGM

June 10, 2019
Ex-dividend date

June 12, 2019
Payment date

THE BENEFITS OF SAINT-GOBAIN'S DIGITAL TRANSFORMATION

ROUND-TABLE
TALK



SAINT-GOBAIN

THE DIGITAL TRANSFORMATION



A hyper-CONNECTED and hyper-MOBILE world



Value chains organized around a MULTITUDE of very WELL-INFORMED CONSUMERS



INSTANT and PERSONALIZED ACCESS to KNOWLEDGE



A new generation of SMARTER AUTOMATION

THE DIGITAL TRANSFORMATION IN SAINT-GOBAIN'S PLANTS



“GÉNÉRATION ARTISANS” AT POINT.P: A UNIQUE TRANSFORMATIONAL DRIVER



BLOIS, 05 MARS 2019 #GACADEMIE

1

I grow my business

2

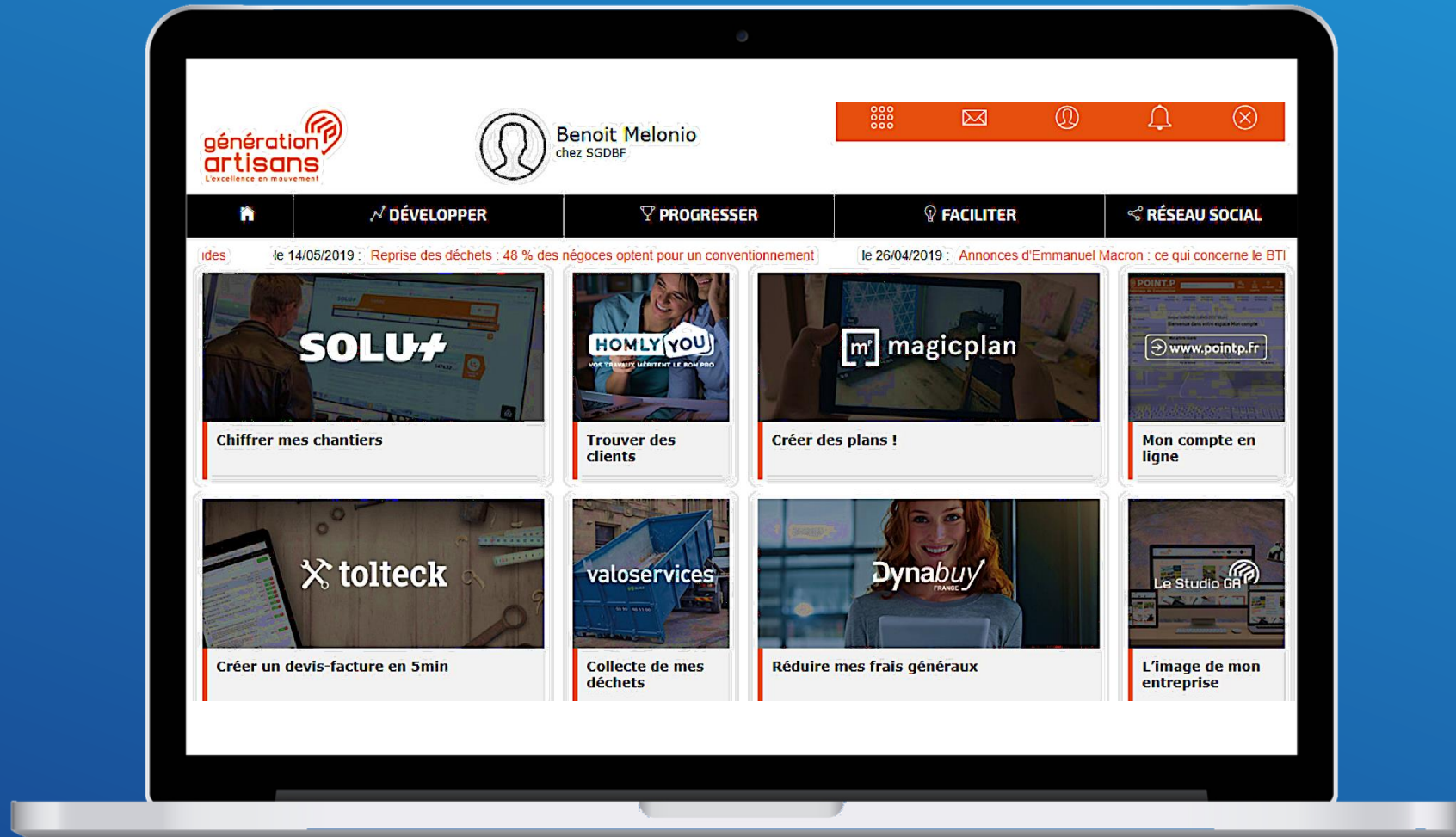
I progress with Point.P

3

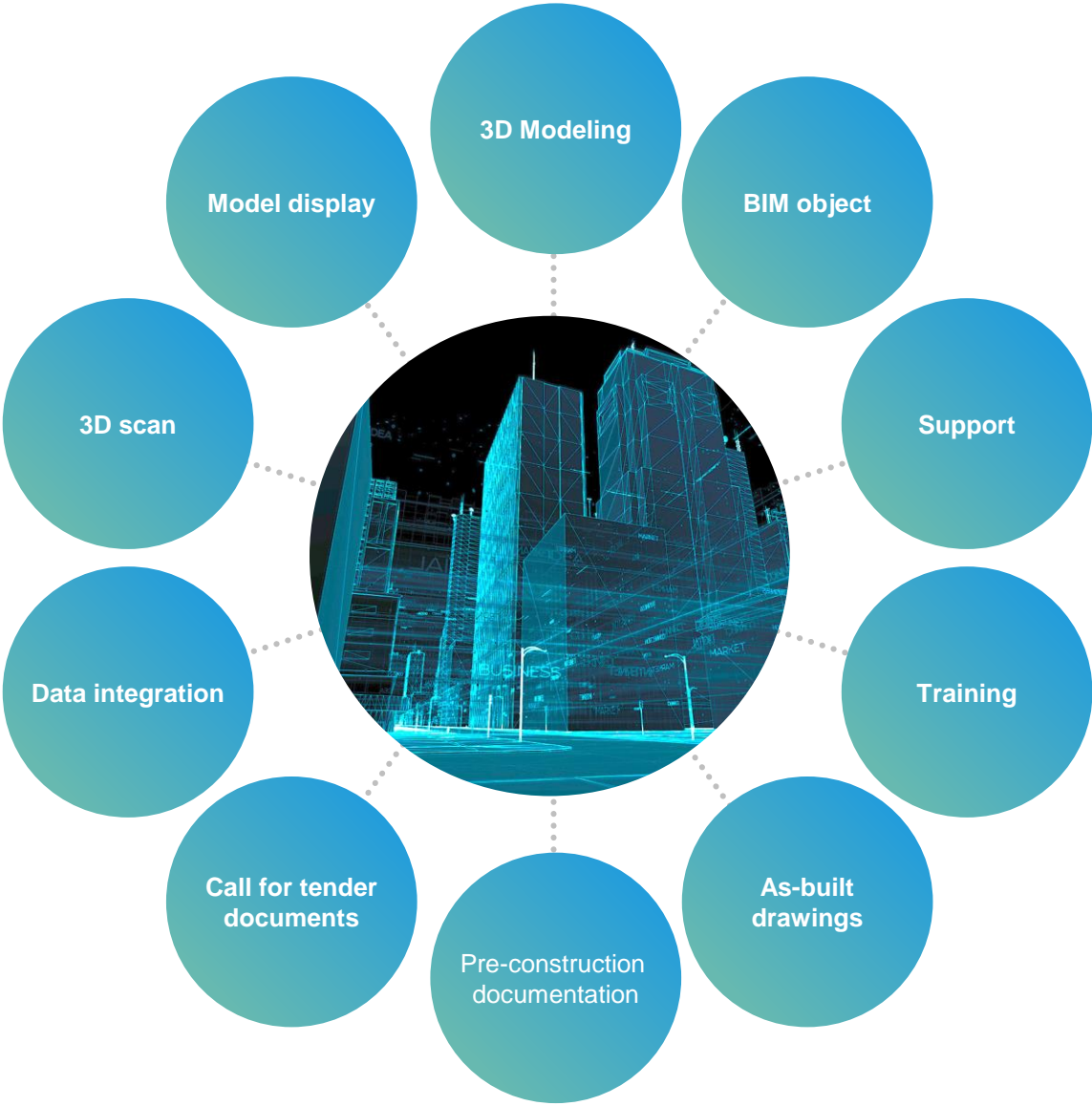
I make my everyday life easier



DIGITAL SERVICES TO MAKE PROFESSIONALS MORE EFFICIENT



A SEAMLESS WORKSITE THANKS TO THE SERVICES PROVIDED BY PLACO®



THE BENEFITS OF SAINT-GOBAIN'S DIGITAL TRANSFORMATION

Industry 4.0

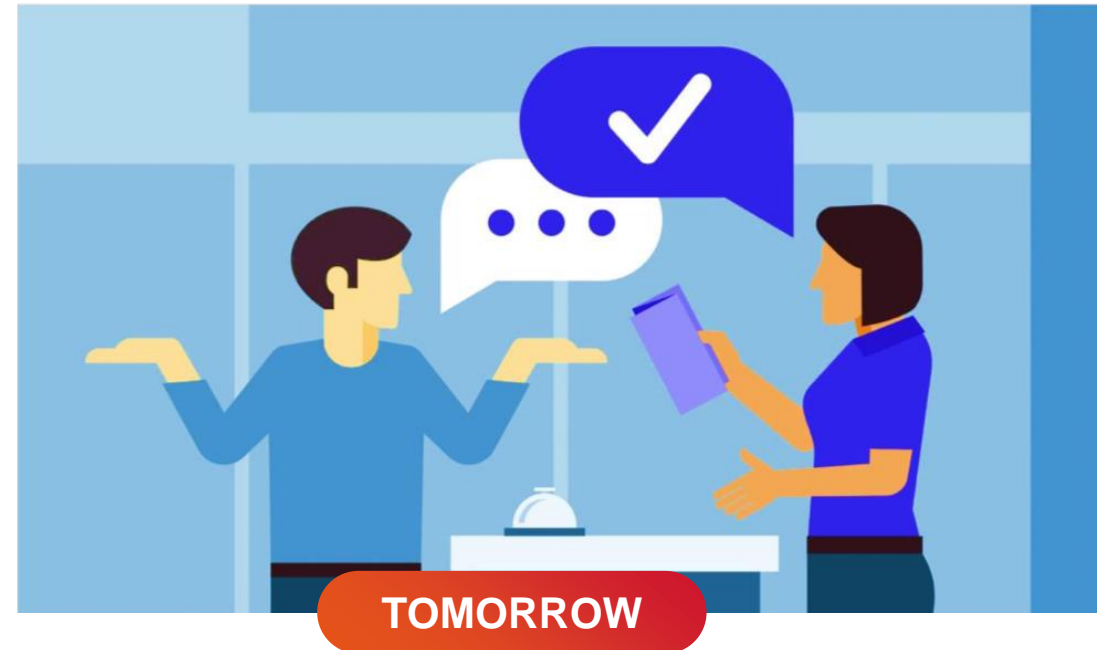


DATA SERVING COMMERCE



The customer asks...

The sales agent responds to the question



Orientate the relationship around the customer's needs

**The aim is a personalized visit
= PROACTIVE SALES AGENT**

VIRTUAL REALITY TO AID CHOICE: GLASSPRO LIVE

GLASS PRO LIVE – A SELECTION OF PROJECTS IN INDIA AND THE NEW SAINT-GOBAIN TOWER

ICC - Mumbai

COOL-LITE KS 138 II 110000 SQ.M.



ICC

After using GlassPro Live, the architect selected Saint-Gobain's KS 138 II glazing for the façade of this building in Mumbai.

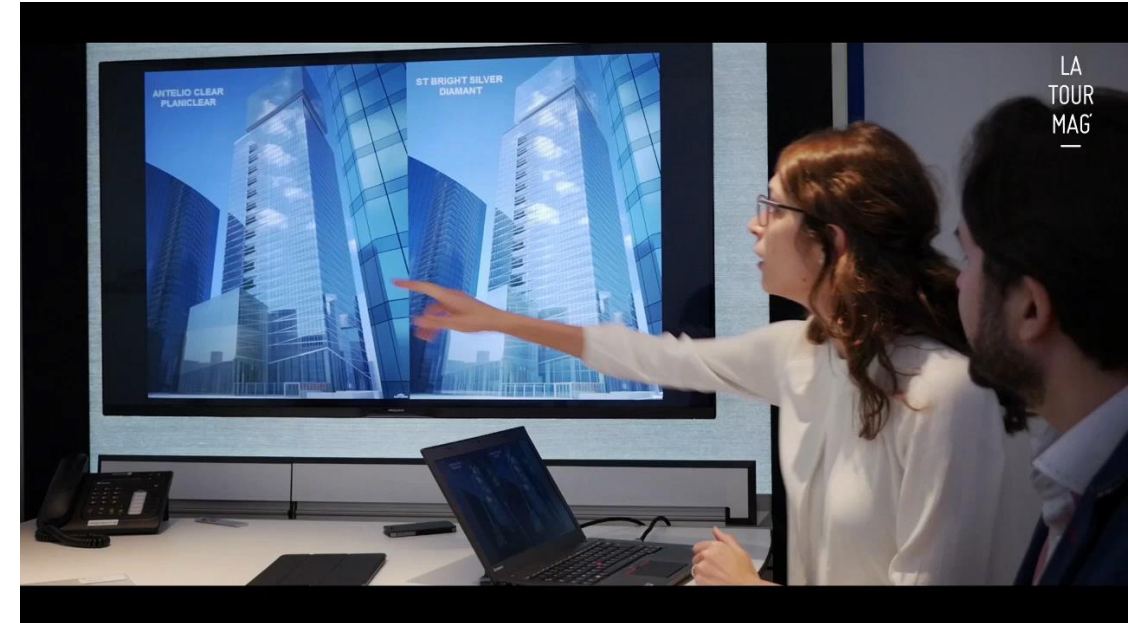
Winsdor Towers

9000 SQ.M.



WINDSOR

The inclined glass plane has an impact on the building's aesthetic appearance.
GlassPro Live helped the architect check the effect.



INCREASING LEVEL OF EXPERTISE SERVING BUSINESSES



**300 HIRES IN 2018 WITH A
MASTER'S DEGREE OR
HIGHER IN DIGITAL
TECHNOLOGY**

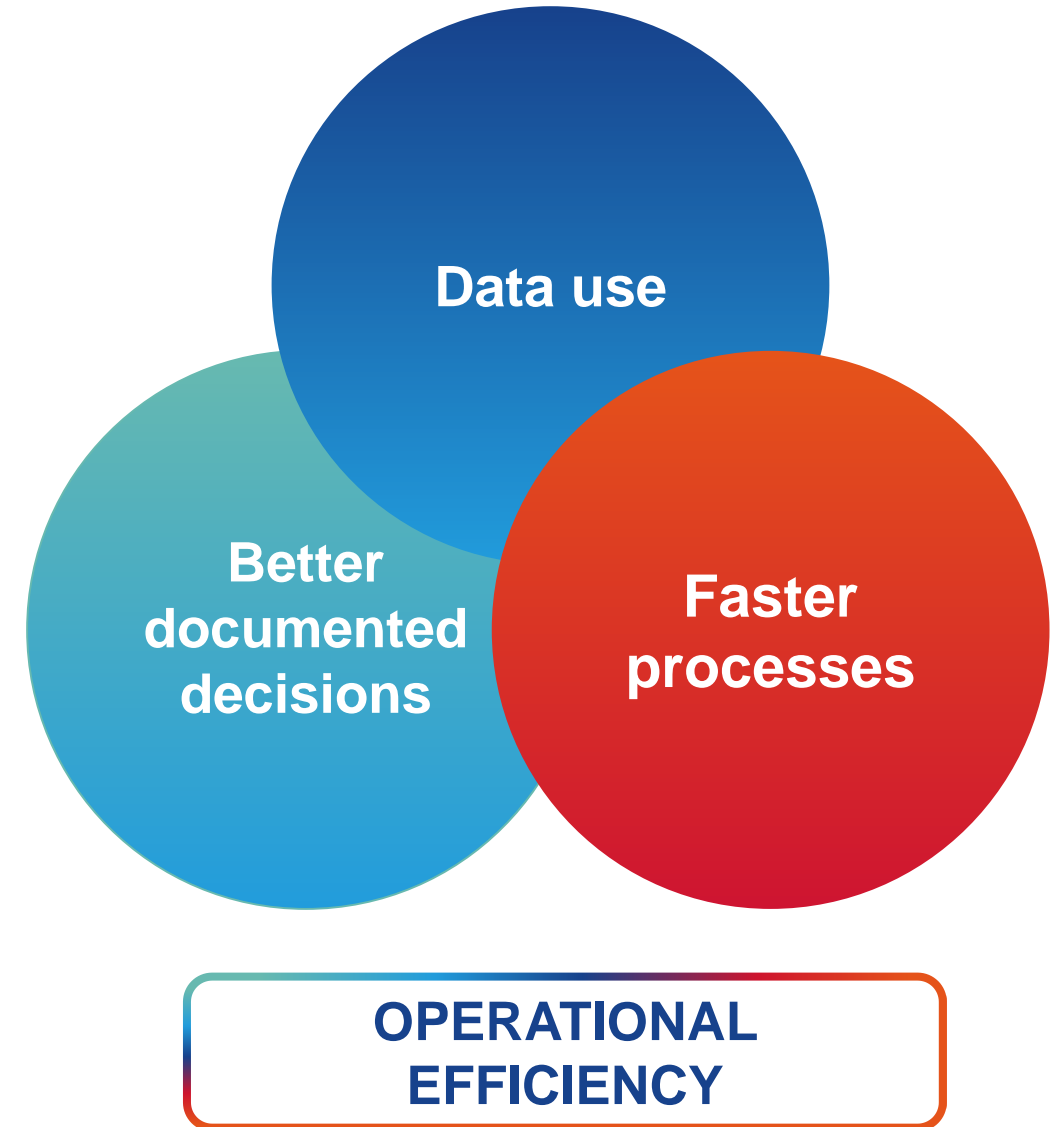


**A DIGITAL COMMUNITY
NUMBERING MORE THAN
1,700 EXPERTS**



**ONE-THIRD OF THE 28,000
HIRES IN 2019 WILL BE
AGED UNDER 26**

THE BENEFITS OF SAINT-GOBAIN'S DIGITAL TRANSFORMATION



THE BENEFITS OF SAINT-GOBAIN'S DIGITAL TRANSFORMATION

ROUND-TABLE
TALK





Anne-Marie IDRAC

Chairman of the Nomination and Remuneration Committee



BOARD OF DIRECTORS

□ The Board of Directors comprises 14 members



73%

Independent
Directors,
Committee Chairmen
all independent



42%

Women



94%

Attendance rate

9 meetings



1

Lead
Independent
Director



2

Employee
Directors

1

Director
representing
employee
shareholders

□ Average seniority: 6.8 years

□ Compagnie de Saint-Gobain refers to the AFEP-MEDEF Corporate Governance Code

DIRECTORS' SKILLS AND EXPERIENCE (1/2)

- ❑ Non-French Directors: 27% (excluding employee Directors)
- ❑ A majority of Directors has or has had a very strong international exposure: managing groups with a significant proportion of their activities, or exercising significant duties, outside France
- ❑ See details on page 124 of the 2018 Registration document



DIRECTORS' SKILLS AND EXPERIENCE (2/2)

Diversity policy at the Board

□ In the context of future appointments (results of the Board self-assessment):

- Strengthen among its members **distribution, digital and e-commerce** skills
- Increase **internationalization**
- Continue **lowering the average age** of the Board while maintaining a good balance between Directors with more seniority and more recently appointed Directors
- Maintain the proportion of **Executive Directors** who hold office in another large group or have experience of that nature

□ The renewal of Ms. Dominique LEROY (co-opted on November 2017) as an independent Director fully satisfies these objectives

BOARD OF DIRECTORS' COMMITTEES

AUDIT AND RISK COMMITTEE



- 100 % attendance
- 4 meetings
- 100 % of independent Directors, including its Chairman

NOMINATION AND REMUNERATION COMMITTEE



- 92 % attendance
- 4 meetings
- 2/3 of independent Directors, including its Chairman

STRATEGY AND CSR COMMITTEE



- 100 % attendance
- 6 meetings
- Strategic orientations of the Group's business (budget, plan) and other strategic issues submitted to the Board
- Integration of CSR topics in the Group's strategy

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS PROPOSED TO THE GENERAL MEETING (1/4)

PROPOSED RENEWAL OF THE DIRECTOR'S TERM OF OFFICE OF MS. ANNE-MARIE IDRAC



- ❑ Director of Air France KLM, Bouygues and Total
- ❑ Independent Director, Chair of the Nomination and Remuneration Committee
- ❑ Director since 2011, Ms. Anne-Marie Idrac brings to the Board of Directors her experience as an executive officer of large groups and Director of international industrial groups, as well as her skills in strategy, management and corporate social responsibility
- ❑ Full biography on page 19 of your Notice of Meeting

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS PROPOSED TO THE GENERAL MEETING (2/4)

PROPOSED RENEWAL OF THE DIRECTOR'S TERM OF OFFICE OF MS. DOMINIQUE LEROY



- ❑ Chief Executive Officer of Proximus, Member of the Supervisory Board and member of the Governance and Appointments Committee of Ahold Delhaize
- ❑ Independent Director, co-opted on November 23, 2017
- ❑ Dominique Leroy, a Belgian citizen, brings to the Board of Directors 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, as well as her skills in governance, management and strategy
- ❑ Full biography on page 20 of your Notice of Meeting

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS PROPOSED TO THE GENERAL MEETING(3/4)

PROPOSED RENEWAL OF THE DIRECTOR'S TERM OF OFFICE OF MR. JACQUES PESTRE



- ❑ Senior Vice-President of SGDB France, in charge of POINT.P.
- ❑ Director representing employee shareholders
- ❑ Director since 2011, Mr. Jacques Pestre brings to the Board of Directors his in-depth knowledge of the Saint-Gobain Group, in which he has spent his entire career, and its businesses - particularly in the Building Distribution Sector - as well as his skills in management and corporate social responsibility
- ❑ Full biography on page 22 of your Notice of Meeting

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS PROPOSED TO THE GENERAL MEETING(4/4)

PROPOSED RENEWAL OF THE DIRECTOR'S TERM OF OFFICE OF MR. DENIS RANQUE



- ❑ Chairman of the Board of Directors of Airbus and Director of CMA-CGM
- ❑ Independent Director, member of the Nomination and Remuneration Committee
- ❑ Director since 2003, Mr. Denis Ranque brings to the Board of Directors his experience as a former executive officer of major international groups, his knowledge of industrial matters and in particular of Saint-Gobain Group's businesses, as well as his expertise on governance matters and his skills in finance, management and strategy
- ❑ Full biography on page 21 of your Notice of Meeting

GENERAL PRINCIPLES OF THE COMPENSATION POLICY OF THE EXECUTIVE CORPORATE OFFICERS

□ The compensation policy

- Is decided by the Board of Directors at the proposal of the Nomination and Remuneration Committee
- **Reflects the Group's strategy and aims at aligning the compensation of the Executive Corporate Officers with the Group's performance and the long-term interests of its shareholders**

□ The Board of Directors, with the Nomination and Remuneration Committee

- Ensures the remuneration complies **with the recommendations of the AFEP-MEDEF Code** and meets **transparency** and **performance measurement** requirements
- Ensures the compensation of the Chairman and Chief Executive Officer **evolves** taking into account the **Group's performance and market practices**
- Takes into consideration **benchmarks** of CAC 40 companies comparable to Saint-Gobain in terms of sales, workforce and international scope of operations

□ CSR commitments of the Group

- Are one of the qualitative objectives of the Executive Corporate Officer's variable compensation (since 2013 for the Chairman and Chief Executive Officer)
- Are part of the criteria applicable to the long-term compensation since 2017

SUMMARY OF COMPENSATION COMPONENTS PAID OR GRANTED TO MR. PIERRE-ANDRÉ DE CHALENDAR FOR 2018 (SAY ON PAY EX POST)

<i>(in euros, before social charges and income tax)</i>	Fiscal year 2018	Fiscal year 2017
Fixed compensation	1,200,000	1,100,000
Annual variable compensation	1,110,644	1,487,270
Benefits in kind (company car)	3,673	3,607
Stock options (IFRS valuation)	58,000 options, i.e. 109,148	58,000 options, i.e. 293,626
Performance shares (IFRS valuation)	67,000 shares, i.e. 1,090,961	67,000 shares, i.e. 1,710,478
Total	3,514,426 (a decrease of 23.5 % compared to 2017)	4,594,981

The fixed compensation is commensurable with the Chairman and Chief Executive Officer's experience and responsibilities

ANNUAL VARIABLE COMPENSATION PAID OR GRANTED TO MR. PIERRE-ANDRÉ DE CHALENDAR FOR 2018 (SAY ON PAY EX POST)

Cap: 170% of the fixed compensation

Quantifiable objectives (2/3, each accounting for 1/4) assess the operational and financial performance of Group	Qualitative objectives (1/3) reflect the Group's strategic orientations
ROCE	Continuation of the Group's digital transformation
Group operating income	
Group recurring net income per share	Mise en œuvre de la politique de RSE
OFCF	Continuation of the Group's development strategy
Achievement rate: 42.5%	Achievement rate: 78.33%

Overall achievement rate: 54.44%

The variable compensation encourage the achievement of the Group's annual financial and non-financial objectives

LONG-TERM COMPENSATION PAID OR GRANTED TO MR. PIERRE-ANDRÉ DE CHALENDAR FOR 2018 (SAY ON PAY EX POST)

	Performance shares	Stock-options
Performance conditions	<ul style="list-style-type: none"> • Saint-Gobain Group ROCE: 65% • Performance of the stock price versus the CAC 40 stock market index: 20% • CSR: 15% 	
Caps	85% of the total maximum gross compensation (compared to 100% for previous years)	
	10% of the overall grant of performance shares and performance units and of the issuance authorization	
Number (22 November 2018 grants)	0 to 67,000	0 to 58,000
Vesting date /Starting date of exercise period	22 November 2022	22 November 2022
IFRS value (in euros)	1,090,961	109,148
Service condition	Yes	
Prohibition to hedge the risk	Yes	
Demanding obligations to acquire and/or hold Saint-Gobain shares	5 years of gross fixed compensation	

The long-term compensation encourages financial and non-financial value creation over the long-term

2019 COMPENSATION POLICY FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND FOR THE CHIEF OPERATING OFFICER (SAY ON PAY EX ANTE)

		Chairman and Chief Executive Officer	Chief Operating Officer
Fixed compensation		€1,200,000	€750,000
		Level at the median of industrial CAC 40 companies comparable to Saint-Gobain in terms of size (sales, workforce or international footprint)	
Annual variable compensation	Caps	170% of the fixed compensation	120% of the fixed compensation
	Allocation	2/3 quantifiable, 1/3 qualitative	
Long-term compensation	Caps	85% of his 2019 total maximum gross compensation (fixed compensation + maximum variable compensation)	((i) 85% of his 2019 total maximum gross compensation (fixed compensation + maximum variable compensation) and (ii) 50% of the grants to the Chairman and Chief Executive Officer
	Proratization	Compulsory if the Board of Directors decides to exempt the Director from the service condition in the event of his departure as Director	

2019 COMPENSATION POLICY FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND FOR THE CHIEF OPERATING OFFICER (SAY ON PAY EX ANTE)

- ☐ **No variable deferred compensation**
- ☐ **No multi-annual variable compensation**
- ☐ **No exceptional compensation**
- ☐ **No attendance fees from Group's companies**

UNDERTAKINGS GIVEN TO THE CHIEF OPERATING OFFICER TO BE APPROVED BY THE 2019 GENERAL SHAREHOLDERS' MEETING (1/2)

- Appointment of Mr. Benoit BAZIN as Chief Operating Officer effective January 1, 2019**
- Diversified experience of 19 years spent in various activities of the Saint-Gobain Group**
- Suspension of his employment contract since January 1, 2019 and for the duration of his term as Chief Operating Officer**

UNDERTAKINGS GIVEN TO THE CHIEF OPERATING OFFICER TO BE APPROVED BY THE 2019 GENERAL SHAREHOLDERS' MEETING (2/2)

❑ Severance indemnity

- **Capped at 2 years of gross annual total compensation** (including, where applicable, non-compete indemnity)
- **Performance condition:** the variable compensation must have been at least equal to, on average for the last three full fiscal years, 50% of its average maximum amount

❑ Non-compete indemnity

- Equal to **one year's total gross compensation**
- The Board may **waive** the application of the non-compete indemnity provision

❑ Continuation of the benefit of the supplementary pension plan

- **Plan set up** in 2012
- **Service condition**
- **Performance condition applicable to the rights' increase:** same as for the compensation for loss of office

❑ Continuation of the benefit under the Group health and personal risk insurance contracts applicable to employees of Compagnie de Saint-Gobain

❑ See details on page 37 to 39 of your Notice of Meeting

A woman with long dark hair, wearing a dark blazer, stands in the lower center of the frame, looking down at a tablet device. The background is a blurred city skyline at night, with numerous lights from buildings and streetlights creating a bokeh effect. A large, semi-transparent white line graph is overlaid on the left side of the image, showing a fluctuating upward trend.

Jean-Dominique SENARD

Lead Independent Director



LEAD INDEPENDENT DIRECTOR: 2018 REVIEW

- ☐ **Key Board activities**
- ☐ **Board assessment**
- ☐ **Principal other activities**

KEY BOARD ACTIVITIES IN 2018 (1/3)

GROUP'S ORGANIZATION AND STRATEGY

- ❑ Appointment of Mr. Benoit Bazin as Chief Operating Officer
- ❑ Review of the “Transform & Grow” Group transformation program
- ❑ At each Board meeting, including during its yearly seminar: analysis of the evolution of the Group's situation, presentation and review of the Group's strategic orientations or a specific aspect of the strategy
- ❑ Planned acquisitions or sales
- ❑ Benchmark with main competitors
- ❑ Strategic plan
- ❑ Digital transformation: follow-up on the implementation of the roadmap

KEY BOARD ACTIVITIES IN 2018 (2/3)

RISK MANAGEMENT

- ❑ Financial and non-financial risk mapping and risk management system (annual review)
- ❑ Cybersecurity
- ❑ Review of the main litigation proceedings and the evolving regulatory environment
- ❑ Compliance

KEY BOARD ACTIVITIES IN 2018 (3/3)

CORPORATE SOCIAL RESPONSIBILITY

❑ **Strong focus of the Board on climate change**

- During the yearly strategic seminar: review of the initiatives in terms of CO₂ emissions and energy consumption reduction
- During a specific half-day seminar devoted to climate change with international experts
- **Saint-Gobain's objective:** playing a role in the fight against climate change
 - Reduction of CO₂ emissions (2025 objective, reducing emissions by 20% on iso-production by 2025 – base 2010)
 - Promotion of the contribution of Saint-Gobain solutions

❑ **Circular economy:** presentation to the Board and specific seminar held in 2019

❑ **Safety :** presentation of the results at every Board's meeting

❑ **Others :** diversity, CSR roadmap, biodiversity

2018 BOARD ASSESSMENT (1/2)

- ❑ **Conducted between September and November 2018 and led by the Lead Independent Director**
- ❑ **Scope, as every year**
 - Operation of the Board and the Committees
 - Composition of the Board
 - Assessment of the individual contributions
- ❑ **Main conclusions**
 - **Operation of the Board:** positive opinion
 - **Composition of the Board:** varied and complementary experiences
 - **Potential future nominations:** recruit a younger non-French Director with a digital/e-commerce profile, or a current executive in another major group, or a profile that has experience with Distribution
 - **Explore the following topics in more detail:** value creation, changes in the share price, speed of activity portfolio turnover, changes in the business model and jobs related to digitization, analysis of technological risks and opportunities

2018 BOARD ASSESSMENT (2/2)

❑ **Conclusions on the combination or separation of the Chairman of the Board and CEO roles: confirmation of the combination (Chairman and Chief Executive Officer)**

- Well suited to Saint-Gobain and to the experience and highly transparent approach of the Chairman and Chief Executive Officer, helping to ensure more responsive and efficient corporate governance and strategy implementation
- **Balance of power insured**
 - High ratio of independent Directors (including the Committees' Chairmen)
 - Lead Independent Director
 - Role of the newly appointed Chief Operating Officer
 - Executive sessions
 - Main shareholders' representatives (the employee shareholders' - the PEG corporate mutual fund and Wendel)
 - Employee Directors
 - Prior approval of the Board for specific significant transactions

❑ Usual governance structure in France

PRINCIPAL OTHER ACTIVITIES IN 2018

- ❑ **Identification of conflicts of interests** (none) **and their management** (as the case may be)
- ❑ Examine the **independence status** of the Directors and of potential independent Directors
- ❑ **Succession plans** for the Chairman and Chief Executive Officer in the event of an unanticipated vacancy as well in the long-term
- ❑ **Executive sessions**
- ❑ **Meeting and engaging in dialogue with several shareholders** about Saint-Gobain's principles of governance



STATUTORY AUDITORS' REPORTS



□ Reports on the consolidated financial statements and on the parent company financial statements (pages 273 to 278 and 309 to 312 of the 2018 Registration Document respectively)

- 1st and 2nd resolutions of the Ordinary Shareholders' meeting

Purpose

- Obtain reasonable assurance that the financial statements and information contained therein give a true and fair view of the Group and parent company

Opinion on the financial statements and specific verifications

- Unqualified opinion on the consolidated financial statements with an emphasis of matter concerning the change of accounting policies due to the first-time adoption of the standards IFRS 15 – “Revenue from Contracts with Customers” and IFRS 9 – “Financial Instruments”
- Unqualified opinion on the parent company financial statements
- The information given in the management report of the Board of Directors and in the Notes to the financial statements is appropriate

□ Justification of our assessments

	Key audit matters	Main specific procedures
Consolidated financial statements	<ul style="list-style-type: none"> ○ Measurement of goodwill, intangible assets and property, plant & equipment 	<ul style="list-style-type: none"> ○ Assessing the procedures implemented for impairment testing, verifying the effectiveness of the controls performed by Management, carrying out an independent analysis of certain key assumptions and examining, for a selection of cash generating units, the calculation parameters used by Management including the impacts of the “Transform & Grow” plan and developments in Brexit negotiations
	<ul style="list-style-type: none"> ○ Measurement of provisions for liabilities and litigation related to asbestos 	<ul style="list-style-type: none"> ○ Understanding the method applied when measuring the corresponding provisions, reviewing internal analyses, legal or technical opinions and assessing the appropriateness of the data used and the positions made by Management
	<ul style="list-style-type: none"> ○ Agreement relating to the purchase of Sika shares 	<ul style="list-style-type: none"> ○ Analyzing the various contracts entered into by the Group, reviewing the methods used to determine the fair value of the Sika shares at the time of the transaction, understanding the method applied when determining the accounting translation of the agreement and assessing the adequacy of IFRS accounting treatment applied
	<ul style="list-style-type: none"> ○ Measurement of supplier discounts in the Building Distribution Sector 	<ul style="list-style-type: none"> ○ Understanding the method applied when measuring the accrued supplier discounts, assessing on a multi-year basis the consistency of the supplier discount rates and verifying, through a sample, the calculation of supplier discounts obtained

□ Justification of our assessments

Key audit matters		Main specific procedures
Parent company financial statements	○ Measurement of financial investments	○ Assessing the procedures implemented for impairment testing, verifying the effectiveness of the controls performed by Management, carrying out an independent analysis of certain key assumptions and examining, for a selection of investments, the calculation parameters used by Management

❑ **Special report on related party agreements and undertakings**


(pages 171 to 176 of the 2018 Registration Document)

- 11, 12 and 13th resolutions of the Ordinary Shareholders' meeting
- Agreements and undertakings to be submitted for the approval of the Annual General Meeting:
 - Undertakings given to Benoit Bazin concerning the compensation and benefits potentially due, in certain cases, on the termination of his duties as Chief Operating Officer
 - Pension plan for Benoit Bazin in his capacity as executive corporate officer
 - Benefits under the Group health and personal risk insurance contracts applicable to employees of Compagnie de Saint-Gobain to be maintained for Benoit Bazin in his capacity as executive corporate officer
- Agreements and undertakings previously approved by the Annual General Meeting:
 - 1 were implemented during the year
 - 3 remained in force but were not implemented during the year

- **Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated human resources, environmental and social information presented in the management report** (pages 331 to 332 of the 2018 Registration Document)
 - We have no matter to draw to your attention regarding this report

□ Special report on the share capital transactions

- 15, 16, 17, 18, 19, 21, 22, 23, 24 and 25th resolutions of the Extraordinary Shareholders' meeting
- Your Board of Directors is asking you:
 - To delegate authority to him to:
 - Increase the share capital through the issuance of Company shares or securities giving access to the share capital of the Company or its subsidiaries (15, 16 and 17th resolutions)
 - Increase the number of securities to be issued in the event that the issue of shares or securities giving access to the share capital is oversubscribed (18th resolution)
 - Increase the share capital through the issuance of Company shares or securities giving access to the share capital of the Company in consideration of contributions in kind (19th resolution)
 - Carry out equity or equity-linked securities issuance reserved for members of the Group employee savings plans (22nd resolution)
 - To authorize him in connection with the implementation of the delegation referred to in the 16th and 17th resolutions to fix the issue price within the annual legal limit of 10% of the share capital (21st resolution)
 - To authorize him to grant stock purchase or subscription options to the benefit of employees and Executive Directors (23rd resolution)
 - To authorize him to proceed to the allocation of free existing shares to the benefit of employees and Executive Directors (24th resolution)
 - To delegate powers to him to reduce the share capital by canceling Company shares representing up to 10% (25th resolution)
- We have no matter to report on the information given in the report of the Board of Directors regarding the proposed transactions
- In accordance with the French Commercial Code, we will establish an additional report, where appropriate, in case of use of these authorizations by the Board of Directors

A woman in a business suit is standing in the foreground, looking at a tablet. The background is a blurred city skyline at night with many lights. A large, semi-transparent line graph is overlaid on the left side of the image.

Summary of the resolutions proposed to the Annual General Shareholder's Meeting of June 6, 2019

Mr. Antoine Vignial
General Secretary



1. ORDINARY MEETING

The titles of the resolutions presented herein are summarized for information purposes. Only the full French version of the draft resolutions published in the BALO shall prevail.

-
- Approval of the non-consolidated and consolidated financial statements
(1st and 2nd resolutions)
 - Appropriation of income and determination of the dividend
(3rd resolution)

Refer to the Chief Financial Officer's earlier presentation

-
- ❑ Renewal of the terms of office of four Directors
(4th to 7th resolutions)
 - ❑ Compensation components of Mr. Pierre-André de Chalendar for 2018
(« say on pay » ex post) (8th resolution)
 - ❑ Compensation policy of the Chairman and Chief Executive Officer for 2019
(« say on pay » ex ante) (9th resolution)
 - ❑ Compensation policy of the Chief Operating Officer for 2019 (« say on pay » ex ante)
(10th resolution)
 - ❑ Related-party agreements and undertakings to the benefit of Mr. Benoit Bazin
(11th, 12th and 13th resolutions)

Refer to the earlier presentation of the Chairman of the Nomination and Remuneration Committee

SHARE BUYBACK PROGRAM (14TH RESOLUTION)

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

- ❑ Maximum purchase price: EUR 80 per share
- ❑ Maximum number of shares that may be bought back: 10% of the share capital
- ❑ No trade while a public tender offer is in progress
- ❑ Duration: 18 months



2. EXTRAORDINARY MEETING

The titles of the resolutions presented herein are summarized for information purposes. Only the full French version of the draft resolutions published in the BALO shall prevail.

FINANCIAL AUTHORIZATIONS – SUMMARY (15TH TO 22ND RESOLUTIONS) (1/2)

Purpose of the resolution	No	Duration	Cap (nominal amount) / Main terms
Standard issuances of ordinary shares or securities giving access to share capital of the Company or its subsidiaries*			
With preferential subscription right*	15	26 months	<ul style="list-style-type: none"> • 437 million, i.e. approximately 20% of the share capital • €1.5 bn for the debt securities • Global Cap
Without preferential subscription right*	16,17 and 21	26 months	<ul style="list-style-type: none"> • €218 million, i.e. approximately 10% of the share capital • €1.5 bn for the debt securities • Included in the Global Cap
○ by <u>public offering</u>	16	26 months	<ul style="list-style-type: none"> • Ability to grant a priority period for shareholders
○ by <u>private placement</u>	17	26 months	<ul style="list-style-type: none"> • Allocation to the cap of the 16th resolution
○ <u>Determination of the issue price</u> : possibility to derogate from the pricing conditions	21	26 months	<ul style="list-style-type: none"> • 10% of the share capital per 12-month period • Allocation to the cap of the 16th resolution
Option for complementary issuance in case of oversubscription with or without preferential subscription right*	18	26 months	<ul style="list-style-type: none"> • Legal limit of 15% of the initial issuance • Allocation to the cap of the 16th resolution and/or included in the Global Cap

* Not allowed while a public tender offer is in progress

FINANCIAL AUTHORIZATIONS – SUMMARY (15TH TO 22ND RESOLUTIONS) (2/2)

Purpose of the resolution	No	Duration	Cap (nominal amount) / Main terms
Other types of issuances*			
Capital increase (ordinary shares or securities giving access to share capital of the Company, with shares as primary securities) in compensation for contribution in kind*	19	26 months	<ul style="list-style-type: none"> • 10% of the share capital • Allocation to the cap of the 16th resolution • Included in the Global Cap
Capital increase by incorporation of premiums, reserves, profits and free allocation of shares to shareholders*	20	26 months	<ul style="list-style-type: none"> • €109 million, i.e. approximately 5% of the share capital • Included in the Global Cap
Issuances reserved for Group's employees and executive Directors			
Capital increase through the Group Savings Plan	22	26 months	<ul style="list-style-type: none"> • €48 million, i.e. approximately 2.2% of the share capital • Not included in the Global Cap

* Not allowed while a public tender offer is in progress

LONG-TERM COMPENSATION INSTRUMENTS (23RD ET 24TH RESOLUTIONS)

	Allocation of stock purchase or subscription options	Free allocation of existing performance shares
Beneficiaries	Certain employees or executive Directors of the Saint-Gobain Group	
Caps	1.5% of the share capital*	1.2% of the share capital
	Sub-limit of 10% of this limit for executive Directors of Compagnie de Saint-Gobain	
Performance conditions and criteria	<ul style="list-style-type: none"> • Service condition and performance conditions to be met over a minimum period of 3 consecutive years, to be determined by the Board and to be disclosed in the Company's registration document • Nature of the future plans' performance conditions: at least, the Saint-Gobain group's ROCE, the stock market performance of the Saint-Gobain shares vs the CAC 40 stock market index, and corporate social responsibility <p>→ Reflects the Group's long-term financial and non-financial objectives</p>	
Duration	38 months	

* Common cap for the allocation of stock options and performance shares

POWER TO CARRY OUT FORMALITIES (26TH RESOLUTION)

- Powers to the bearer of an original, copy or extract of the minutes of the Meeting to enforce decisions taken by the General Shareholders' Meeting and to carry out formalities

SAINT-GOBAIN COMBINED GENERAL SHAREHOLDERS' MEETING

June 6, 2019

Q&A SESSION



SAINT-GOBAIN COMBINED GENERAL SHAREHOLDERS' MEETING

June 6, 2019

VOTING ON THE RESOLUTIONS



SAINT-GOBAIN COMBINED GENERAL SHAREHOLDERS' MEETING

June 6, 2019

