

NOTICE OF MEETING

GENERAL MEETING

2019

Tuesday April 30, 2019
at 2:30 p.m. (CET)
at the Palais des Congrès
2, place de la Porte Maillot
75017 Paris – France



SANOFI

Empowering Life

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SANOFI

Société anonyme with share capital of €2,494,224,498
 Registered Office: 54, rue La Boétie – 75008 Paris – France
 Registered No. 395 030 844 R.C.S. Paris

The Chairman of the Board of Directors

Paris, April 8, 2019

Dear Shareholder,

Our Annual General Meeting is an ideal opportunity for us to inform you and talk to you, and to give you an account of our operations and financial results.

I sincerely hope you will be able to attend. The time and place of the meeting are as follows:

COMBINED GENERAL MEETING

TUESDAY APRIL 30, 2019 AT 2.30 P.M. (CET)
AT THE PALAIS DES CONGRÈS
2, PLACE DE LA PORTE MAILLOT – 75017 PARIS – FRANCE

This notice contains all the practical information and guidance needed for you to participate in the meeting. If you are unable to attend in person, you are nonetheless able to vote:

- by post or online;
- by appointing a proxy to represent you; or
- by appointing the Chairman to vote as your proxy.

On behalf of the Board of Directors, I would like to thank you for the confidence you have shown in Sanofi, and trust that you will give careful consideration to the resolutions submitted for your approval.

Serge Weinberg
Chairman of the Board of Directors

This notice, and an access plan of the meeting venue, are available on our website:
(www.sanofi.com/AGM2019)

HOW TO PARTICIPATE IN THE MEETING

FULL INFORMATION ABOUT THE MEETING ON APRIL 30, 2019 IS AVAILABLE ON OUR WEBSITE:
www.sanofi.com/AGM2019

2019 Annual General Meeting

Sanofi shareholders are hereby given notice that the Annual General Meeting, combining ordinary and extraordinary business, will be held on **Tuesday April 30, 2019 at 2.30 p.m. (CET) at the Palais des Congrès – 2,**

place de la Porte Maillot – 75017 Paris – France. The meeting will deliberate on the agenda and resolutions contained in the present notice of meeting.

Pre-conditions for participating in the meeting

In accordance with Article R. 225-85 of the French Commercial Code all shareholders will be admitted to the meeting regardless of the number of shares they own, provided that their credentials can be established by their shares being registered in their name, or in the name of the intermediary registered to act on their behalf, at midnight (CET) on the second business day before the meeting, i.e. at **midnight (CET) on Friday April 26, 2019:**

■ Registered shares:

Must be registered in the registered share accounts kept by BNP Paribas Securities Services.

■ Bearer shares:

Must be registered in the securities account kept by your accredited banking or financial intermediary.

Registration of bearer shares in the account kept by your accredited banking or financial intermediary must be evidenced by a shareholding certificate (*attestation de participation*) issued by the intermediary and attached to:

- your postal voting form; or
- your proxy form; or
- a request for an admission card, prepared in your own name as a shareholder or on your behalf if your accredited intermediary is acting for you.

You can be represented at the Annual General Meeting by any physical person or legal entity of your choice (Article L. 225-106 of the French Commercial Code).

How to participate in the meeting

You can request an admission card, vote by post, or go online to give a proxy vote to the Chairman or to any physical person or legal entity of your choice in advance of the Annual General Meeting.

You can also vote online in advance of the meeting using the secure dedicated VOTACCESS platform.

You can access this platform via Planetshares, Planetshares – My Proxy, or via your accredited intermediary's website. The site will be open from **Monday April 8, 2019 until 3 p.m. (CET) on Monday April 29, 2019.** However, to avoid overloading VOTACCESS we recommend that you do not wait until the last minute before voting.

If you decide to vote online, do not fill in or send back the paper voting form.

I. To attend the meeting in person:

1. Request an admission card using the paper form:

- If you hold **registered shares** or **units in a dedicated employee share ownership fund (FCPE)**: request an admission card by sending the voting form (which is attached to this notice) to BNP Paribas Securities Services – CTO Assemblées – Les Grands Moulins de

Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex – France.

- If you hold **bearer shares**: ask the financial intermediary managing your account to arrange for an admission card to be sent to you.

Do NOT send your request for an admission card directly to Sanofi.

2. Request an admission card online:

- If you hold **registered shares**: request your admission card on VOTACCESS via the Planetshares site at <https://planetshares.bnpparibas.com>:
 - for **fully registered shares**: with your usual access codes;
 - for **administered registered shares**: with the login shown in the top right hand corner of the paper voting form attached to your notice of meeting.

Once logged on, follow the on-screen instructions to access VOTACCESS and request your admission card.

- If you hold **units in an FCPE**: request your admission card on VOTACCESS via the Planetshares – My Proxy site (<https://gisproxy.bnpparibas.com/sanofi.pg>), using:
 - the login number shown in the top right hand corner of your paper voting form; and
 - your identification information: this is your Natixis Interépargne employee account number, as shown on the bottom right-hand corner of your Natixis account statements.

Once logged on, follow the on-screen instructions to access VOTACCESS and request your admission card.

If you have lost or forgotten your login and/or password, call the dedicated hotline on 00 33 1 40 14 80 40.

- If you hold **bearer shares**: ask your accredited intermediary whether they are connected to VOTACCESS and if so, whether that access is subject to specific conditions of use.

If your accredited intermediary is connected to VOTACCESS, log on to your intermediary's website with your usual access codes. Then click on the icon that appears on the line showing your Sanofi shares and follow the on-screen instructions to access VOTACCESS and request your admission card.

II. To vote remotely, or give a proxy to the Chairman or be represented by a proxy at the meeting:

1. Using the paper form:

- If you hold **registered shares** or **units in an FCPE**: send the voting form (which is attached to this notice) to BNP Paribas Securities Services, CTO Assemblées – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex – France.
- If you hold **bearer shares**: ask your accredited intermediary to send you the voting form, on or after the date the notice of meeting is issued. You then need to send the form, accompanied by the shareholding certificate issued by your intermediary, to BNP Paribas Securities Services, CTO Assemblées – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex – France.

Your signed and completed voting form, or your proxy appointment or revocation, must be received by BNP Paribas Securities Services at least three calendar days

before the meeting, i.e. by **Saturday April 27, 2019**, or they will not count.

Do NOT send your voting form directly to Sanofi.

2. Online:

- If you hold **registered shares**: access VOTACCESS via the Planetshares site at: <https://planetshares.bnpparibas.com>.
 - for **fully registered shares**: with your usual access codes;
 - for **administered registered shares**: with the login shown in the top right hand corner of the paper voting form attached to your notice of meeting.

Once logged on, access VOTACCESS by clicking on “Take part to the General Meeting”.

- If you hold **units in an FCPE and registered shares**: log on to Planetshares using your usual access codes. This enables you to vote your units in the FCPE and your registered shares, in each case using the number shown in the top right-hand corner of your paper voting form. Once logged on, you can access VOTACCESS:
 - for your registered shares: click on “Take part to the General Meeting”;
 - for your FCPE units: click on “Take part to the General Meeting for your FCPE units on MyProxy”.

You will then be redirected to VOTACCESS, where you can follow the on-screen instructions to vote, or to appoint or revoke a proxy.

If you have lost or forgotten your login and/or password, call the dedicated hotline on 00 33 1 40 14 80 40.

- If you hold **bearer shares**: ask your accredited intermediary whether they are connected to VOTACCESS and if so, whether that access is subject to specific conditions of use.
 - If your accredited intermediary is connected to VOTACCESS, log on to your intermediary's website with your usual access codes. Then click on the icon that appears on the line showing your Sanofi shares and follow the on-screen instructions to access VOTACCESS and vote, or to appoint or revoke a proxy.
 - If your accredited intermediary is not connected to VOTACCESS, you can appoint or revoke a proxy electronically by sending an e-mail to paris.bp2s.france.cts.mandats@bnpparibas.com.

Your e-mail must contain the following information: the name of the company (Sanofi); your surname and first name; your address and bank account details; and the surname, first name and (if possible) address of the proxy you wish to appoint. You must also ask your accredited intermediary to send written confirmation of your request to BNP Paribas Securities Services – CTO Assemblées – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex – France.

Only use this e-mail address to appoint or revoke a proxy. Any other requests or notifications on any other subject sent to this e-mail address will be ignored.

For your proxy appointment or revocation to be taken into account, your confirmation must be received by BNP Paribas Securities Services by **Monday April 29, 2019 at 3 p.m. (CET)** at the latest.

If you have already voted by post or online, or have already sent in a proxy or requested an admission card or a shareholding certificate, you cannot then use an alternative method to participate in the meeting.

If you hold Sanofi shares in more than one form (registered, bearer or via units in an FCPE), you will have to vote separately for each form in which you hold shares if you wish to exercise all your voting rights.

HOW TO COMPLETE YOUR VOTING FORM

How to complete your voting form

A **B**

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.**

SANOFI
 S.A. au capital de 2 494 224 498 €
 Siège social : 54 rue La Boétie
 75008 PARIS
 395 030 844 R.C.S. PARIS

ASSEMBLÉE GÉNÉRALE MIXTE
 convoquée pour le 30 Avril 2019 à 14h30,
 au Palais des Congrès, 2 place de la Porte Maillot - 75017 PARIS

COMBINED GENERAL MEETING
 to be held on April 30th, 2019 at 2:30 p.m.,
 at Palais des Congrès, 2 place de la Porte Maillot - 75017 PARIS

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

Identifiant - Account

Nombre d'actions / Number of shares

Porteur / Bearer

Vote simple / Single vote
Vote double / Double vote

Nombre de voix - Number of voting rights

D **E** **C**

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 Directeur 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 Directeur 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"/>	A	<input type="checkbox"/>	F	<input type="checkbox"/>
10	11	12	13	14	15	16	17	18	B	<input type="checkbox"/>	G	<input type="checkbox"/>
19	20	21	22	23	24	25	26	27	C	<input type="checkbox"/>	H	<input type="checkbox"/>
28	29	30	31	32	33	34	35	36	D	<input type="checkbox"/>	J	<input type="checkbox"/>
37	38	39	40	41	42	43	44	45	E	<input type="checkbox"/>	K	<input type="checkbox"/>

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)

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)

D' **D''** **F** **Z**

Whichever option you choose, DATE AND SIGN HERE

Date & Signature

à / to BNP PARIBAS SECURITIES SERVICES, CTS Assemblées, Grands Moulins de Pantin - 93761 PANTIN Cedex

FORMULAIRE DESTINÉ AUX SOCIÉTÉS FRANÇAISES / FORM RELATED TO FRENCH COMPANIES

Pour être prise en considération, toute formule doit parvenir au plus tard : le 27 avril 2019
 In order to be considered, this completed form must be returned at the latest : April 27th, 2019

Please return this form using the enclosed pre-paid envelope which must be received no later than 3 days before the date of the Annual General Meeting, i.e. by Saturday April 27, 2019 at 3 p.m. (CET).

- For further information about Sanofi or your participation in the meeting, contact us:
- by telephone: BNP Paribas Securities Services: 00 33 1 40 14 80 40
 - by post: Sanofi, Shareholder Relations Department – 54, rue La Boétie – 75008 Paris – France
 - by e-mail: relations-actionnaires@sanofi.com

A If you want to attend the meeting in person:

- Shade box **A**;
- Date and sign box **Z** at the bottom of the form.

B If you cannot attend the meeting in person and want to vote by post or by proxy:

- Shade box **B**;
- Choose one (and only one) of the three options;
- Date and sign box **Z** at the bottom of the form.

C If you want to give your proxy to the Chairman of the Meeting:

- Shade box **B**;
- Shade box **C** "I hereby give my proxy to the Chairman of the General Meeting";
- Date and sign box **Z** at the bottom of the form.

D If you want to vote by post:

- Shade box **B**;
- Shade box **D** "I vote by post":
 - The numbered boxes correspond to the numbered resolutions as proposed or approved by the Board and reproduced in this Notice of Meeting.
 - To vote **YES** to the resolutions, **leave the corresponding boxes blank.**
 - To vote **NO** or abstain (which counts as a "no" vote) on any of the resolutions, shade the corresponding box.
- Date and sign box **Z** at the bottom of the form.

D' This box is used only to vote on resolutions submitted by shareholders and not approved by the Board:

To vote, shade the relevant box ("Yes" or "No").

D" This box is used for amendments or new resolutions submitted during the meeting:

To vote, shade the box for whichever option you choose.

E If you want to appoint a physical person or legal entity of your choice to act as your proxy:

- Shade box **B**;
- Shade box **E** "I hereby appoint";
- Indicate in box **E** the name and first name (or corporate name) and address of your proxy;
- Date and sign box **Z** at the bottom of the form.

F Give your surname, first name and address:

- If this information is pre-printed on your form, please check it and correct it if necessary;
- If the person signing the form is not the shareholder, he/she must give his/her surname, first name and address, and indicate the capacity in which he/she is signing (e.g. trustee, guardian, etc.).

Z All shareholders must date and sign this box.

AGENDA

Ordinary business

- Approval of the individual company financial statements for the year ended December 31, 2018 (1st resolution)
- Approval of the consolidated financial statements for the year ended December 31, 2018 (2nd resolution)
- Appropriation of profits for the year ended December 31, 2018 and declaration of dividend (3rd resolution)
- Reappointment of Serge Weinberg as a Director (4th resolution)
- Reappointment of Suet-Fern Lee as a Director (5th resolution)
- Ratification of the co-opting of Christophe Babule as a Director (6th resolution)
- Compensation policy for the Chairman of the Board of Directors (7th resolution)
- Compensation policy for the Chief Executive Officer (8th resolution)
- Approval of the payment, in respect of the year ended December 31, 2018, and of the award, of the fixed, variable and exceptional components of the total compensation and benefits of whatever kind to Serge Weinberg, Chairman of the Board of Directors (9th resolution)
- Approval of the payment, in respect of the year ended December 31, 2018, and of the award, of the fixed, variable and exceptional components comprising the total compensation and benefits of whatever kind to Olivier Brandicourt, Chief Executive Officer (10th resolution)
- Authorization granted to the Board of Directors to carry out transactions in the Company's shares (usable outside the period of a public tender offer) (11th resolution)

Extraordinary business

- Authorization to the Board of Directors to reduce the share capital by cancellation of treasury shares (usable outside the period of a public tender offer) (12th resolution)
- Delegation to the Board of Directors of authority to decide to issue, with preemptive rights maintained, shares and/or securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company (usable outside the period of a public tender offer) (13th resolution)
- Delegation to the Board of Directors of authority to decide to issue, with preemptive rights cancelled, shares and/or securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company, via a public offering (usable outside the period of a public tender offer) (14th resolution)
- Delegation to the Board of Directors of authority to decide to issue, with preemptive rights cancelled, shares and/or securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company, via a private placement (usable outside the period of a public tender offer) (15th resolution)
- Delegation to the Board of Directors of authority to decide to issue debt instruments giving access to the share capital of subsidiaries and/or of any other company (usable outside the period of a public tender offer) (16th resolution)
- Delegation to the Board of Directors of authority to increase the number of shares to be issued in the event of an issue of ordinary shares and/or of securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company, with or without preemptive rights (usable outside the period of a public tender offer) (17th resolution)
- Delegation to the Board of Directors of authority with a view to the issuance, with preemptive rights cancelled, of shares and/or securities giving access to the share capital of the Company, of any of its subsidiaries and/or of any other company, as consideration for assets transferred to the Company as a capital contribution in kind (usable outside the period of a public tender offer) (18th resolution)
- Delegation to the Board of Directors of authority to grant, without preemptive rights, options to subscribe for or purchase shares (19th resolution)
- Authorization for the Board of Directors to carry out consideration-free allotments of existing or new shares to some or all of the salaried employees and corporate officers of the Group (20th resolution)
- Delegation to the Board of Directors of authority to decide to carry out increases in the share capital by incorporation of share premium, reserves, profits or other items (usable outside the period of a public tender offer) (21st resolution)

- Delegation to the Board of Directors of authority to decide on the issuance of shares or securities giving access to the Company's share capital reserved for members of savings plans, with waiver of preemptive rights in their favor (22nd resolution)

Ordinary & extraordinary business

- Powers for formalities (23rd resolution)

REPORT OF THE BOARD ON RESOLUTIONS SUBMITTED TO THE COMBINED GENERAL MEETING

This text is a free translation from the French language and is supplied solely for information purposes. Only the original version in the French language has legal force.

This report describes the proposed resolutions that are being submitted to the meeting by the Board of Directors of your Company. It consists of an introduction, a summary table of financial authorizations, and a glossary. The objective of this report is to draw your attention to the important points in the resolutions, in accordance with the relevant laws and regulations and with best practice in corporate governance as recommended for companies listed in Paris. It is essential that you read the proposed resolutions carefully and in full before exercising your vote.

I – Ordinary business

The first three resolutions concern the approval of the annual financial statements of the Company, the

appropriation of distributable profits, and the declaration of the dividend.

APPROVAL OF THE FINANCIAL STATEMENTS

(1st and 2nd resolutions)

Acting on the recommendation of the Audit Committee, the Board of Directors proposes that you approve the individual company financial statements, showing a profit of €12,843,107,212.72, and the consolidated financial statements, for the year ended December 31, 2018.

A detailed account of Sanofi's results of operations, and in particular an analysis of the income statement, for the year ended December 31, 2018 is provided in the 2018 Annual Report on Form 20F published by the Company.

APPROPRIATION OF PROFITS, DECLARATION OF DIVIDEND

(3rd resolution)

Acting on the recommendation of the Audit Committee, the Board of Directors proposes that you approve payment of a dividend of €3.07 per share, representing a payout ratio of 56.1% of business earnings per share¹.

If the General Meeting approves our proposal, the ex-dividend date will be Thursday May 9, 2019 and the dividend will be paid on Monday May 13, 2019.

For the three preceding years, the dividend per share was:

2015	2016	2017
€2.93	€2.96	€3.03

REAPPOINTMENT OF DIRECTORS AND RATIFICATION OF THE COOPTING OF A NEW DIRECTOR

(4th, 5th and 6th resolutions)

As of December 31, 2018 the Board of Directors had 16 members, including 11 who are deemed independent and two directors representing employees.

Each year, the Board of Directors conducts a review to ensure that there is an appropriate balance in its composition and in the composition of its Committees. In particular, the Board seeks to ensure gender balance and broad diversity in terms of competencies, experience, nationality and age, reflecting our status as a diversified global business. The Board investigates and evaluates not

only potential candidates, but also whether existing directors should seek reappointment. Above all, the Board seeks directors who show independence of mind and are competent, dedicated and committed, with compatible and complementary personalities.

Other than in special cases, when looking for a new nominee the Board takes into account its current and target composition, in order to identify the qualities that would best maintain or improve the balance of the Board. The Chairman of the Appointments, Governance and CSR

⁽¹⁾ For a definition, see "Item 5. Operating and Financial Review and Prospects – A.1.5. Segment Information – 3/ Business Net Income" of the 2018 Annual Report on Form 20F.

Committee (formerly the Appointments and Governance Committee) conducts a search based on the target profile, with the assistance of a specialist recruitment consultant. The Appointments, Governance and CSR Committee compiles a short-list of candidates based on this search, and the short-listed candidates hold exploratory meetings with several members of the Appointments, Governance and CSR Committee before the Committee formulates its recommendations to the Board as to which candidates are the best fit with the needs and preferences expressed by the Board.

Directorships at your Company are for a term of four years, which the Board believes is an appropriate length of commitment to request of a person aspiring to be a director. We emphasize that under French law directors may be summarily removed from office by the shareholders, so that

Before submitting these reappointments for your approval, your Board of Directors has made sure that the nominees will be committed, and available to fulfill their duties. Neither of them holds an excessive number of directorships, and their individual attendance rates at Board and Committee meetings are high:

	Attendance rate at Board meetings in 2018	Attendance rate at Committee meetings in 2018	Attendance rate at Board meetings over entire term of office	Attendance rate at Committee meetings over entire term of office
Serge Weinberg	100%	100%	100%	100%
Suet-Fern Lee	91%	100% ^(a)	88%	82% ^(a)

(a) Attendance at strategy seminars.

The Board also assessed their respective contributions to the work of the Board and of the Committees to which they belong, and decided that keeping them as directors was in the interests of your Company and consistent with the target composition of the Board as identified in the process described above.

The Board has also accepted the resignation of Christian Mulliez effective February 6, 2019, and based on advice from the Appointments, Governance and CSR Committee has decided to co-opt Christophe Babule as a director. In him, the Board has chosen a candidate with acknowledged expertise in fields of major importance to your Company, while maintaining the current mix of competencies, in line with the roadmap on the composition of the Board. The co-opting of Christophe Babule is submitted for ratification by the shareholders (6th resolution). Subject to that ratification, Christophe Babule would be appointed for the remaining term of office of Christian Mulliez (i.e. until the end of the Ordinary General Meeting called in 2022 to approve the financial statements for the year ended December 31, 2021).

Christophe Babule was appointed General Chief Executive of Administration and Finance of L'Oréal on November 19, 2018, and became a member of that company's Executive Committee in mid-February 2019. Christophe Babule has spent his entire career with the L'Oréal group, which he joined in 1988 after graduating from HEC Paris business school. He started in the Luxury Division in Italy where he

neither the term of office nor the staggered renewal dates can serve as anti-takeover devices. In line with the recommendations of the AFEP-MEDEF Code, our directors' terms of office are staggered so that only a proportion of the directorships are renewed each year, ensuring stability and continuity. Your Board reserves the right occasionally to propose shorter terms for one or more directors to ensure that there are not too many renewals in any one year.

The terms of office of Serge Weinberg and Suet-Fern Lee expire at the end of this General Meeting. Acting on the recommendation of the Appointments, Governance and CSR Committee, your Board of Directors proposes that you reappoint them as directors for a four-year term (4th and 5th resolutions).

stayed for seven years before becoming Chief Financial Officer in China, a post he held until 2007. He was then appointed as Chief Financial Officer for Mexico. In 2010, he returned to France, spending nearly five years as Head of Audit, a role in which he was a member of the Management Committee headed up by Christian Mulliez. He then became Chief Financial Officer for the Asia Pacific region, based first in Shanghai and then in Hong Kong, a position he occupied until his latest appointment.

Full biographies of each nominee for reappointment or co-opting as a director are provided in the present notice of meeting.

At the close of the present General Meeting, subject to adoption of the 4th, 5th and 6th resolutions, the composition of the Board of Directors will therefore be as follows (expiry of term of office in parentheses):

- Serge Weinberg, Chairman of the Board (2023), independent director;
- Olivier Brandicourt, Chief Executive Officer (2022);
- Laurent Attal (2020);
- Emmanuel Babeau (2022), independent director;
- Christophe Babule (2022);
- Bernard Charlès (2021), independent director;
- Claudie Haigneré (2020), independent director;

- Patrick Kron (2022), independent director;
- Fabienne Lecorvaisier (2021), independent director;
- Melanie Lee (2021), independent director;
- Suet-Fern Lee (2023), independent director;
- Marion Palme (2021), director representing employees;
- Carole Piwnica (2020), independent director;
- Christian Senectaire (2021), director representing employees;
- Diane Souza (2020), independent director; and
- Thomas C. Südhof (2020), independent director.

In compliance with the AFEP-MEDEF Code and acting on the recommendations of the Appointments, Governance and CSR Committee, the Board of Directors performed a further review of director independence at its meeting of March 8, 2019. Based on this review and subject to the adoption of the 4th, 5th and 6th resolutions, there will be no change in the number of directors (16), the proportion of independent directors (79%), or the proportion of female directors (43%), calculated in accordance with the applicable rules.

COMPENSATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

(7th to 10th resolutions)

Separation of the Offices of Chairman and Chief Executive Officer

Since January 1, 2007, Sanofi has separated the offices of Chairman and Chief Executive Officer. Annual evaluations conducted since that date have indicated that this governance structure is appropriate to Sanofi's current configuration. This arrangement was maintained with the appointment of Serge Weinberg to the office of Chairman firstly on May 17, 2010, then on May 6, 2011 and again on May 4, 2015. The Board of Directors regards this governance structure as appropriate to the Company's current context and ownership structure, and believes that it safeguards the interests of all stakeholders.

The **Chairman** organizes and directs the work of the Board, and is responsible for ensuring the proper functioning of the corporate decision-making bodies in compliance with good governance principles. The Chairman coordinates the work of the Board of Directors with that of its Committees. He ensures that the Company's management bodies function properly, and in particular that the directors are able to fulfil their duties. The Chairman is accountable to the Shareholders' General Meeting, which he chairs.

The **Chief Executive Officer** manages the Company, and represents the Company in dealings with third parties within the limit of the corporate purpose. The Chief Executive Officer has the broadest powers to act in all circumstances in the name of the Company, subject to the powers that are attributed by law to the Board of Directors and to the Shareholders' General Meeting and within the limits set by the Board of Directors.

Compensation Committee predominantly composed of independent directors

The compensation policy for executive and non-executive officers is established by the Board of Directors, acting on the recommendation of the Compensation Committee.

As of December 31, 2018, this Committee comprised:

- Patrick Kron, Chairman;
- Claudie Haigneré;
- Christian Mulliez; and
- Diane Souza.

Of the four members of the Compensation Committee, three are deemed to be independent: Patrick Kron, Claudie Haigneré and Diane Souza.

The Compensation Committee met four times in 2018. The Committee members have an exemplary attendance record, with all members having an attendance rate of 100%.

When the Committee discusses the compensation policy for members of senior management who are not corporate officers, i.e. members of the Executive Committee, the Committee invites the Chief Executive Officer to attend.

In 2018, the main activities of the Compensation Committee related to:

- fixed and variable compensation of executive and non-executive officers (Chief Executive Officer and Chairman of the Board);
- the 2017 and 2018 fixed and variable compensation of the members of the Executive Committee;
- setting the amount of directors' attendance fees for 2017, reviewing the expenses of corporate officers for 2017, and principles for allocating directors' attendance fees for 2018;
- review of the disclosures about compensation contained in the corporate governance section of the 2017 French-language *Document de Référence* and the Annual Report on Form 20-F;
- implementation of the equity-based compensation policy;

- review of draft resolutions on compensation to be submitted to the shareholders in 2018;
- launch of an employee share ownership plan in June 2018, follow-up report on implementation of the 2017 plan, and consideration of the next plan;
- analysis of the impact of the Ablynx and Bioverativ acquisitions on the performance criteria of existing equity-based compensation plans;
- the governance roadshow campaign targeted at the principal investors in Sanofi, and an analysis of the policies adopted by proxy advisors;
- monitoring of developments related to compensation (say on pay, executive pay ratio, performance indicators); and
- the top-up defined-benefit pension plan of the Chief Executive Officer.

The Committee did not use external consultants in 2018.

In the 7th and 8th resolutions, we propose that you approve the compensation policy for the Chairman of the Board and the Chief Executive Officer.

1. Compensation policy for executive and non-executive officers

(7th and 8th resolutions)

This section describes the compensation policy for executive and non-executive officers, as established pursuant to Article L. 225-37-2 of the French Commercial Code. It sets forth the principles and criteria used in determining, allocating and awarding the fixed, variable and exceptional components that collectively comprise the total compensation and benefits of whatever kind awarded to our executive and non-executive officers in respect of the office they hold.

The payment and award in a given year of any variable and exceptional components of compensation as described below that may arise in respect of the previous year are contingent on approval by the shareholders in an Ordinary General Meeting of the compensation package of the executive officer in question, on the terms stipulated in Article L. 225-100 of the French Commercial Code.

That condition – which affects the Chief Executive Officer only, given that the compensation of the Chairman of the Board of Directors (when the two offices are separated)

consists solely of fixed compensation and benefits in kind – applies in this case to the following components of compensation:

- annual variable compensation (established on the basis partly of quantitative criteria, and partly of qualitative criteria);
- equity-based compensation (subject to fulfillment of performance conditions).

The compensation policy for executive and non-executive officers is established by the Board of Directors, acting on the recommendation of the Compensation Committee. The members of that Committee, the majority of whom are independent directors, were chosen for their technical competencies and their good understanding of current standards, future developments and Sanofi's practices.

The Board of Directors applies the AFEP-MEDEF Code when determining the compensation and benefits awarded to our corporate officers and executive officers.

A. Compensation policy for the Chairman of the Board of Directors

The compensation policy for the Chairman of the Board of Directors is identical to that approved by the Annual General Meeting of Sanofi shareholders on May 2, 2018.

The compensation of the Chairman of the Board of Directors (where the office of Chairman is separate from that of Chief Executive Officer, as is currently the case) consists solely of fixed compensation and benefits in kind and excludes any variable compensation, any awards of stock options or performance shares, and any directors' attendance fees.

Where the office of Chairman is separate from that of Chief Executive Officer, as is currently the case, the Chairman of the Board is not entitled to the Sanofi top-up defined-benefit pension plan.

Nor is he entitled to a termination benefit or a non-compete indemnity.

Neither the Chairman of the Board nor the Chief Executive Officer receives attendance fees in their capacity as directors. Consequently, the Chairman of the Board does not receive attendance fees in his capacity as Chairman of the Board, Chairman of the Appointments, Governance and CSR Committee, Chairman of the Strategy Committee or member of the Scientific Committee.

B. Compensation policy for the Chief Executive Officer

The structure of the compensation policy for the Chief Executive Officer is identical to that approved by the Annual General Meeting of Sanofi shareholders on May 2, 2018.

The compensation policy for the Chief Executive Officer is based on the same principles as the general Sanofi compensation policy.

■ General principles

The Sanofi compensation policy seeks to be consistent with market and industry practice in order to provide competitive levels of compensation, create a strong link between company and individual performance, and maintain a balance between short-term performance and medium-/long-term performance.

The compensation of the Chief Executive Officer is set by the Board of Directors acting on the recommendation of the Compensation Committee, with reference to compensation paid to the chief executive officers of the following ten leading global pharmaceutical companies: AstraZeneca plc, Bayer AG, Bristol-Myers-Squibb Inc., Eli Lilly and Company Inc., Johnson & Johnson Inc., GlaxoSmithKline plc, Merck Inc., Novartis AG, Pfizer Inc., and Roche Holding Ltd.

This panel comprises companies that are comparable to Sanofi.

Consistency with market practice is fundamental in order to attract and retain the talents necessary to our success. We also review the practices of the principal CAC 40 companies in order to reach a fair balance and to take into account our corporate interest, market practices, the performance of the Chief Executive Officer, and our other stakeholders.

Equity-based compensation is a critical tool for our worldwide attractiveness as an employer, and aims to align employee and shareholder interests and reinforce employees' ties to Sanofi.

Acting on the recommendation of the Compensation Committee, the Board of Directors determines the performance conditions attached to equity-based compensation for all beneficiaries at Sanofi and its subsidiaries worldwide, favoring the attainment of the Company's objectives. Our equity-based compensation plan rules are made available to our shareholders on the governance page of our website (www.sanofi.com) in the same form as that distributed to our employees.

Our equity-based compensation policy, which was extensively revised by the Board of Directors in 2011, can generally be characterized by reduced dilution; diverse, multi-year performance conditions; increased transparency; and specific additional requirements for the Chief Executive Officer. As a result of positive and encouraging shareholder and proxy advisor feedback collected through corporate

governance roadshows and the results of votes at recent Annual General Meetings, the Board decided to maintain this policy.

Since 2018, awards to senior executives have consisted solely of performance shares; only the Chief Executive Officer continues to be awarded stock options as well.

Awarding performance shares makes it possible to maintain a comparable level of employee incentivization while reducing the dilutive effect of equity-based compensation plans. However, the Board of Directors continues to believe that due to their ratchet effect, options remain an appropriate component of the compensation of the Chief Executive Officer.

The Board of Directors makes any grant of performance shares or stock options contingent on several distinct performance criteria in order to ensure that our equity-based compensation plans incentivize overall performance and do not encourage excessive risk-taking. Failure to achieve those criteria over the entire performance measurement period results in a reduction or loss of the initial grant.

Grants are also contingent on the beneficiary's continued employment in the Sanofi group during the lock-up period (3 years for performance shares, 4 years for options, followed by further stringent lock-up obligations in the case of the Chief Executive Officer).

The exercise price of stock options is set by the Board, never incorporates a discount, and must be at least equal to the average of the quoted market prices on the 20 trading sessions preceding the date of grant by the Board.

The Board is not allowed to reset the terms of prior grants, for instance with easier performance conditions or a lower exercise price.

■ On taking up office

When the Chief Executive Officer is an outside appointment, the Board of Directors may decide, acting on a recommendation from the Compensation Committee, to compensate the appointee for some or all of the benefits he may have forfeited on leaving his previous employer. In such a case, the terms on which the Chief Executive Officer is hired aim to replicate the diversity of what was forfeited, with a comparable level of risk (variable portion, medium-term equity-based or cash compensation)

■ During the term of office

Compensation structure

Sanofi aims to achieve a balance in the compensation structure between fixed compensation, benefits in kind, short-term variable cash compensation, and medium-term variable equity-based compensation. The proportions of annual fixed and variable compensation are not subject to

annual review. Compensation adjustments based on performance and market practice are effected primarily through equity-based compensation, which is medium-term and aims at aligning the interests of the Chief Executive Officer with those of our shareholders and stakeholders.

Sanofi's compensation policy is designed to motivate and reward performance by ensuring that a significant portion of compensation is contingent on the attainment of financial, operational and social criteria aligned with the corporate interest and with the creation of shareholder value. Variable cash compensation and equity-based compensation are the two principal levers for action.

Annual variable compensation

Annual variable compensation is in a range between 0 and 250% of fixed compensation, with a target of 150%. It is determined by reference to quantitative and qualitative criteria. The percentage of variable compensation linked to the attainment of quantitative criteria may be scaled down regardless of actual performance, in order to give greater weight to the attainment of qualitative criteria. This flexibility can only operate to reduce the amount of variable compensation, and cannot compensate for underperformance on quantitative criteria.

In accordance with Article L. 225-100 of the French Commercial Code, payment of annual variable compensation in a given year in respect of the previous year is contingent on a favorable shareholder vote at the Annual General Meeting.

Equity-based compensation

The Chief Executive Officer's equity-based compensation may not exceed 250% of his target short-term compensation (fixed plus variable). The valuation of stock options is calculated at the date of grant using the Black & Scholes method. The valuation of performance shares is also calculated at the date of grant, and represents the difference between the quoted market price of the share on the date of grant and the aggregate present value of the dividends to be received over the next three years. The parameters used to calculate the valuations are market parameters available in the financial press. The Chief Executive Officer's equity-based compensation is contingent upon attainment of the performance conditions.

In 2018, on the basis of the information published as of the date of this notice of meeting, the median fixed compensation of the chief executive officers of the aforementioned ten leading global pharmaceutical companies was in the region of €1,435,000, the median of the annual variable compensation was in the region of €2,210,000, and the median of the long-term compensation

granted (whether in shares or in cash) represented around 710% of the fixed compensation.

Each grant to our Chief Executive Officer takes into account previous grants and his overall compensation.

In any event, the maximum number of exercisable options or shares to be delivered may not be more than the number of options initially granted or performance shares initially awarded.

Any award of equity-based compensation in a given year is contingent on a favorable shareholder vote at the Annual General Meeting.

Attendance fees

Executive and non-executive officers do not receive attendance fees in their capacity as directors. Consequently, the Chief Executive Officer does not receive attendance fees in his capacity as a director or as a member of the Strategy Committee.

Exceptional compensation

No exceptional compensation can be awarded to the Chief Executive Officer.

■ On leaving office

The Chief Executive Officer is entitled to a top-up defined-benefit pension plan, a termination benefit, and a non-compete indemnity. Each of those benefits is taken into account by the Board of Directors when fixing the overall compensation of the Chief Executive Officer.

Pension arrangements

The Chief Executive Officer is covered by the Sanofi top-up defined-benefit pension plan, which falls within the scope of Article L. 137-11 of the French Social Security Code. The plan is offered to all employees of Sanofi and its French subsidiaries who meet the eligibility criteria specified in the plan rules. The plan, which remains open, was set up on October 1, 2008 as the final stage in the process of harmonizing the status of personnel across the French subsidiaries.

This top-up defined-benefit pension plan is offered to executives (as defined by AGIRC, a confederation of executive pension funds) of Sanofi and its French subsidiaries who meet the eligibility criteria specified in the plan rules; the benefit is contingent upon the plan member ending his or her career within the Sanofi group. The plan is reserved for executives with at least ten years of service whose annual base compensation has for ten calendar years (not necessarily consecutive) exceeded four times the French social security ceiling, and is wholly funded by the Company and outsourced to an insurance company.

The top-up pension, which may not exceed 37.50% (1.5% per year of service, capped at 25 years) of the reference compensation, is in the form of a life annuity, and is transferable as a survivor's pension. The annuity is based on the arithmetical average of the three highest years' average annual gross compensation paid during any three of the five years (not necessarily consecutive) preceding final cessation of employment. This reference compensation is capped at 60 times the French social security ceiling applicable in the year in which the pension is taken. In addition, vesting of new rights for the Chief Executive Officer has been subject to a performance condition since January 1, 2017. The performance condition is applied on the following basis:

- if the level of attainment for variable compensation is equal to or greater than the target (i.e. 150% of fixed compensation), 100% of the contingent top-up pension rights will vest, corresponding to an uplift of 1.5% in the annual reference compensation used to calculate the annuity payable under the plan;
- if the level of attainment for variable compensation is less than 100% of fixed compensation, no top-up pension rights will vest for the year in question; and
- between those two limits, vested rights are calculated on a prorata basis.

Consequently, the annual uplift in contingent rights is capped at 1.5% of the annual reference compensation used to calculate the annuity payable under the plan, which is below the upper limit of 3% of annual reference compensation stipulated in Article L. 225-42-1 of the French Commercial Code.

The annuity supplements any other schemes for which the plan member may be eligible in France or abroad, subject to a cap on the total pension from all sources set at 52% of the reference compensation. If the total amount of the annuities paid under all such schemes were to exceed the 52% cap, the amount of the Sanofi top-up defined-benefit pension annuity would be reduced accordingly in order to respect that cap.

This retirement plan is subject to various charges and contributions within France: CSG, CRDS, CSAM, CASA, contributions of 7% and 14% on the annuity, and of 24% on the external funding.

The pension entitlement is not cumulative with (i) any termination benefit paid in the event of forced departure or (ii) any non-compete indemnity.

Termination arrangements

The termination benefit only becomes payable if the departure of the Chief Executive Officer is forced, i.e. in the event of removal from office or resignation linked to a change in strategy or control of the Company. Compensation for non-renewal of the term of office is

irrelevant in the case of the Chief Executive Officer, because this office is held for an indefinite term.

In addition, no termination benefit is payable in the following circumstances:

- in the event of removal from office for gross or serious misconduct (*faute grave ou lourde*);
- if the Chief Executive Officer elects to leave the Company to take up another position;
- if the Chief Executive Officer is assigned to another position within Sanofi; or
- if the Chief Executive Officer takes his pension.

The amount of the termination benefit is capped at 24 months of the Chief Executive Officer's most recent total compensation on the basis of (i) the fixed compensation effective on the date of leaving office and (ii) the last variable compensation received prior to that date, subject to fulfilment of the performance criteria for the three financial years preceding the date of leaving office.

The amount of the termination benefit is reduced by any amount received as consideration for the non-compete undertaking, such that the aggregate amount of those two benefits may never exceed two years of total fixed and variable compensation.

Non-compete undertaking

In the event of his departure from the Company, the Chief Executive Officer undertakes, during the 12-month period following his departure, not to join a competitor of the Company as an employee or executive/non-executive officer, or to provide services to or cooperate with such a competitor.

In return for this undertaking, he receives an indemnity corresponding to one year's total compensation based on his fixed compensation effective on the day he ceases to hold office and the last individual variable compensation received prior to that date. This indemnity is payable in 12 monthly installments.

However, the Board of Directors reserves the right to release the Chief Executive Officer from the undertaking for some or all of that 12-month period. In such cases, the non-compete indemnity would not be due for the period of time waived by the Company.

■ Consequences of the Chief Executive Officer's departure for equity-based compensation

If the Chief Executive Officer leaves the Company for reasons other than resignation or removal from office for gross or serious misconduct (in which case any award of equity-based compensation is forfeited), the overall allocation percentage will be prorated to reflect the amount of time the Chief Executive Officer remained with Sanofi during the vesting period.

If at any time prior to the expiration of (i) the period of validity of the options or (ii) the vesting period of the performance shares the Chief Executive Officer joins a competitor of Sanofi as an employee or executive/non-executive officer, or provides services to or cooperates with such a competitor, he irrevocably loses those options and performance shares regardless of any full or partial waiver by the Board of Directors of the non-compete undertaking relating to his office as Chief Executive Officer.

If the Chief Executive Officer retires at statutory retirement age prior to the expiration of (i) the period of validity of the options or (ii) the vesting period of the performance shares, he will retain entitlement to the options and performance shares initially awarded but will continue to be bound by the other terms of the plan, including performance conditions.

There is no acceleration clause in the event of a change of control.

Summary of benefits awarded to the Chief Executive Officer on leaving office

The table below presents a summary of the benefits (as described above) that could be claimed by the Chief Executive Officer on leaving office depending on the terms of his departure. The information provided in this summary is without prejudice to any decisions that may be made by the Board of Directors.

	Voluntary departure / Removal from office for gross or serious misconduct	Forced departure	Retirement
Termination benefit^(a)	/	24 months of fixed compensation as of the date of leaving office + 24 months of most recent individual variable compensation received ^(d) – Amounts received as non-compete indemnity	/
Non-compete indemnity^(b)	12 months of fixed compensation as of the date of leaving office + 12 months of most recent individual variable compensation received prior to leaving office	12 months of fixed compensation as of the date of leaving office + 12 months of most recent individual variable compensation received prior to leaving office ^(e)	/
Top-up pension^(c)	/	/	(Years of service x 1.5% ^(f)) X 60 x the French social security ceiling effective as of the retirement date
Stock options and performance shares not yet vested	Forfeited in full	Rights retained in prorata to period of employment within Sanofi ^(g)	Rights retained ^(g)

(a) The amount of the termination benefit is reduced by any indemnity received as consideration for the non-compete undertaking, such that the aggregate amount of those two benefits may never exceed two years of total fixed and variable compensation.

(b) The Board of Directors may decide to release the Chief Executive Officer from the non-compete undertaking for some or all of the 12-month period. In that case, the non-compete indemnity would not be due, or would be scaled down proportionately.

(c) In accordance with the Sanofi top-up defined-benefit pension plan rules dated October 1, 2008, amended on January 1, 2012, the top-up pension cannot exceed 37.50% (1.5% per year of service, capped at 25 years) of the reference compensation and supplements any other pension schemes for which the Chief Executive Officer may be eligible, subject to a cap on the total pension from all sources set at 52% of the reference compensation.

(d) Subject to fulfillment of two performance conditions, assessed over the three financial years preceding his ceasing to hold office: (i) the average of the ratios of business net income to net sales for each financial year must be at least 15%, and (ii) the average of the ratios of operating cash flow before changes in working capital to net sales for each financial year must be at least 18%.

(e) Subject to the Board of Directors enforcing the non-compete undertaking, the amount of the termination benefit is reduced by any indemnity received as consideration for the non-compete undertaking, such that the aggregate amount of those two benefits may never exceed two years of total fixed and variable compensation.

(f) Subject to fulfillment of the performance condition, assessed for each year.

(g) In this case, the Chief Executive Officer remains subject to the terms of the plans, including the performance conditions.

2. Approval of the payment in respect of the year ended December 31, 2018 and of the award of fixed, variable and exceptional components of the total compensation and benefits of whatever kind to the executive and non-executive officers

(9th and 10th resolutions)

In accordance with Article L. 225-100 of the French Commercial Code, the components of the total compensation and benefits of whatever kind paid or awarded to the executive and non-executive officers are subject to approval by a General Meeting of the shareholders. Those components and benefits comprise:

- the fixed portion;
- the annual variable portion, and the objectives used to determine that variable portion;
- stock options, performance shares and any other form of long-term compensation;
- the top-up pension plan; and
- any other benefits.

The components of variable and exceptional compensation mentioned above cannot be paid or awarded until after they have been approved by a General Meeting of the shareholders.

The 9th and 10th resolutions propose that you approve the payment and award of the fixed, variable and exceptional components of the total compensation and benefits of whatever kind to the Chairman of the Board and the Chief Executive Officer for the year ended 31 December, 2018.

a) Serge Weinberg (9th resolution)

Serge Weinberg has held the office of Chairman of the Board of Directors since May 17, 2010. He has never had, and does not currently have, a contract of employment with Sanofi.

The Chairman of the Board also chairs the Appointments, Governance and CSR Committee (formerly the Appointments and Governance Committee), and is also a member of the Scientific Committee.

In accordance with our Board Charter, the Chairman:

- in coordination with the Chief Executive Officer, liaises between the Board of Directors and the shareholders of the Company;
- is kept regularly informed by the Chief Executive Officer of significant events and situations affecting the affairs of

the Company, and may request from the Chief Executive Officer any information useful to the Board of Directors;

- may, in close collaboration with the Chief Executive Officer, represent the Company in high-level dealings with governmental bodies and with key partners of the Company and/or of its subsidiaries, both nationally and internationally;
- seeks to prevent any conflict of interest and manages any situation that might give rise to a conflict of interest. He also gives rulings, in the name of the Board, on requests to take up external directorships of which he may become aware or that may be submitted to him by a director;
- may interview the statutory auditors in preparation for the work of the Board of Directors and the Audit Committee; and
- strives to promote in all circumstances the values and image of the Company.

The Chairman is also required to develop and maintain a proper relationship of trust between the Board and the Chief Executive Officer, so as to ensure that the latter consistently and continuously implements the orientations determined by the Board.

In fulfilling his remit, the Chairman may meet with any individual, including senior executives of the Company, while avoiding any involvement in directing the Company or managing its operations, which are exclusively the responsibility of the Chief Executive Officer.

Finally, the Chairman reports to the Board on the fulfilment of his remit.

On March 6, 2018, acting on a recommendation from the Compensation Committee, the Board of Directors set the terms of Serge Weinberg's compensation for the 2018 financial year.

For the 2018 financial year, his annual fixed compensation was maintained at €700,000.

In line with our compensation policy for the Chairman of the Board, as approved by our shareholders at the Annual General Meeting of May 2, 2018, he did not receive any variable compensation and was not awarded any stock options or performance shares. Nor did he receive any attendance fees in his capacity as a Director.

The amount reported for benefits in kind relates mainly to a company car with a chauffeur.

Serge Weinberg is not covered by the Sanofi top-up defined-benefit pension plan.

Components of the compensation due or awarded to Serge Weinberg, Chairman of the Board, for the year ended December 31, 2018 and submitted to the shareholders' vote for approval

	Amounts due or accounting valuation (€)	Comments
Fixed compensation	700,000	Gross compensation for 2018 set by the Board of Directors on March 6, 2018 on a recommendation from the Compensation Committee. Serge Weinberg's annual fixed compensation has remained the same since his appointment as Chairman of the Board on May 17, 2010.
Annual variable compensation	None	Not applicable
Benefits in kind	8,362	The amount reported for benefits in kind relates mainly to a company car with a chauffeur.
Awards of stock options and/or performance shares	None	Not applicable
Termination benefit	None	Not applicable
Exceptional compensation	None	Not applicable
Non-compete indemnity	None	Not applicable
Top-up pension plan	None	Not applicable
Health coverage and death & disability plans	None	Not applicable
Multi-year variable compensation	None	Not applicable
Attendance fees	None	Not applicable
Total	708,362	

b) Olivier Brandicourt (10th resolution)

Olivier Brandicourt has served as Chief Executive Officer since April 2, 2015. He has never had, and does not currently have, a contract of employment with Sanofi.

On March 6, 2018, acting on a recommendation from the Compensation Committee, the Board of Directors set the terms of Olivier Brandicourt's compensation for the 2018 financial year.

In line with our compensation policy for the Chief Executive Officer, as approved by our shareholders at the Annual

The Board of Directors, acting on recommendations from the Compensation Committee, adjusts the individual performance criteria annually, while always seeking to maintain continuity and consistency from one year to the next.

General Meeting of May 2, 2018, his annual compensation for 2018 comprised (i) gross annual fixed compensation of €1,200,000 (unchanged since he took office) and (ii) variable annual compensation in a range from 0 to 250% of his fixed annual compensation, with a target of 150%, and subject to both quantitative and qualitative criteria.

These criteria were 40% based on financial indicators (sales growth one-third, business net income two-thirds), and 60% based on specific individual objectives.

Individual objectives for 2017

- excellence of product launches (10%);
- external growth (14%);
- operational transformation (12%);
- organization and staff relations (12%); and
- pipeline of new products (12%).

Individual objectives for 2018

- operational transformation (20%);
- pipeline of products (12%);
- organization and staff relations (12%);
- new products (10%); and
- external growth (6%).

Qualitative criteria account for 32% of the overall variable compensation objectives for 2018 (versus 24% for 2017), and hence represent a relatively limited proportion of the total.

In addition, acting on the recommendation of the Compensation Committee and in light of experience, the Board of Directors decided that the percentage of variable compensation linked to the attainment of quantitative criteria could be scaled down regardless of actual performance, in order to give greater weight to the attainment of qualitative criteria. This flexibility can only operate to reduce the amount of variable compensation,

and cannot compensate for underperformance on quantitative criteria.

In general, the performance criteria applied to variable compensation and to the vesting of stock options and performance shares are exacting, and consistent with our corporate objectives.

For confidentiality reasons, neither the level of attainment required (target) for the quantitative criteria nor the details of the qualitative criteria can be disclosed; however, they were pre-determined on a precise basis. In evaluating those criteria, the performance of major global pharmaceutical companies is always taken into account.

Acting on a recommendation from the Compensation Committee, the Board of Directors meeting of March 8, 2019 reviewed the attainment of each criterion and sub-criterion. The Board's conclusions are summarized in the table below.

	CRITERION	TYPE	WEIGHT	TARGET/ MAXIMUM (as% of fixed compensation)	ASSESSMENT	COMMENTS	WEIGHTING (as % of fixed compensation)
FINANCIAL OBJECTIVES (40%)	Sales	Quantitative	13.3%	19.95% / 33.25%	Below target	Confidential target	118.8
	Business net income ^(a)	Quantitative	26.7%	40.05% / 66.75%	Above target		163.8
INDIVIDUAL OBJECTIVES (60%)	Operational transformation	Qualitative	20%	30% / 50%	On target	Updating of strategy Ongoing simplification efforts Ongoing digital transformation External evaluation of CSR programs	158.55
	Pipeline of products	Quantitative	12%	18% / 30%	Above target	13 filings and 9 approvals 15 Phase III starts Ongoing enhancement of upstream pipeline	
	Organization and staff relations	Qualitative	12%	18% / 30%	On target	Renewing the Executive Committee Development of key competencies Implementation of action plan following employee survey	
	New products	Quantitative	10%	15% / 25%	On target	Sales of new products and preparation of launches in line with target	
	External growth	Quantitative	6%	9% / 15%	Above target	Acquisitions of Bioverativ and Ablynx Divestment of European generics business	
TOTAL			100%	150% / 250%			154.65^(b)

(a) For a definition, see "Item 5 – Operating and Financial Review and Prospects – Business Net Income" in the 2018 Annual Report on Form 20-F.

(b) Calculated by applying the relative weights for financial objectives (40%) and individual objectives (60%).

Acting on a recommendation from the Compensation Committee, the Board of Directors meeting of March 8, 2019 set Olivier Brandicourt's variable compensation for 2018 at €1,855,800, equivalent to 154.65% of his fixed compensation.

Payment of Olivier Brandicourt's variable compensation in respect of the 2018 financial year is contingent on approval of his compensation package by the shareholders in an Ordinary General Meeting, on the terms stipulated in Article L. 225-100 of the French Commercial Code.

Components of the compensation due or awarded to Olivier Brandicourt, Chief Executive Officer, for the year ended December 31, 2018 and submitted to a shareholder vote for approval

	Amounts due or accounting valuation (€)	Comments
Fixed compensation	1,200,000	<p>On a recommendation from the Compensation Committee, Olivier Brandicourt's gross fixed compensation for 2018 was set by the Board of Directors on March 6, 2018.</p> <p>His gross annual fixed compensation amounts to €1,200,000.</p> <p>His fixed compensation has remained the same since his appointment.</p>
Annual variable compensation	1,855,800	<p>The gross variable compensation of Olivier Brandicourt was in a potential range between 0 and 250% of his gross annual fixed compensation, with a target of 150%.</p> <p>His variable compensation for 2018 was established on the basis of quantitative and qualitative criteria. These criteria were as follows:</p> <ul style="list-style-type: none"> ■ attainment of financial targets versus budget (40%), comprising sales growth (one-third) and growth in business net income (two-thirds); ■ operational transformation (20%); ■ pipeline of products (12%); ■ organization and staff relations (12%); ■ new products (10%); and ■ external growth (6%). <p>Qualitative criteria account for 32% of the overall variable compensation objectives, and hence represent a relatively limited proportion of the total.</p> <p>Acting on a recommendation from the Compensation Committee, the Board of Directors meeting of March 8, 2019 reviewed the attainment of each criterion and sub-criterion. Its conclusions are summarized in the table on the preceding page.</p> <p>Acting on a recommendation from the Compensation Committee, the Board of Directors meeting of March 8, 2019 set Olivier Brandicourt's variable compensation for 2018 at €1,855,800, equivalent to 154.65% of his annual fixed compensation.</p> <p>Payment of his variable compensation is subject to approval by the present Annual General Meeting.</p>
Benefits in kind	322	<p>Olivier Brandicourt received a benefit in kind representing social contribution payments made by Sanofi on his behalf. Sanofi policy is to make these payments (which arise on employer's pension contributions and are normally payable by the employee) on behalf of all of its employees in France, including him.</p>
Awards of stock options and/or performance shares		<p>In line with our compensation policy for the Chief Executive Officer as approved by our shareholders at the Annual General Meeting of May 2, 2018, and acting on the recommendations of the Compensation Committee, the Board of Directors meeting of May 2, 2018 decided to award Olivier Brandicourt 220,000 stock subscription options and 50,000 performance shares. The valuation of those awards is equivalent to 3.5 times his fixed compensation.</p>

	Amounts due or accounting valuation (€)	Comments
		<p>Vesting of those stock options and performance shares is wholly contingent upon a performance condition that requires the cumulative attainment of three performance criteria over a three-year period from 2018 to 2020: business net income (50%), Return on Assets (30%) and Total Shareholder Return (20%). The options have a four-year lock-up period and the performance shares are subject to a three-year vesting period.</p>
	1,390,400	<p>Each stock option granted on May 2, 2018 was valued at €6.32, valuing the total benefit at €1,390,400. Options are valued at the date of grant using the Black & Scholes method, which is the method used in the consolidated financial statements. The number of options awarded to Olivier Brandicourt in 2018 represents 3.52% of the total limit approved by the Annual General Meeting of May 4, 2016, and 100% of the total awarded to all beneficiaries on May 2, 2018.</p>
	2,829,500	<p>Each performance share awarded on May 2, 2018, was valued at €56.59, valuing the total benefit at €2,829,500. Performance shares are valued at the date of grant; the valuation represents the difference between the quoted market price of the share on the date of grant and the aggregate present value of the dividends to be received over the next three years. The total number of performance shares awarded to Olivier Brandicourt represents 0.27% of the total limit approved by the Annual General Meeting of May 4, 2016 and 1.14% of the total awarded to all beneficiaries on May 2, 2018.</p>
		<p>Acting on a recommendation from the Compensation Committee, the Board of Directors meeting of March 8, 2019 proposed to award Olivier Brandicourt 220,000 stock subscription options and 50,000 performance shares in respect of the 2019 financial year. The award of those stock options and performance shares to Olivier Brandicourt in respect of the 2019 financial year is contingent on approval by the shareholders at the Ordinary General Meeting of April 30, 2019.</p>
Exceptional compensation	None	Not applicable
Termination benefit	No payment	<p>The termination benefit only becomes payable if the departure of the Chief Executive Officer is forced, i.e. in the event of removal from office linked to a change in strategy or control of the Company.</p> <p>The amount of the termination benefit is capped at 24 months of his most recent total compensation on the basis of (i) the fixed compensation effective on the date of leaving office and (ii) the last variable compensation received prior to that date, subject to fulfilment of the performance criteria described below.</p> <p>In accordance with article L. 225-42-1 of the French Commercial Code and with the AFEP-MEDEF Code, payment of the termination benefit is contingent upon fulfilment of two performance criteria, assessed over the three financial years preceding his ceasing to hold office.</p> <p>The two criteria are:</p> <ul style="list-style-type: none"> ■ the average of the ratios of business net income⁽¹⁾ to net sales for each financial year must be at least 15%;

(1) For a definition, see "Item 5. Operating and Financial Review and Prospects – A.1.5. Segment Information—3/ Business Net Income" of the 2018 Annual Report on Form 20F.

	Amounts due or accounting valuation (€)	Comments
		<p>■ the average of the ratios of operating cash flow before changes in working capital to net sales for each financial year must be at least 18%.</p> <p>The amount of this benefit will be reduced by any amount received as consideration for the non-compete undertaking, such that the aggregate amount of these two benefits may never exceed two years of total fixed and variable compensation.</p> <p>The Annual General Meeting of May 4, 2015 approved the section on the termination benefit contained in the auditors' special report on related party transactions (4th resolution).</p>
Non-compete indemnity	No payment	<p>In the event of his departure from the Company, Olivier Brandicourt undertakes not to join a competitor of the Company as an employee or corporate officer, or to provide services to or cooperate with such a competitor, during a 12-month period following his departure.</p> <p>In return for his undertaking, he will receive an indemnity corresponding to one year's total compensation on the basis of his fixed compensation on the date of leaving office and the last individual variable compensation received prior to that date. This indemnity will be payable in 12 monthly installments.</p> <p>However, the Board of Directors reserves the right to release him from this undertaking for some or all of that 12-month period. In that case, the non-compete indemnity would not be due for the period of time waived by the Company.</p> <p>The Annual General Meeting of May 4, 2015 approved the section on the non-compete undertaking contained in the auditors' special report on related party transactions (4th resolution).</p>
Top-up pension plan	No payment	<p>Olivier Brandicourt is covered by the Sanofi top-up defined-benefit pension plan, which falls within the scope of Article L. 137-11 of the French Social Security Code. The plan is offered to all employees of Sanofi and its French subsidiaries who meet the eligibility criteria specified in the plan rules. The plan, which remains open, was set up on October 1, 2008 as the final stage in the process of harmonizing the status of personnel across the French subsidiaries.</p> <p>The main characteristics of this plan are as follows:</p> <p>This top-up defined-benefit pension plan is offered to executives (as defined by AGIRC, a confederation of executive pension funds) of Sanofi and its French subsidiaries who meet the eligibility criteria specified in the plan rules; the benefit is contingent upon the plan member ending his or her career within the Sanofi group. The plan is reserved for executives with at least ten years of service whose annual base compensation has for ten calendar years (not necessarily consecutive) exceeded four times the French social security ceiling, and is wholly funded by the Company and outsourced to an insurance company.</p> <p>The top-up pension, which may not exceed 37.50% (1.5% per year of service, capped at 25 years) of the reference compensation, is in the form of a life annuity, and is transferable as a survivor's pension. The annuity is based on the arithmetical average of the three highest years' average annual gross compensation paid during any three of the five years (not necessarily consecutive) preceding final cessation</p>

Amounts due or accounting valuation (€)	Comments
	<p>of employment. This reference compensation is capped at 60 times the French social security ceiling applicable in the year in which the pension is taken.</p> <p>In addition, vesting of new rights for the Chief Executive Officer has been subject to a performance condition since January 1, 2017. The performance condition is applied on the following basis:</p> <ul style="list-style-type: none"> ■ if the level of attainment for variable compensation is equal to or greater than the target (i.e. 150% of fixed compensation), 100% of the contingent top-up pension rights will vest, corresponding to an uplift of 1.5% in the annual reference compensation used to calculate the annuity payable under the plan; ■ if the level of attainment for variable compensation is less than 100% of fixed compensation, no top-up pension rights will vest for the year in question; and ■ between those two limits, vested rights are calculated on a prorata basis. <p>Consequently, the annual uplift in contingent rights is capped at 1.5% of the annual reference compensation used to calculate the annuity payable under the plan, which is below the upper limit of 3% of annual reference compensation stipulated in Article L. 225-42-1 of the French Commercial Code.</p> <p>The annuity supplements any other schemes for which the plan member may be eligible in France or abroad, subject to a cap on the total pension from all sources set at 52% of the reference compensation. If the total amount of the annuities paid under all such schemes were to exceed the 52% cap, the amount of the Sanofi top-up defined-benefit pension annuity would be reduced accordingly in order to respect that cap.</p> <p>Because Olivier Brandicourt has pursued his career in different countries and in different groups, he has not continuously paid into the French compulsory industry schemes. Consequently, he was awarded a deemed ten years of service on taking up office at Sanofi.</p> <p>The Shareholders' Annual General Meeting of May 4, 2015 approved the section on the pension benefit contained in the auditors' special report on related-party agreements.</p> <p>Taking account of all of the above, the Board of Directors at its meeting of March 8, 2019 ascertained whether the performance condition had been met, noting that the level of attainment for the Chief Executive Officer's variable compensation for the 2018 financial year was 103.1%, i.e. 154.65% of his fixed compensation. Consequently, 103.1% of his contingent top-up pension rights vest, corresponding to an uplift of 1.55% (capped at 1.50%) in the annual reference compensation used to calculate the annuity payable under the plan.</p> <p>He has therefore accumulated 13.75 years of service as of December 31, 2018. His reference compensation being limited to 60 times the French social security ceiling (i.e. €2,383,920 in 2018, based on a ceiling of €39,732), the theoretical maximum of his top-up pension is currently 20.615% of that amount, i.e. €491,445.</p>

	Amounts due or accounting valuation (€)	Comments
		<p>On leaving Sanofi, Olivier Brandicourt may not benefit from our top-up pension plan unless he is entitled to benefit fully from compulsory industry schemes; this requires him to have reached statutory retirement age (which he did in February 2018) and to have accumulated the required number of three-month periods of qualifying employment. We do not have sufficient information to determine whether retirement in 2019 is a realistic scenario in terms of his period of qualifying employment, since most of his career has been spent outside France.</p> <p>If Olivier Brandicourt were to retire in 2019, he would as mentioned above have accumulated 13.75 years of service, entitling him to an annuity equal to 20.615% of his reference compensation. That annuity would supplement any other schemes for which he may be eligible in France or abroad, subject to a cap on the total pension from all sources set at 52% of the reference compensation. If the total amount of the annuities paid under all such schemes were to exceed the 52% cap, the amount of the Sanofi top-up defined-benefit pension annuity would be reduced accordingly in order to respect this cap.</p>
Health coverage and death & disability plans	None	Olivier Brandicourt is subject to, benefits from and contributes to the same health coverage and death & disability plans as are applicable to other employees of Sanofi based in France.
Multi-year variable compensation	None	Not applicable
Attendance fees	None	Not applicable
Total	7,276,022	

SHARE REPURCHASE PROGRAM

(11th resolution)

The Board of Directors requests, in accordance with Articles L. 225-209 *et seq* of the French Commercial Code, that you renew the authorization to repurchase the Company's own shares granted to the Board of Directors at the Annual General Meetings of May 10, 2017 and May 2, 2018.

In 2018, the Company used those authorizations to repurchase its own shares directly on the market, acquiring 15,374,665 shares at a weighted average price of €71.55 per share, i.e. a total cost of €1,100 million. Brokerage fees and financial transactions tax (net of corporate income taxes) amounted to €3.3 million. The Company did not use derivatives to repurchase its own shares.

In addition, Rothschild & Cie Banque purchased 601,296 shares under the liquidity contract for a total of €44,842,701 (i.e. a weighted average price of €74.58 per share), and sold 651,046 shares for a total of €48,723,473 (i.e. a weighted average price of €74.43 per share).

Under the new resolution submitted for your approval, the Company could repurchase its own shares up to the statutory limit of 10% of its share capital at the date of repurchase (i.e. 124,739,547 shares as of December 31, 2018), and the maximum number of treasury shares held after any repurchases could not under any circumstances exceed 10% of the Company's share capital.

The maximum price for repurchases would be €120 per share. It would not be possible to use this authorization in the event of a public tender offer for Sanofi's shares, and its validity would be limited to a period of 18 months.

The objectives of the repurchase program that would be implemented pursuant to this authorization are limited by law, and are described in detail in the resolution. Sanofi may repurchase shares itself or through an intermediary. Information about share repurchases is disclosed regularly on our corporate website (www.sanofi.com).

II – Extraordinary business

FINANCIAL MANAGEMENT OF YOUR COMPANY

(12th to 22nd resolutions)

a. General description

1. The 12th to 22nd resolutions are all intended to entrust the Board – in part, and subject to conditions – with the financial management of the Company, in particular by increasing the share capital using various techniques and for various purposes as explained in the summary table that follows this introduction. Each resolution deals with a specific objective for which the Board would be authorized to increase the share capital. These financial authorizations would give the Board the necessary flexibility to choose from the various possible types of issue at the appropriate time, and to adapt the nature of the financial instruments used to the prevailing conditions and the opportunities available in French and international capital markets. As previously, these authorizations would be suspended and hence not usable during the period of a public takeover offer for your Company (except for issues of shares or securities giving access to the capital reserved for members of savings plans: 22nd resolution).
2. Generally speaking, these resolutions fall into two broad categories:
 - those which would result in share issues with preemptive rights maintained; and
 - those which would result in share issues with preemptive rights waived.

In principle, any cash issue of shares entitles the shareholders to a “preemptive right”, which may be detached and traded separately during the subscription period. In practice this means that each shareholder has a right, exercisable within a minimum of five trading days after the subscription period opens, to subscribe for a quantity of new shares proportionate to that shareholder’s existing interest in the capital.

Depending on market conditions, the type of investor for whom the issue is intended (institutional or private, in France or international) and the type of securities issued, it may be preferable or even necessary to waive the preemptive right so that the shares can be placed on the best possible terms. This applies particularly when speed is of the essence in successfully carrying out an issue, or for issues carried out on foreign financial markets. Such a waiver can facilitate the Company’s access to capital by enabling more favorable issue terms to be obtained. This is why the Board is asking you to grant it, for some of these resolutions, the option of waiving the preemptive right.

In some cases, preemptive rights are automatically waived by law: a vote in favor of the delegations for the

Board to issue shares reserved for members of savings plans (22nd resolution), grant stock options (19th resolution) or allot consideration-free shares to employees or officers of the Sanofi group (20th resolution) would by law entail express waiver by the shareholders of their preemptive rights in favor of the beneficiaries of those issues or awards.

In applying the proposed resolutions, the Board may decide to offer existing shareholders a priority subscription period.

3. Issuing debt securities with no dilutive effect (i.e. which do not give immediate or future access to equity instruments) does not require specific authorization from the shareholders, but rather falls within the powers of the Board. There is an exception to this general rule in the 16th resolution, which has no dilutive effect on your Company’s share capital but is nonetheless submitted for your approval because the law requires your authorization when debt instruments give access to the capital of other companies.
4. These authorizations are of course governed by the law. Firstly, each of these authorizations would be granted for a limited period only – usually 26 months – which means that they are regularly resubmitted for your approval. In addition, the Board may only exercise this authority to increase the share capital up to strictly defined ceilings, above which the Board would no longer be able to increase the share capital without calling a new Extraordinary General Meeting of the shareholders. The ceilings are indicated in the table below.

These specific ceilings are supplemented by an overall ceiling specified in the 13th resolution (issue of shares with preemptive rights maintained); that ceiling is set at €997 million and applies to the thirteenth, fourteenth, fifteenth, seventeenth and eighteenth resolutions.

We would also draw your attention to the fact that the 13th, 14th and 16th resolutions do not allow private placements or share issues to be reserved for specific persons or categories of persons. Such issues require specific authorization from the shareholders. That is why you are being asked separately, in the 15th resolution, to authorize the use of private placements, so that your Company can rapidly complete placements of securities that are unlikely to attract non-institutional investors.

b. Reductions in share capital

(12th resolution)

The 12th resolution is intended to authorize the cancellation of Sanofi shares held by the Company itself, in particular

those obtained through share repurchases as authorized in the 11th resolution (assuming that resolution is adopted).

c. Issues of shares as consideration for contributions in kind

(18th resolution)

The 18th resolution would authorize your Company to acquire assets by issuing new shares in payment. In cases where this method of financing suits both parties, this authorization would enable the transaction to be completed quickly with no need to call a new Extraordinary General Meeting, which would not only cause delay due to the notice period but would also incur significant costs for the shareholders. Without this authorization, your Company would be at a disadvantage compared with other potential purchasers not subject to French legislation. This resolution requires the waiver of shareholders' preemptive rights.

To protect the interests of shareholders, French law requires Sanofi to appoint an independent appraiser. As with any other financial resolution, any transaction that exceeds the ceiling set in the resolution would require approval from an Extraordinary General Meeting of the shareholders.

d. Awards of stock options and performance shares to employees and corporate officers of the Company and the Group

(19th and 20th resolutions)

The Board of Directors, acting on a recommendation from the Compensation Committee, is asking you to renew the authorization to award stock options and performance shares to employees and corporate officers of Sanofi and companies in the Sanofi group, on the stringent terms stipulated in the 19th and 20th resolutions. These new authorizations would cancel and replace the unused portion of previous authorizations, without retroactive effect.

Principal terms of the authorization being requested

The terms of the new authorizations have been subject to extended scrutiny by the Board of Directors, based on the recommendations of the Compensation Committee:

- limits have been set at 0.5% of the share capital for stock options and 1.5% of the share capital for performance shares, to be applied for a period of thirty-eight (38) months;
- specific sub-limits within that overall limit have been set for the extent to which the authorization can be used in favor of the Chief Executive Officer, at 15% for stock options and 5% for performance shares; and
- all awards are subject to at least two multi-year performance conditions, and to a condition of continuing employment within the Sanofi group. The Board of Directors must determine those conditions at the time the

award is made, and will obviously choose internal and external conditions that align on Sanofi's equity-based compensation policy.

General equity-based compensation policy

Sanofi's overall compensation policy is designed to motivate and reward performance by ensuring that a significant portion of compensation is contingent on the attainment of financial, operational and extra-financial criteria aligned with the corporate interest and with the creation of shareholder value. Variable cash compensation and equity-based compensation are the two principal levers for action.

Equity-based compensation is a critical tool for Sanofi's worldwide attractiveness as an employer, and aims to align employee and shareholder interests and reinforce employees' ties to the Company. As indicated below, and in compliance with French law, equity-based compensation falls within the competence of the Board of Directors, acting on recommendations from the Compensation Committee. The Board of Directors determines the performance conditions attached to equity-based compensation for all beneficiaries at Sanofi and its subsidiaries worldwide. Imposing performance conditions that apply to all beneficiaries worldwide encourages the attainment of objectives based on consolidated results and Sanofi's balance sheet. By attaining their objectives, all beneficiaries (since 2018, awards to employees have consisted solely of performance shares, and only the Chief Executive Officer continues to be awarded stock options as well) will contribute to collective results. In areas where a subset of employees makes a real impact and has the capacity to contribute (such as the performance of a business unit, corporate social responsibility projects, and national or regional objectives), specific objectives are built into the objectives for cash-based variable compensation. Awards of that type of compensation are made on a more decentralized basis, thereby allowing for personalized incentivization mechanisms (for more information about cash-based variable compensation, and on Sanofi's compensation policy in general, visit the Corporate Governance / Compensation page of the corporate website www.sanofi.com). Like cash-based compensation, equity-based compensation must be set at levels that enable Sanofi to remain competitive with its international rivals in attracting managers, scientists and technical experts. Because equity-based compensation operates over the long term and is forfeited if the beneficiary's contract of employment ends, it is also an effective tool for building loyalty among highly-qualified people who already work for the Sanofi group.

Since 2018, equity-based compensation awards to salaried employees of the Sanofi group have consisted solely of performance shares; only the Chief Executive Officer continues to be awarded stock options as well. A resolution

authorizing the grant of stock options (19th resolution) and a resolution authorizing awards of performance shares (20th resolution) will be submitted for your approval at the Annual General Meeting on April 30, 2019.

As of December 31, 2018, the potential dilution arising from all options and shares that have been awarded but not yet exercised or cancelled, combined with the unused portion of unexpired shareholder authorizations, was 3.14%. Over the last three years, the potential dilution arising from awards of stock options and performance shares (also known as the “burn rate”) has averaged 0.34% a year. Our 2018 Annual Report on Form 20-F includes a description of the outstanding equity-based compensation plans awarded by Sanofi, starting on page 172 for the Chief Executive Officer’s plans and on page 178 for the plans awarded to employees, and in particular to members of the Executive Committee. Sanofi’s equity-based compensation plan rules are made available to our shareholders on the Corporate Governance / Compensation page of the corporate website (www.sanofi.com) in the same form as those distributed to our employees.

French law offers a high degree of protection to the interests of shareholders. Equity-based compensation must always be authorized by a resolution adopted at an Extraordinary General Meeting of the shareholders, which temporarily delegates the meeting’s powers to the Board so that the Board can issue a pre-determined number of shares or options (as the case may be) subject to strictly-defined conditions. The Board may not use that authorization for longer than thirty-eight (38) months. Once that period has elapsed, a further authorization must be obtained from the shareholders. French law prohibits any award of equity-based compensation to a Board member (unless that Board member is also the Chief Executive Officer). This is why the shareholders can be certain that any decision by the Board to award equity-based compensation is taken solely in the long-term interests of the Company and its shareholders, ruling out any temptation to make a personal gain. In determining the size and frequency of the awards, the identity of the beneficiaries and the plan conditions, the Board operates strictly within the limits of the shareholder authorization, and cannot delegate such decisions to employees or senior executives of the Company. In making decisions about equity-based compensation, the Board is guided by the recommendations of the Compensation Committee, which in turn meets the independence criteria laid down in the AFEP-MEDEF corporate governance code.

Presentation of the Sanofi equity-based compensation policy

The equity-based compensation policy will apply both to the authorization requested in the 19th resolution and to that requested in the 20th resolution.

In 2018, drawing on the work of the Compensation Committee, the Board of Directors again reworked Sanofi’s

equity-based compensation policy to further reduce potential dilution.

Reducing the dilution of share capital

Under the terms of the compensation policy, equity-based awards have since 2018 consisted solely of performance shares; only the Chief Executive Officer continues to be awarded stock options as well. Consequently, employees benefiting under equity-based compensation plans (around 7,400 people in 2018) are awarded performance shares only, while the Chief Executive Officer is awarded both stock options and performance shares.

The emphasis on performance shares enables the Board to maintain the same level of staff motivation while reducing the dilutive effect for existing shareholders. The Board of Directors believes that this reworked equity-based compensation policy has the effect of considerably reducing potential dilution.

At the same time, the Board continues to believe that stock options – due to their exercise price and ratchet effect – remain an appropriate component of the compensation of the Chief Executive Officer, and intends to continue awarding him stock subscription options contingent on performance criteria.

Multiple, exacting multi-year performance criteria

Under Sanofi’s equity-based compensation policy, all awards of stock options and performance shares to the Chief Executive Officer, and of performance shares to employees, must be wholly contingent upon the attainment of multi-year performance criteria, such that the entire award is at risk if performances do not attain the objectives set. Whether made to senior executives or to other employees, awards of performance shares are part of a general policy of promoting shareholder value, in that no award of shares is guaranteed upfront. The Board of Directors takes the view that the multi-year performance criteria should be assessed over a period of at least three (3) years. The Board makes any plan contingent on at least two distinct performance criteria in order to ensure that Sanofi’s equity-based compensation plans incentivize overall performance and do not encourage excessive risk taking. Failure to achieve those criteria over the entire performance measurement period results in the loss of all, or a substantial proportion, of the initial award. Awards are also contingent on the beneficiary’s continued employment in the Sanofi group during the lock-up period, which for currently active plans is four (4) years for stock options and three (3) or four (4) years for performance shares. Stock option plans are also subject to a further implicit performance criterion in the form of the exercise price. The exercise price of stock options is set by the Board, never incorporates a discount, and must be at least equal to the average of the quoted market prices in the twenty (20) trading sessions preceding the date of grant by the Board. Under French law, the Board is not allowed to

reset the terms of prior grants, for instance with easier performance conditions or a lower exercise price.

As an illustration of how this policy is applied in practice, the plans implemented by the Board at its meeting of May 2, 2018 are contingent on the attainment of two internal performance criteria based on Business Net Income and Return on Assets (ROA); a third external criterion, measuring Sanofi's performance relative to a panel of pharmaceutical groups in terms of Total Shareholder Return (TSR) is applied solely to the Chief Executive Officer.

The Board regards these performance conditions as good indicators of the development of shareholder value in terms of: the quality of investment decisions in a period where external growth was a determining factor (ROA condition); the commitment to delivering challenging bottom-line results in a tough business environment (business net income condition); and matching or bettering our peer group in terms of shareholder returns (TSR condition).

Nevertheless, the Board of Directors (acting on a recommendation from the Compensation Committee) has decided to replace the ROA performance criterion (ROA) with a criterion based on free cash flow (FCF). This will apply to future stock option and performance share plans (i.e. those awarded in and after 2019, subject to adoption of the 19th and 20th resolutions by the Annual General Meeting of April 30, 2019). This change addresses three objectives: it is a more clearly understandable performance criterion both within and outside Sanofi; it is easier to cascade down to lower grades; and it is a better fit with the Company's current strategic objectives.

Performance criteria for awards under the 2018 annual plans are measured over a period of three (3) consecutive years. If TSR is below the median, the TSR criterion is not fulfilled. More generally, the business net income objective may not be lower than the bottom end of the full-year guidance range publicly announced by Sanofi at the beginning of each year. A detailed description of these awards, and of the performance criteria for the 2018 plans, is provided in Sanofi's 2018 Annual Report on Form 20F, starting on page 168.

The Board imposes stringent performance criteria, the attainment of which is not guaranteed. At its meeting of February 6, 2019, the Board formally recorded the attainment level for the plans awarded in 2016. The Chief Executive Officer's plans were scaled back by 18.75% due to failure to meet all of the criteria set by the Board at the time of the award, meaning that 41,250 stock options and 9,375 performance shares were cancelled due to partial non-attainment of the performance criteria.

Transparency

Sanofi has for many years adopted a totally transparent approach. All the criteria applied are quantifiable and verifiable. To start with, the Board of Directors publishes the

plan rules on the Sanofi corporate website so that shareholders have access to the same information about how the plans work as the beneficiaries. All aspects of the TSR criterion (including the list of the benchmark panel of companies) are also published on the corporate website. This means that anyone can monitor attainment of that criterion in real time. In addition, the business net income objective may not be lower than the bottom end of the full-year guidance range publicly announced by Sanofi at the beginning of each year. Finally, in line with a commitment made by the Board, actual attainment levels for each of the performance criteria are published ex post in Sanofi's Annual Report on Form 20F.

Specific restrictions applied to the Chief Executive Officer

Before awarding stock options and performance shares to the Chief Executive Officer, the Board of Directors takes into consideration previous awards and his overall compensation. In addition, each authorization granted by the shareholders to the Board of Directors sets an upper limit for awards to the Chief Executive Officer.

For stock options, the Board proposes setting the upper limit for awards to the Chief Executive Officer at 15% of the total amount specified in the 19th resolution (bearing in mind that since 2018, only the Chief Executive Officer continues to be granted stock options).

For performance shares, the Board proposes setting the upper limit for awards to the Chief Executive Officer at 5% of the total amount specified in the 20th resolution.

In line with the AFEP-MEDEF corporate governance code, which seeks to promote share ownership among executive and non-executive officers, the Board of Directors determines what percentage of the shares obtained from (i) exercising options or (ii) vesting of performance shares must be retained by the Chief Executive Officer until he ceases to hold office, and how many additional Sanofi shares the Chief Executive Officer must acquire at his own expense. Those obligations, and a table summarizing the stock options and shares held by the Chief Executive Officer, are disclosed in Sanofi's Annual Report on Form 20F. The use of derivative instruments is of course prohibited.

No equity compensation awards for the Chairman

No equity-based compensation is awarded to the Chairman of the Board of Directors, who receives fixed compensation only. Consequently, the Chairman of the Board of Directors cannot be a beneficiary under stock option and performance share plans awarded by the Board on the basis of the 19th and 20th resolutions.

Other principles specified in the AFEP-MEDEF corporate governance code

Awards made by the Board of Directors are subject to many other conditions.

In accordance with the AFEP-MEDEF corporate governance code, equity-based compensation plans are awarded annually, and are implemented after publication of the annual financial statements.

The exercise price of stock options cannot be adjusted, and the Board of Directors cannot reset the conditions specified when the initial award was made. In recent years, that policy has resulted in a significant number of plans expiring without the options having been exercised, illustrating the fundamentally contingent nature of such awards.

All plans require beneficiaries to remain employed within the Sanofi group from the date of the award until the rights arising under the plan are exercised or vest, with only a few strictly-defined exemptions permitted under French law. Sanofi will not award any further options to the Chief Executive Officer on his leaving office or taking retirement. The Board of Directors will not award the Chief Executive Officer stock option plans with a lock-up period of less than four (4) years or more than ten (10) years from the date of grant, or performance share plans with a vesting period of less than three (3) years. Vesting of the plans awarded by Sanofi cannot be accelerated in the event of a change in control of the Company. The Sanofi Compensation Committee meets the independence criteria required by the AFEP-MEDEF Corporate Governance Code, and no executive or non-executive officer of Sanofi sits on that Committee.

Additional information

Renewal of the delegations to the Board of authority to award stock options and performance shares to the Chief Executive Officer and performance shares to Sanofi group employees on the terms proposed would generate (via the cumulative effect of those delegations of authority, plus currently active and newly-authorized equity-based compensation plans) a maximum potential dilution rate of approximately 5.26%, well below the limit of 10% of the share capital.

If the resolutions granting the Board authority to award stock options and performance shares are approved, that would by law entail the express waiver by the shareholders of their preemptive rights, in favor of the beneficiaries of those options and shares. The authorizations would be granted for a limited period of thirty-eight (38) months, and would therefore be resubmitted for approval by the shareholders in 2022. The Board of Directors could only increase the share capital within the strictly-defined limits, and any further increase would require a new Extraordinary General Meeting to be called.

Commitment to dialogue

For many years, Sanofi has engaged in dialogue with stakeholders – especially with shareholders, proxy advisors and shareholder associations – in order to gain a better understanding of market expectations and to benchmark its practices against best practice.

e. Employee share ownership

(22nd resolution)

The 22nd resolution relates to share issues reserved for members of Group savings plans, and would enable your Company to continue its drive to increase the interest held by employees in the share capital.

At its meeting of March 6, 2018, the Board of Directors decided to delegate to the Chief Executive Officer the powers necessary to carry out a capital increase reserved for members of the Group savings plan. Every employee subscribing for at least five shares received one additional new share as an employer's top-up contribution, and every employee subscribing for an additional five shares (i.e. at least ten shares in total) received two additional shares as an employer's top-up contribution for the first ten shares. Beyond the first ten shares there was no entitlement to any further shares by way of employer's top-up contribution. The subscription period was open during June 2018.

27,680 employees from nearly 80 countries subscribed for a total of 2,298,783 shares. Of these, 1,120,411 shares were subscribed via FCPE Relais Actions Sanofi, the dedicated employee share ownership fund for employees of Sanofi's French subsidiaries; 488,528 shares via FCPE Relais Sanofi Shares, the dedicated employee share ownership fund for employees of Sanofi's foreign subsidiaries; and 689,844 shares directly by employees who were eligible for the employee share ownership plan but were in countries where local regulations did not allow the use of a dedicated employee share ownership fund.

A total of 102,401 shares were issued by way of employer's top-up contribution. Of these, 43,140 were issued to FCPE Relais Actions Sanofi; 28,454 to FCPE Relais Sanofi Shares; and 30,807 directly to employees who were eligible for the employee share ownership plan but were in countries where local regulations did not allow the use of a dedicated employee share ownership fund.

Voting rights attached to shares held by FCPE Relais Actions Sanofi are exercised individually by the employees who hold units in the fund; fractional rights are exercised by the fund's supervisory board.

Voting rights attached to shares held by FCPE Relais Sanofi Shares are also exercised individually by the employees who hold units in the fund; any rights not exercised by them are exercised by the fund's supervisory board.

In each case, the supervisory board includes an equal number of representatives of employees and of Sanofi management.

As of December 31, 2018, shares held under the Group savings plan by employees of Sanofi, employees of related companies and former employees amounted to 1.70% of the Company's share capital.

Under French law, where (i) Group employees do not hold 3% or more of the share capital or (ii) a cash share issue

reserved for employees is being proposed, a resolution authorizing the Board to carry out a share issue must be submitted to the shareholders for approval. The previous such authorization was adopted by the 2017 Annual General Meeting. The Company is therefore required to submit a new resolution to allow employees access to the share capital.

Over and above this legal obligation, the Board of Directors is keen to promote employee share ownership, and to offer employees the chance to subscribe for shares in the Company everywhere that Sanofi has operations. The Company intends to implement an employee share ownership plan within the next 18 months.

Any share issue reserved for employees will comply with the Board's undertaking not to issue more than 10% of the Company's share capital to employees in any ten-year period. The potential dilution arising from this authorization would be relatively limited, representing only 1% of the share capital.

The present resolution would entail the waiver of preemptive rights in favor of the Group's employees.

The authorization granted by the 22nd resolution would be valid for a period of 26 months, to align on the legal requirement mentioned above.

POWERS

(23rd resolution)

The 23rd resolution is a standard resolution to allow for filings and other legal formalities.

The Board of Directors proposes that you grant powers for the accomplishment of filings and other legal formalities required further to the General Meeting.

If you agree with the Board's proposals, please approve the resolutions as submitted for your vote.

The Board of Directors

Use of existing shareholder authorizations in 2018

Share repurchases: in 2018, the Company repurchased a total of 15,374,665 shares at an average price of €71.55 per share. In addition, 601,296 shares were repurchased under a liquidity contract. Between January 1 and March 1, 2019 (the last available date prior to finalization of this notice of meeting), no shares were repurchased.

Share cancellation: a total of 7,239,803 shares were cancelled at the Board meeting of April 26, 2018 and 5,106,804 at the Board meeting of December 18, 2018.

Equity-based compensation: 220,000 stock options and 4,531,885 performance shares were awarded in 2018.

Other equity issuances: a total of 2,401,184 shares were issued following the 2018 share capital increase reserved for employees.

We encourage you to help us to reduce the AGM's carbon footprint by signing up to receive electronic shareholder communications and by voting through the VOTACCESS electronic platform. For more information go to www.sanofi.com/AGM2019.

Summary table of financial resolutions proposed at the Annual General Meeting of April 30, 2019

A glossary is provided after the table. Terms included in the glossary are identified by an asterisk* in the tables.

ORDINARY BUSINESS

No.	Purpose	Period of validity	Possible reasons for use of the delegation of authority	Specific ceiling	Price or method for determining price	Other information and comments
11	Authorization to carry out transactions in shares issued by the Company	18 months	<p>Permitted uses of the shares repurchased by the Company:</p> <ul style="list-style-type: none"> – implementation of stock purchase option plans or similar plans – allotment or transfer of shares to employees – allotment of consideration-free shares to employees or corporate officers – grant of shares linked to stock option plans or other awards to employees or corporate officers of the Company or associated company – delivery of shares or exercise of rights attached to Securities Giving Access To The Share Capital* – cancellation of some or all of the repurchased shares (subject to adoption of the 12th resolution) – delivery of shares in connection with an acquisition, merger, demerger or asset-for-share exchange – market-making in the secondary market or maintenance of the liquidity of Sanofi shares by an investment services provider as part of a liquidity contract consistent with the ethics charter approved by the <i>Autorité des Marchés Financiers</i> – any transaction that complies with current or future applicable regulations 	<ul style="list-style-type: none"> – the Company may at no time hold a number of shares representing more than 10% of its share capital, as adjusted to reflect transactions affecting the share capital subsequent to the present General Meeting, i.e. for information purposes 124,739,547 shares at December 31, 2018 – the number of shares acquired with a view to their retention or future delivery in connection with a merger, demerger or asset-for-share exchange may not exceed 5% of the Company's share capital 	Maximum purchase price of €120 per share	This delegation of authority cannot be used during a public tender offer for the Company's shares

EXTRAORDINARY BUSINESS

No.	Purpose	Period of validity	Possible reasons for use of the delegation of authority	Specific ceiling	Price or method for determining price	Other information and comments
12	Cancellation of treasury shares	26 months	Potentially used to reduce the Company's share capital	No more than 10% of the capital may be cancelled during any 24-month period, i.e. for information purposes 124,739,547 shares at December 31, 2018	/	<ul style="list-style-type: none"> – 7.2 million shares cancelled at the Board meeting of April 26, 2018 – 5.1 million shares cancelled at the Board meeting of December 18, 2018
13	Issuance, with Preemptive Rights* maintained, of shares and/or Securities Giving Access To The Share Capital* of the Company, of any Subsidiary* and/or of any other company	26 months	Potentially used by the Board of Directors to provide your Company with the financial resources needed to develop the Company and the Group	<ul style="list-style-type: none"> – 498.5 million shares, i.e. 39.96% of the capital at December 31, 2018, not including any additional shares issued to preserve the rights of holders of Securities Giving Access To The Share Capital* – included in the Overall Ceiling* of the same amount – €7 billion maximum par value for debt instruments, included in the €7 billion Maximum Par Value Amount* 	Price set by the Board	<ul style="list-style-type: none"> – refer to the glossary for information about Securities Giving Access To The Share Capital* – possible introduction of a Prorated* subscription right – possible authorization to issue Securities Giving Access To The Share Capital of Subsidiaries* or Affiliates* – this delegation of authority cannot be used during a public tender offer for the Company's shares

No.	Purpose	Period of validity	Possible reasons for use of the delegation of authority	Specific ceiling	Price or method for determining price	Other information and comments
14	Issuance with Preemptive Rights* cancelled, of shares and/or Securities Giving Access To The Share Capital* of the Company, of any Subsidiary* and/or of any other company by public offering	26 months	<ul style="list-style-type: none"> – potentially used by the Board of Directors to provide your Company with the financial resources needed to develop the Company and the Group and to carry out issues, without Preemptive Rights* for existing shareholders, both on the French and international markets – potentially used to issue shares or Securities Giving Access To The Share Capital* as consideration for securities of another company meeting the conditions set by article L. 225-148 of the French Commercial Code in a public exchange offer initiated by the Company in France or in another country under local rules 	<ul style="list-style-type: none"> – 120 million shares, i.e. 9.62% of the share capital at December 31, 2018, not including any additional shares issued to preserve the rights of holders of Securities Giving Access To The Share Capital* – included in the Overall Ceiling* – €7 billion maximum par value for debt instruments, included in the €7 billion Maximum Par Value Amount* 	Price set by the Board, at least equal to the Statutory Minimum Price*	<ul style="list-style-type: none"> – possible authorization to issue Securities Giving Access To The Share Capital* of Subsidiaries* or Affiliates* – possible authorization to issue shares or Securities Giving Access To The Share Capital* further to issuance of securities giving access to the Company's share capital* by Subsidiaries* – possible Priority Subscription Period* – this delegation of authority cannot be used during a public tender offer for the Company's shares
15	Issuance with Preemptive Rights* cancelled, of shares and/or Securities Giving Access To The Share Capital* of the Company, of any Subsidiary* and/or of any other company via a private placement	26 months	<ul style="list-style-type: none"> – potentially used by the Board of Directors to provide the Company with a swifter and simpler means of funding than issuance by public offering with Preemptive Rights* maintained – intended mainly for professional investors 	<ul style="list-style-type: none"> – 120 million shares, i.e. 9.62% of the share capital at December 31, 2018, not including any additional shares issued to preserve the rights of holders of Securities Giving Access To The Share Capital* – included in the ceiling of the same amount specified in the 14th resolution and in the Overall Ceiling* – €7 billion maximum par value for debt instruments, included in the €7 billion Maximum Par Value Amount* 	Price set by the Board, at least equal to the Statutory Minimum Price*	<ul style="list-style-type: none"> – possible authorization to issue Securities Giving Access To The Share Capital* of Subsidiaries* or Affiliates* – possible authorization to issue shares or Securities Giving Access To The Share Capital* further to issuance of securities giving access to the Company's share capital* by Subsidiaries* – this delegation of authority cannot be used during a public tender offer for the Company's shares

No.	Purpose	Period of validity	Possible reasons for use of the delegation of authority	Specific ceiling	Price or method for determining price	Other information and comments
16	Issuance of debt instruments giving access to the share capital* of Subsidiaries* and/or of any other companies	26 months	Potentially used by the Board of Directors to provide the Company with the financial resources needed to develop the Company and the Group	€7 billion maximum par value for debt instruments, included in the €7 billion Maximum Par Value Amount*	Price set by the Board	This delegation of authority cannot be used during a public tender offer for the Company's shares
17	Increasing the number of securities to be issued in the event of a capital increase with or without Preemptive Rights*	26 months	Potentially used to reopen a capital increase at the same price as the original issue in the event of oversubscription (also known as a greenshoe clause)	<ul style="list-style-type: none"> – for each issue, the ceiling is the regulatory limit applicable on the issue date (currently 15% of the initial issue) – included in the 120 million share ceiling set by the 14th resolution (for issues without Preemptive Rights*) and in the Overall Ceiling* (for any issue) – €7 billion maximum par value for debt instruments, included in the €7 billion Maximum Par Value Amount* 	Same price as the initial issue	This delegation of authority cannot be used during a public tender offer for the Company's shares
18	Issuance of shares or Securities Giving Access To The Share Capital* as consideration for contributions in kind	26 months	Potentially used in connection with acquisitions	<ul style="list-style-type: none"> – 10% of the capital adjusted to reflect transactions affecting the share capital subsequent to the 2019 Annual General Meeting, i.e. for information purposes 124,739,547 shares at December 31, 2018 – included in the 120 million share ceiling set by the 14th resolution (for issues without Preemptive Rights*) and in the Overall Ceiling* – €7 billion maximum par value for debt instruments, included in the €7 billion Maximum Par Value Amount* 	The Board will rule on the report of the Independent Reporting Accountants, which includes an assessment of the value of the assets transferred	<ul style="list-style-type: none"> – as stipulated by law, this delegation of authority cannot be used for consideration provided in connection with a public exchange offer initiated by the Company within the scope of article L. 225-148 of the French Commercial Code. – this delegation of authority cannot be used during a public tender offer for the Company's shares

No.	Purpose	Period of validity	Possible reasons for use of the delegation of authority	Specific ceiling	Price or method for determining price	Other information and comments
19	Granting of options to subscribe for or purchase shares	38 months	Potentially used to incentivize the beneficiaries by giving them a stake in the growth of the business	<ul style="list-style-type: none"> – 0.5% of the share capital on the date the Board decides to use this delegated authority – sub-ceiling: no more than 15% of the total options granted may be granted to corporate officers 	/	Our policy and procedures for granting stock options are indicated in our 2018 Annual Report on Form 20-F
20	Consideration-free allotments of existing or new shares	38 months	Potentially used to incentivize grantees by giving them a stake in the growth of the business	<ul style="list-style-type: none"> – 1.5% of the share capital on the date the Board decides to use this delegated authority – sub-ceiling: no more than 5% of the total performance shares awarded may be awarded to corporate officers 	/	Our policy and procedures for the granting of performance shares, including shares granted to executive and non-executive officers, are indicated in our 2018 Annual Report on Form 20-F
21	Incorporation of share premium, reserves, profits or other items	26 months	Potentially used to incorporate share premium, reserves, profits or other items into the share capital, enabling the capital to be increased without any new money having to be contributed	– 250 million shares (in the event of a capital increase by issuance of new shares)	The Board determines the amounts incorporated, and the quantity of new equity instruments issued and/or the new par value of existing equity instruments	This delegation of authority cannot be used during a public tender offer for the Company's shares
22	Issuance of shares or Securities Giving Access To The Share Capital* reserved for members of employee savings plans	26 months	Potentially used to increase employee share ownership, in France and abroad, by setting up employee savings plans	– 1% of the share capital on the date the Board decides to use this delegated authority	Price set by the Board subject to a minimum issue price for the shares or Securities Giving Access To The Share Capital* determined under applicable legislation (a specified percentage of the Reference Price*)	This delegation of authority may be used during a public tender offer for the Company's shares

GLOSSARY

Affiliates

Companies of which Sanofi directly or indirectly owns 50% or less of the share capital.

Maximum Par Value Amount

Overall maximum par value amount of €7 billion for debt securities issued pursuant to the 13th to 18th resolutions.

Overall Ceiling

General ceiling of **€997 million (i.e. 498.5 million shares)** on the basis of the share capital as of December 31, 2018) imposed on share capital increases carried out pursuant to the 13th, 14th, 15th, 17th and 18th resolutions.

Preemptive Rights

Tradable right enabling existing shareholders to purchase additional shares or Securities Giving Access To The Share Capital* in an offering before the general public has the opportunity to do so, or to obtain (by selling their rights) an amount equivalent to the notional reduction in the value of their shares that would arise from the new issue.

Priority Subscription Rights / Priority Subscription Period

In return for the cancellation of Preemptive Rights*, the Board may introduce Priority Subscription Rights, which may be Pro-rated*. Priority Subscription Rights, like Preemptive Rights*, enable existing shareholders to subscribe to the proposed issue in proportion to the number of shares they currently hold. However, unlike Preemptive Rights*, Priority Subscription Rights are (i) exercisable within a Priority Subscription Period (in practice, at least 5 trading sessions) shorter than the period allowed for Preemptive Rights* and (ii) not tradable.

Pro-rated

(subscription rights)

In some cases, the Board of Directors may institute Pro-rated subscription rights in favor of existing shareholders. This means that if irreducible subscriptions (i.e. subscriptions by shareholders exercising Preemptive Rights*) fail to entirely absorb the capital increase, the unsubscribed shares would be allocated to those shareholders who made an application for additional shares on a Pro-rated basis (over and above the entitlement given by their Preemptive Rights*) in proportion to their subscription rights, though the number of shares allocated to each shareholder may not exceed the number of shares applied for by that shareholder.

Reference Price

Average of the first quoted market prices of the Company's shares on the Euronext Paris regulated market during the twenty trading sessions preceding the day of the Board decision (pursuant to the 22nd resolution) setting the opening date of the subscription period for members of the employee savings plan.

Securities Giving Access To The Share Capital

Characteristics of Securities Giving Access To The Share Capital:

The 13th, 14th, 15th, 17th, 18th and 22nd resolutions submitted to the Annual General Meeting allow the Board to decide to issue Securities Giving Access To The Share Capital of the Company or of its Subsidiaries, either by the issuance of new shares (examples include bonds convertible into or redeemable for shares, or bonds with share warrants attached) or by the delivery of existing shares (examples include "OCEANE" bonds, which are convertible into new shares or exchangeable for existing shares). Those securities may take the form either of debt instruments (as in the aforementioned examples) or of equity instruments (for instance, shares with share warrants attached). However, issuing equity instruments convertible or transformable into debt instruments is prohibited by law.

Methods of allotting the securities to which Securities Giving Access To The Share Capital give entitlement and dates when this right may be exercised:

Securities Giving Access To The Share Capital that take the form of debt instruments (such as bonds convertible into or redeemable for shares, or bonds with share warrants attached) may give entitlement, either at any time, during specified periods of time, or on specified dates, to the allotment of shares. Such allotment may be effected by conversion (e.g. convertible bonds), redemption (e.g. bonds redeemable for shares), exchange (e.g. bonds exchangeable for shares) or presentation of a warrant (e.g. bonds with share warrants attached) or by any other means, during the term of the debt instruments, whether or not shareholders' preemptive rights are maintained in respect of the securities thereby issued.

In accordance with the law, delegations of authority granted by the General Meeting to issue Securities Giving Access To The Share Capital entail waiver by existing shareholders of their preemptive rights over the equity instruments to which such securities give entitlement.

Securities Giving Entitlement To The Allotment Of Debt Instruments

Characteristics of Securities Giving Entitlement To The Allotment Of Debt Instruments, methods of allotting the instruments to which these securities give entitlement, and dates when this right may be exercised:

The 13th, 14th, 15th, 16th, 17th and 18th resolutions allow the Board to decide upon the issuance of Securities Giving Entitlement To The Allotment Of Debt Instruments (such as shares with bond warrants attached). These securities could take the form of complex debt instruments in the sense understood by the stock market authorities, for example due to their redemption or remuneration terms or other rights such as indexation or option rights.

If Securities Giving Entitlement To The Allotment Of Debt Instruments are issued, your Board may decide whether they

are to be subordinated or not (and if applicable, their ranking of subordination, consistent with the provisions of article L. 228-97 of the French Commercial Code), determine the interest (which may be fixed and/or floating rate, and may be compound interest), their term (whether fixed or perpetual), and the other terms and conditions of their issuance (including the possibility of securing or collateralizing them). These securities may be redeemed before maturity, including by delivery of Company assets, with or without a premium, or may be amortized, or may be repurchased on the market including through a tender or exchange offer by the Company.

Statutory Minimum Price

Currently, the statutory minimum issue price is:

- *For shares*: the weighted average of the quoted market prices during the last three trading sessions on the Euronext

Paris regulated market preceding the setting of the subscription price for the capital increase minus 5%, after making any adjustment to this average in the event of a difference in the dates of ranking for dividend;

- *For Securities Giving Access To The Share Capital**: a price such that for any share issued by virtue of Securities Giving Access To The Share Capital*, the total amount received by the Company in exchange for those Securities Giving Access To The Share Capital* be at least equal to the statutory minimum price per share defined in the previous paragraph (as of the date of issuance of the Securities Giving Access To The Share Capital*).

Subsidiaries

Companies of which Sanofi directly or indirectly owns more than 50% of the share capital.

PROPOSED RESOLUTIONS

ORDINARY BUSINESS

First resolution

Approval of the individual company financial statements for the year ended December 31, 2018

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the reports of the Board of Directors and of the Statutory Auditors, approves as presented the individual company financial statements for the year ended December 31, 2018 comprising the balance sheet, the income statement and the notes thereto, as well as the transactions reflected in those financial statements and summarized in those reports, showing a profit of €12,843,107,212.72.

Pursuant to Article 223 *quater* of the French General Tax Code, the General Meeting approves those expenses and charges that are non-deductible for tax purposes under Article 39.4 of said Code and which amount to €64,490.19 for the year ended December 31, 2018, as well as the tax incurred on the basis of those expenses and charges, which amounts to €22,206.12.

Second resolution

Approval of the consolidated financial statements for the year ended December 31, 2018

The General Meeting, voting on the quorum and majority conditions for Ordinary Meetings, having reviewed the reports of the Board of Directors and of the Statutory Auditors, approves as presented the consolidated financial statements for the year ended December 31, 2018

comprising the balance sheet, the income statement and the notes thereto, as well as the transactions reflected in those financial statements and summarized in those reports.

Third resolution

Appropriation of profits for the year ended December 31, 2018 and declaration of dividend

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the reports of the Board of Directors and of the Statutory Auditors, notes that the financial statements for the year ended December 31, 2018 as approved by this Meeting show (i) a profit for the year ended December 31, 2018 of

€12,843,107,212.72, (ii) no further appropriation to the legal reserve is required as it already amounts to 10% of the share capital, and (iii) retained earnings brought forward amount to €21,642,130,689.63, resulting in a distributable profit of €34,485,237,902.35.

The General Meeting, acting on a proposal from the Board of Directors, resolves to appropriate the distributable profit for the year ended 31 December 218 as follows:

■ profit for the year ended December 31, 2018		€12,843,107,212.72
■ retained earnings brought forward	(+)	€21,642,130,689.63
■ appropriation to the legal reserve		€— ^(a)
distributable profit	(=)	€34,485,237,902.35
appropriated as follows:		
■ to the payment of dividends		€3,823,544,961.95 ^(b)
■ to be carried forward as retained earnings		€30,661,692,940.40

(a) The amount of the legal reserve having reached 10% of the share capital, no appropriation to that reserve is proposed.

(b) The total amount of the dividend distribution shown above is calculated on the basis of the number of shares entitled to dividend as of December 31, 2018, i.e. 1,245,454,385, and may change if the number of shares entitled to dividend changes between January 1, 2019 and the dividend ex-date, in particular as a result of changes in the number of treasury shares, the vesting of consideration-free shares and the exercise of stock options (if the beneficiary is entitled to dividend under the rules of the relevant plan).

Consequently, the General Meeting resolves to pay a dividend of €3.07 per share, i.e. €3,823,544,961.95, the balance being carried forward as retained earnings.

The General Meeting formally notes that the cash dividend payable to shareholders will be treated as a distribution for tax purposes and, when paid to individual shareholders

The General Meeting notes that the dividends paid out in respect of the past three financial years and those eligible for the 40% tax relief are as follows:

Financial year	Number of shares carrying dividend rights	Dividend per share	Revenues distributed	
			Eligible for the 40% tax relief mentioned in Article 158.3.2 of the General Tax Code	Not eligible for the 40% tax relief mentioned in Article 158.3.2 of the General Tax Code
2015	1,305,696,759	€2.93	€2.93	€ 0
2016	1,292,022,324	€2.96	€2.96	€ 0
2017	1,253,846,178	€3.03	€3.03 ^(a)	€3.03 ^(b)

(a) In accordance with article 243 bis of the French Tax Code, it is specified that the full amount of the proposed dividend is eligible for the allowance provided for in article 158-3 2 ° of the French Tax Code, which benefits natural persons who are tax residents of France, on condition that they have elected the global option for taxation according to the progressive income tax scale provided for in paragraph 2 of Article 200A of the same Code.

(b) Applies to natural persons who have not elected the global option.

The ex-date for this dividend on Euronext Paris will be May 9, 2019 and the payment date will be May 13, 2019. If on the payment date the number of shares carrying dividend rights in respect of the year ended December 31,

who are resident in France for tax purposes and who have expressly and irrevocably elected under paragraph 2 of Article 200 A of the French General Tax Code for their personal income to be subject to taxation on a sliding scale basis, will be eligible for the 40% tax relief mentioned in Article 158.3.2 of said Code⁽¹⁾.

2018 were to be lower than the maximum number of shares potentially entitled to dividend indicated above, the profits corresponding to the dividend not distributed in respect of those shares would be appropriated to retained earnings.

Fourth resolution

Reappointment of Serge Weinberg as a Director

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the Board of Directors' report, notes that the term of office of Serge Weinberg as a Director expires this day and resolves to reappoint him as a Director for a four-year term

of office as stipulated in the Articles of Association, to expire at the close of the Ordinary General Meeting called to approve the financial statements for the year ending December 31, 2022.

Fifth resolution

Reappointment of Suet-Fern Lee as a Director

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the Board of Directors' report, notes that the term of office of Suet-Fern Lee as a Director expires this day and resolves to reappoint her as a Director for a four-year term

of office as stipulated in the Articles of Association, to expire at the close of the Ordinary General Meeting called in 2023 to approve the financial statements for the year ending December 31, 2022.

(1) Since January 1 2018, dividends received by natural persons resident in France for tax purposes (provided that those dividends are paid by a French company, by a foreign company with its registered office in the European Union or by a company domiciled in a state that has concluded an agreement with France containing an administrative assistance clause to fight fraud or tax evasion) are subject to a single flat-rate tax (Prélèvement forfaitaire unique – PFU) at a rate of 30%, comprising:

- 12.8% in respect of income tax ;
- 17.2 % for social contributions.

However, taxpayers can also opt for their capital income to be taxed at the progressive income tax rate. In such case, the dividends received benefit from an uncapped annual deduction of 40% of the gross annual dividend.

Social contributions of 17.2% (Contribution sociale généralisée – CSG, Contribution à la réduction de la dette sociale – CRDS, social levy, etc.) applicable to dividends when the dividend is paid as part of the PFU are computed on the gross amount of income received, before any deduction. Under the provisions of the PFU regime, the CSG is not deductible from the total taxable income. However, should taxpayers opt for the progressive tax-rate taxation, the CSG would be deductible up to 6.8% of the total taxable income in the year of its payment.

Sixth resolution

Ratification of the co-opting of Christophe Babule as a Director

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the Board of Directors' report, ratifies the co-opting, in accordance with Article L. 225-24 of the French Commercial Code, of Christophe Babule as a Director,

effective from February 6, 2019, for the remainder of his predecessor's term of office, expiring at the close of the Ordinary General Meeting called in 2022 to approve the financial statements for the year ending December 31, 2021.

Seventh resolution

Compensation policy for the Chairman of the Board of Directors

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the Corporate Governance Report of the Board of Directors as mentioned in Article L. 225-37-2 of the French Commercial Code, approves the principles and criteria used in determining, allocating and awarding the fixed,

variable and exceptional components of the total compensation and benefits of whatever kind awarded to the Chairman of the Board of Directors as described in the aforementioned report (chapter 1, section 1.2 "Gouvernement d'entreprise", paragraph 5 "Rémunérations" of the 2018 Registration Document⁽¹⁾).

Eighth resolution

Compensation policy for the Chief Executive Officer

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the Corporate Governance Report of the Board of Directors as mentioned in Article L. 225-37-2 of the French Commercial Code, approves the principles and criteria used in determining, allocating and awarding the fixed,

variable and exceptional components of the total compensation and benefits of whatever kind awarded to the Chief Executive Officer as described in the aforementioned report (chapter 1, section 1.2 "Gouvernement d'entreprise", paragraph 5 "Rémunérations" of the 2018 Registration Document⁽²⁾).

Ninth resolution

Approval of the payment, in respect of the year ended December 31, 2018, and of the award, of the fixed, variable and exceptional components of the total compensation and benefits of whatever kind to Serge Weinberg, Chairman of the Board of Directors

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, in accordance with Article L. 225-100 of the French Commercial Code, approves the fixed, variable and exceptional components of the total compensation and benefits of whatever kind paid in respect of the previous financial year or awarded to

Serge Weinberg in his capacity as Chairman of the Board of Directors, as presented in the report on the corporate governance of the Company referred to in Article L. 225-37 of the aforementioned code (chapter 1, section 1.2 "Gouvernement d'entreprise", paragraph 5 "Rémunérations" of the 2018 Registration Document⁽³⁾).

(1) Available in French only. The English-language equivalent of this report is contained in "Item 6.B – Compensation" of Sanofi's 2018 Annual Report on Form 20-F.

(2) Available in French only. The English-language equivalent of this report is contained in "Item 6.B – Compensation" of Sanofi's 2018 Annual Report on Form 20-F.

(3) Available in French only. The English-language equivalent of this report is contained in "Item 6.B – Compensation" of Sanofi's 2018 Annual Report on Form 20-F.

Tenth resolution

Approval of the payment, in respect of the year ended December 31, 2018, and of the award, of the fixed, variable and exceptional components comprising the total compensation and benefits of whatever kind to Olivier Brandicourt, Chief Executive Officer

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, in accordance with Article L. 225-100 of the French Commercial Code, approves the fixed, variable and exceptional components comprising the total compensation and benefits of whatever kind paid in respect of the previous financial year or

awarded to Olivier Brandicourt in his capacity as Chief Executive Officer, as presented in the report on the corporate governance of the Company referred to in Article L.225-37 of the aforementioned code (chapter 1, section 1.2 “*Gouvernement d’entreprise*”, paragraph 5 “*Rémunérations*” of the 2018 Registration Document¹).

Eleventh resolution

Authorization granted to the Board of Directors to carry out transactions in the Company’s shares (usable outside the period of a public tender offer)

The General Meeting, voting on the quorum and majority conditions for Ordinary Meetings, having reviewed the Board of Directors’ Report and the information contained in the description of the program prepared in accordance with Articles 241-1 *et seq* of the General Regulation of the *Autorité des Marchés Financiers*, authorizes the Board of Directors, with powers to subdelegate within the law, in accordance with (i) Articles L. 225-209 *et seq* of the French Commercial Code, (ii) European Regulation (EU) no 596/2014 of April 16, 2014 on market abuse and (iii) the General Regulation of the *Autorité des Marchés Financiers*, to purchase, arrange for the purchase of, or sell shares in the Company, with a view to:

- the implementation of any Company stock option plan under the terms of Articles L. 225-177 *et seq* of the French Commercial Code or any similar plan; or
- the allotment or sale of shares to employees under the French statutory profit-sharing scheme or the implementation of any entity or group (or similar) savings plan on the conditions stipulated by law, in particular Articles L. 3332-1 *et seq* of the French Labor Code, including via a consideration-free allotment of such shares by way of top-up employer’s contribution and/or in substitution for discount, in accordance with the relevant laws and regulations; or
- the consideration-free allotment of shares under the terms of Articles L. 225-197-1 *et seq* of the French Commercial Code; or
- generally, the honoring of obligations relating to stock option programs or other share allotments to employees or corporate officers of the Company or of an associated entity; or
- the delivery of shares on the exercise of rights attached to securities giving access to the share capital by redemption, conversion, exchange, presentation of a warrant or any other means; or

- the cancellation of some or all of the shares purchased; or
- the delivery of shares (in exchange, as payment, or otherwise) in connection with acquisitions, mergers, demergers or asset-for-share exchanges; or
- market-making in the secondary market or maintenance of the liquidity of Sanofi shares by an investment services provider under a liquidity contract that complies with the ethical code recognized by the *Autorité des Marchés Financiers*.

This program is also intended to allow the Company to trade in its own shares on or off market in connection with any other objective authorized by applicable regulations or any other market practice that is accepted or may be authorized at the date of the transaction in question. In such cases, the Company will inform its shareholders by means of a press release.

Purchases of the Company’s own shares may be made such that:

- the number of shares acquired by the Company during the repurchase program may not exceed 10% of the shares which constitute the then share capital of the Company, such percentage being applied to a share capital figure adjusted to reflect transactions affecting the share capital subsequent to the present General Meeting (as an indication, 124,739,547 shares as at December 31, 2018), it being stipulated that (i) the number of shares acquired with a view to their retention or future delivery in connection with a merger, demerger or asset-for-share exchange may not exceed 5% of the Company’s share capital; and (ii) where the shares are repurchased to improve the liquidity of Sanofi shares on the conditions specified by the *Autorité des Marchés Financiers*, the number of shares taken into account in calculating the 10% limit mentioned above will be the number of shares purchased minus the number of shares resold during the period of the authorization;

- the number of own shares held by the Company at any time may not exceed 10% of the shares which constitute the share capital of the Company on the date in question.

Acquisitions, sales, exchanges and transfers of shares may be made at any time, other than during the period of a public tender offer for the Company's shares, subject to the limits authorized by the laws and regulations in force, on one or more occasions and by any means, on regulated markets or via a multilateral trading facility or a systematic internalizer or over the counter, including by block purchases or sales (with no limit on the portion of the share repurchase program that can be carried out by this means), by public cash offer or public exchange offer or by the use of options or other derivative forward financial instruments or by the implementation of option-based strategies or by delivery of shares arising from the issuance of securities giving access to the Company's share capital by conversion, exchange, redemption, presentation of a warrant or any other means, either directly or through a third party acting on the Company's behalf under the conditions of Article L. 225-206 of the French Commercial Code.

The maximum purchase price of shares under the present resolution will be 120 euros per share, excluding acquisition-related costs (or the equivalent value of this amount as at the same date in any other currency or currency unit established by reference to more than one currency).

The General Meeting delegates to the Board of Directors powers to adjust the aforementioned maximum purchase price in the event of a change in the par value of the share, increase in share capital by incorporation of reserves, consideration-free allotment of shares, stock split or reverse

stock split, distribution of reserves or of any other assets, redemption of share capital, or any other transaction affecting shareholders' equity, so as to take account of the impact of such transactions on the value of the shares.

The total amount allocated to the share repurchase program authorized above may not exceed 14,968,745,640 euros, excluding acquisition-related costs (or the equivalent value of this amount as at the same date in any other currency or currency unit established by reference to more than one currency).

Shares repurchased and retained by the Company will be stripped of voting rights and will not be entitled to receive dividend.

The General Meeting confers full powers on the Board of Directors, with powers to subdelegate within the law, to decide on and implement the present authorization and if necessary to specify the conditions and determine the terms thereof, to implement the share repurchase program, and in particular to place stock market orders, enter into agreements, allocate or reallocate acquired shares to desired objectives subject to the applicable legal and regulatory conditions, set any terms and conditions that may be necessary to preserve the rights of holders of securities or options in accordance with legal, regulatory or contractual stipulations, make declarations to the *Autorité des Marchés Financiers* or any other competent authority, accomplish all other formalities and generally do all that is necessary.

This authorization deprives of effect from this day any unused portion of any previous authorization to the Board of Directors for the same purpose, i.e. any authorization to carry out transactions in the Company's shares. It is granted for a period of eighteen (18) months from this day.

EXTRAORDINARY BUSINESS

Twelfth resolution

Authorization to the Board of Directors to reduce the share capital by cancellation of treasury shares (usable outside the period of a public tender offer)

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' Report and the Statutory Auditors' Special Report, authorizes the Board of Directors to reduce the share capital, on one or more occasions, other than during the period of a public tender offer for the Company's shares, in the proportions and at the times it sees fit, by cancellation of whatever number of treasury shares it sees fit up to the limits authorized by law, in accordance with Articles L. 225-209 *et seq* and L. 225-213 of the French Commercial Code.

The maximum number of shares that may be cancelled by the Company by virtue of the present authorization is ten per cent (10%) of the shares comprising the then share capital of the Company (i.e. as an indication, as at December 31, 2018, 124,739,547 shares), at any time and during any period of twenty-four months, it being understood that such limit applies to an amount for the Company's share capital that will be adjusted to reflect any transactions affecting the share capital subsequent to the present General Meeting.

The difference between the carrying amount of the cancelled shares and their par value amount may be allocated to any available reserve or premium account.

The General Meeting confers full powers on the Board of Directors, with authority to delegate, to carry out such cancellation(s) and reduction(s) of share capital as may be carried out under the present authorization, amend the

Articles of Association accordingly and accomplish all formalities.

This authorization deprives of effect from this day any unused portion of any previous authorization granted for the same purpose as that covered by the present resolution. It is granted for a period of twenty-six (26) months from this day.

Thirteenth resolution

Delegation to the Board of Directors of authority to decide to issue, with preemptive rights maintained, shares and/or securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company (usable outside the period of a public tender offer)

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' Report and the Statutory Auditors' Special Report, and in accordance with Articles L. 225-129, L. 225-129-2 *et seq* and L. 228-91 *et seq* of the French Commercial Code:

1. delegates to the Board of Directors, with powers to subdelegate within the law, its authority to decide to issue, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, with preemptive rights maintained, in euros or in any other currency or currency unit established by reference to more than one currency, whether for valuable consideration or free of consideration, (i) ordinary shares of the Company and/or (ii) securities which are (a) equity instruments of the Company giving access to other equity instruments of the Company and/or giving entitlement to the allotment of debt instruments of the Company, (b) debt instruments giving access to future equity instruments of the Company, such instruments also potentially giving access to existing equity instruments and/or giving entitlement to the allotment of debt instruments of the Company, (c) equity instruments of the Company giving access to existing or future equity instruments issued by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies, and/or (d) equity instruments of the Company giving access to existing equity instruments of companies of which the Company does not directly or indirectly own more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies;
2. resolves that subscription for the shares and other securities mentioned in paragraph 1 of the present resolution may be in cash, or by offset of debt, or in part by incorporation of reserves, profits or share premium;
3. resolves to set the following limits to share capital increases authorized to be carried out in the event of

use by the Board of Directors of the present delegation of authority:

- the total aggregate par value of immediate and/or deferred share capital increases that may be carried out under the present delegation is set at nine hundred and ninety-seven million (997,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that the total aggregate par value of increases in the Company's share capital made under the present delegation and under those granted by the fourteenth, fifteenth, seventeenth and eighteenth resolutions of the present meeting is set at nine hundred and ninety-seven million (997,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency;
 - added to those ceilings will be the aggregate par value of any additional shares that may be issued in the event of new share capital transactions in order to preserve the rights of holders of securities giving access to the share capital;
4. resolves to set the maximum par value amount of debt instruments of the Company that may be issued under the present delegation at seven billion (7,000,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that the maximum aggregate par value of debt instruments of the Company that may be issued under the present delegation and under those granted by the fourteenth to eighteenth resolutions of the present meeting is set at seven billion (7,000,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency;
 5. in the event the Board of Directors makes use of the present delegation:
 - resolves that the issue(s) will be reserved in priority for the shareholders, who may make irreducible subscriptions in proportion to the number of shares owned by them at the time;

- formally notes the fact that the Board of Directors has the option of instituting pro-rated subscription rights;
 - formally notes that any issuance decided upon under the present delegation of authority will entail waiver, in favor of the holders of the securities thereby issued that give access to equity instruments of the Company, by the Company's shareholders of their preemptive rights in respect of the new shares to which such securities will give immediate and/or deferred entitlement;
 - formally notes that, in accordance with Article L. 228-93 of the French Commercial Code, a decision under the present delegation to carry out an issue of the securities mentioned in item 1 (ii) (c) above will, if such securities give access to future equity instruments to be issued by a company of which the Company directly or indirectly holds more than half of the share capital at the time of issue, require the approval of an Extraordinary General Meeting of that company;
 - resolves, in the event of an issue of ordinary shares and/or securities, in accordance with Article L. 225-134 of the French Commercial Code, that if irreducible subscriptions and any pro-rated subscriptions do not absorb the entire issue, the Board of Directors may use in the order it sees fit, any or all of the options listed below:
 - limit the amount of the issue to the amount of subscriptions, provided that the amount of the share capital increase reaches at least three-quarters of the amount of the share capital increase initially decided upon;
 - allocate at its discretion some of all of the unsubscribed shares or securities;
 - offer to the public, on the French market or on a foreign market, some or all of the unsubscribed shares or securities;
 - resolves that issues of warrants giving entitlement to subscribe for the Company's shares may be carried out not only by subscription but also by consideration-free allotment of warrants to holders of existing shares, it being stipulated that fractional allotment rights will be neither negotiable nor transferable and that the corresponding securities will be sold.
6. The Board of Directors, with powers to subdelegate within the law, may implement the present delegation of authority, and in particular may:
- decide to carry out the issue and determine the securities to be issued;
 - in the event of an immediate and/or deferred issue of ordinary shares, determine the amount of the issue, the price of the issue, and the amount of any premium that may be required on issuance;
 - determine the dates and terms of the issue and the nature, number and characteristics of the securities to be issued, and in the case of issues of debt securities determine also whether or not they will be subordinated (and where relevant their subordination ranking); amend, during the life of the securities in question, the above terms, in compliance with the applicable formalities;
 - determine the method of payment for shares or securities giving access to the share capital to be issued in immediate and/or deferred issues;
 - set the terms for the exercise of rights (in particular rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets such as treasury shares) attached to the securities, and in particular set the date, which may be retroactive, from which the new shares to be issued will rank for dividend, and all other terms and conditions for the completion of the issue;
 - set the terms on which the Company will have the option of purchasing or exchanging on the stock market, at any time or during specified periods, securities issued or to be issued in an immediate and/or deferred issue, whether or not such purchase or exchange be made with a view to cancellation thereof in accordance with the law;
 - allow for the option of suspending the exercise of the rights attached to the securities thereby issued, in compliance with the laws and regulations;
 - at its sole discretion, charge the cost of share capital increases against the premium arising thereon, and deduct from such premium the sums necessary to increase the legal reserve;
 - determine and make all adjustments to take account of the impact of transactions, in particular those involving the shareholders' equity of the Company, and set all other terms enabling, in compliance with legal and regulatory requirements and with any contractual stipulations, the rights of holders of securities giving access to the share capital to be preserved (including by means of cash adjustments);
 - duly record completion of each share capital increase and make the corresponding amendments to the Articles of Association;
 - generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities for the issuance, listing and financial administration of securities issued by virtue of the present delegation and for the exercise of the rights attached thereto;
7. formally notes the fact that, in the event the Board of Directors uses the delegation of authority granted to it

by the present resolution, the Board of Directors will report to the next following Ordinary General Meeting, in accordance with the laws and regulations, on the use made of the authorizations conferred in the present resolution;

8. formally notes that the present delegation deprives of effect from this day any unused portion of any prior delegation having the same purpose as that covered by the present resolution;
9. sets the period of validity of the delegation of authority covered by the present resolution at twenty-six (26) months from the date of the present meeting, it being stipulated however that the Board of Directors will not be authorized to decide to carry out a share capital increase under the present delegation of authority during the period of a public tender offer for the Company's shares.

Fourteenth resolution

Delegation to the Board of Directors of authority to decide to issue, with preemptive rights cancelled, shares and/or securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company, via a public offering (usable outside the period of a public tender offer)

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' Report and the Statutory Auditors' Special Report, and in accordance with Articles L. 225-129, L. 225-129.2 *et seq.*, L. 225-135, L. 225-136, L. 225-148 and L. 228-91 *et seq.* of the French Commercial Code:

1. delegates to the Board of Directors, with powers to subdelegate within the law, its authority to decide to issue, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, with preemptive rights cancelled, via public offering(s), in euros or in any other currency or currency unit established by reference to more than one currency, whether for valuable consideration or free of consideration, (i) ordinary shares of the Company and/or (ii) securities governed by Articles L. 228-91 *et seq.* of the French Commercial Code which are (a) equity instruments of the Company giving access to other equity instruments of the Company and/or giving entitlement to the allotment of debt instruments of the Company, (b) debt instruments giving access to future equity instruments of the Company, such instruments also potentially giving access to existing equity instruments and/or giving entitlement to the allotment of debt instruments of the Company, (c) equity instruments of the Company giving access to existing or future equity instruments issued by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies, and/or (d) equity instruments of the Company giving access to existing equity instruments of companies of which the Company does not directly or indirectly own more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies;
2. resolves that subscription for the shares and other securities mentioned in paragraph 1 of the present resolution may be in cash, or by offset of debt, or in part by incorporation of reserves, profits or share premium. Such shares and/or securities may be issued as consideration for securities that may be contributed to the Company in connection with a public tender offer with an exchange component initiated by the Company in France or abroad under local rules relating to securities meeting the conditions laid down in Article L. 225-148 of the French Commercial Code;
3. delegates to the Board of Directors, with powers to subdelegate within the law, its authority to decide upon issues of ordinary shares or of the securities mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above to be carried out further to the issuance, by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue, of securities giving access to future ordinary shares of the Company or to future securities as mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above. Issuance by such companies of the aforementioned securities will entail unconditional waiver, in favor of the holders of those securities, by the Company's shareholders of their preemptive rights in respect of the ordinary shares or the securities mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above to which the securities thereby issued by those companies will give entitlement, and in respect of the future shares of the Company to which the securities mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above would give entitlement;
4. resolves to set the following limits to the amount of issues authorized to be carried out by the Company in the event of use by the Board of Directors of the present delegation of authority:
 - the maximum aggregate par value of immediate and/or deferred share capital increases that may be

carried out under the present delegation is set at two hundred and forty million (240,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that such amount will count towards the overall ceiling for share capital increases stipulated in paragraph 3 of the thirteenth resolution of the present meeting or, as the case may be, towards the overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of the present delegation;

- added to those ceilings will be the aggregate par value of any additional shares that may be issued in the event of new share capital transactions in order to preserve the rights of holders of securities giving access to the share capital;
5. resolves to set the maximum aggregate par value of debt instruments of the Company that may be issued under the present delegation at seven billion (7,000,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that such amount will count towards the overall ceiling for issues of debt instruments stipulated in paragraph 4 of the thirteenth resolution of the present meeting or, as the case may be, towards the overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of the present delegation;
 6. resolves to cancel shareholders' preemptive rights in respect of the securities covered by the present resolution, whilst however giving the Board of Directors discretion pursuant to Article L. 225-135, paragraph 5 of the French Commercial Code to grant to the shareholders, for a period and on terms to be set by the Board of Directors in compliance with the applicable laws and regulations, and for all or part of any issue that may be carried out, a priority subscription period that does not give rise to negotiable rights and which must be exercised in proportion to the quantity of shares owned by each shareholder and which may be supplemented by an application to subscribe for shares on a pro-rated basis;
 7. resolves that if subscriptions by shareholders and the public do not absorb the entire issue, the Board of Directors may limit the issue to the amount of subscriptions provided that such amount reaches at least three-quarters of the issue decided upon and/or may allocate at its discretion some of all of the unsubscribed shares or securities;
 8. formally notes that any issuance decided upon under the present delegation of authority will entail waiver, in favor of the holders of securities thereby issued that give access to the Company's share capital, by the Company's shareholders of their preemptive rights in respect of the shares to which such securities will give immediate and/or deferred entitlement;
 9. formally notes that, in accordance with Article L. 228-93 of the French Commercial Code, a decision under the present delegation to carry out an issue of the securities mentioned in item 1 (ii) (c) above will, if such securities give access to future equity instruments to be issued by a company of which the Company directly or indirectly holds more than half of the share capital at the time of issue, require the approval of an Extraordinary General Meeting of that company;
 10. formally notes the fact that in accordance with Article L. 225-136.1 paragraph 1 of the French Commercial Code:
 - the issue price of shares issued directly will be at least equal to the minimum stipulated by the applicable regulations on the date of the issue (as of now, the weighted average of the quoted market prices during the last three trading sessions on the regulated market of Euronext Paris preceding the setting of the subscription price for the share capital increase minus 5%, after making any adjustment to that average in the event of a difference in the dates of ranking for dividend);
 - the issue price of the securities giving access to the share capital and the number of shares to which conversion, redemption or more generally transformation of each security giving access to the share capital would give entitlement will be such that the amount received immediately by the Company plus any amount to be received subsequently by the Company will, for each share issued as a consequence of the issuance of such securities, be at least equal to the minimum subscription price defined in the previous paragraph;
 11. the Board of Directors, with powers to subdelegate within the law, may implement the present delegation of authority, and in particular may:
 - decide to carry out the issue and determine the securities to be issued;
 - in the event of an immediate and/or deferred issue of ordinary shares, determine the amount of the issue, the price of the issue, and the amount of any premium that may be required on issuance;
 - determine the dates and terms of the issue and the nature, number and characteristics of the securities to be issued, and in the case of issues of debt securities determine also whether or not they will be subordinated (and where relevant their subordination ranking); amend, during the life of the securities in question, the above terms, in compliance with the applicable formalities;
 - determine the method of payment for shares or securities giving access to the share capital to be issued in immediate and/or deferred issues;

- set the terms for the exercise of rights (in particular rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets such as treasury shares) attached to the securities giving access to the share capital that may be issued, and in particular set the date, which may be retroactive, from which the new shares will rank for dividend, and all other terms and conditions for the completion of the issue;
 - set the terms on which the Company will have the option of purchasing or exchanging on the stock market, at any time or during specified periods, securities issued or to be issued in an immediate and/or deferred issue, whether or not such purchase or exchange be made with a view to cancellation thereof in accordance with the law;
 - allow for the option of suspending the exercise of the rights attached to the securities thereby issued, in compliance with the laws and regulations;
 - in the event of an issue of securities intended as consideration for securities contributed to the Company in connection with a public tender offer with an exchange component (public exchange offer), establish a list of securities contributed to the exchange, set the conditions of the issue, the exchange ratio and the amount of any cash portion to be paid (without applying the method for determining the price in paragraph 10 of the present resolution), and determine the terms of the issue in connection with a public exchange offer, or an alternative cash or exchange offer, or a single offer to purchase or exchange the securities in question in return for payment in securities and cash, or a principal public cash offer or public exchange offer accompanied by a subsidiary public exchange offer or public cash offer, or any other form of public tender offer in compliance with the laws and regulations applicable to said public tender offer;
 - at its sole discretion, charge the cost of share capital increases against the premium arising thereon, and deduct from such premium the sums necessary to increase the legal reserve;
 - determine and make all adjustments to take account of the impact of transactions, in particular those involving the shareholders' equity of the Company, and set all other terms enabling, in compliance with legal and regulatory requirements and with any contractual stipulations, the rights of holders of securities giving access to the share capital to be preserved (including by means of cash adjustments);
 - duly record completion of each share capital increase and make the corresponding amendments to the Articles of Association;
 - generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities for the issuance, listing and financial administration of securities issued by virtue of the present delegation and for the exercise of the rights attached thereto;
12. formally notes the fact that, in the event the Board of Directors uses the delegation of authority granted to it by the present resolution, the Board of Directors will report to the next following Ordinary General Meeting, in accordance with the laws and regulations, on the use made of the authorizations conferred in the present resolution;
 13. formally notes that the present delegation deprives of effect from this day any unused portion of any prior delegation having the same purpose as that covered by the present resolution;
 14. sets the period of validity of the delegation of authority covered by the present resolution at twenty-six (26) months from the date of the present meeting, it being stipulated however that the Board of Directors will not be authorized to decide to carry out a share capital increase under the present delegation of authority during the period of a public tender offer for the Company's shares.

Fifteenth resolution

Delegation to the Board of Directors of authority to decide to issue, with preemptive rights cancelled, shares and/or securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company, via a private placement (usable outside the period of a public tender offer)

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' Report and the Statutory Auditors' Special Report, and in accordance with Articles L. 225-129 *et seq* of the French Commercial Code, and in particular Articles L. 225-129-2, L. 225-135 and L. 225-136 of said Code, and with Articles L. 228-91 *et seq* of said Code:

1. delegates to the Board of Directors, with powers to subdelegate within the law, its authority to decide to issue, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, with preemptive rights cancelled, via private placement(s) in accordance with Article L. 411-2 II of the French Monetary and Financial Code, in euros or in any other currency or currency unit established by reference to more than one currency, whether for valuable consideration or free of consideration, (i) ordinary shares of the Company and/or (ii) securities which are (a) equity instruments of the Company giving access to other equity instruments of the Company and/or giving entitlement to the allotment of debt instruments of the Company, (b) debt instruments giving access to future equity instruments of the Company, such instruments also potentially giving access to existing equity instruments and/or giving entitlement to the allotment of debt instruments of the Company, (c) equity instruments of the Company giving access to existing or future equity instruments issued by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies, and/or (d) equity instruments of the Company giving access to existing equity instruments of companies of which the Company does not directly or indirectly own more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies;
2. resolves that subscription for the shares and other securities mentioned in paragraph 1 of the present resolution may be in cash, or by offset of debt, or in part by incorporation of reserves, profits or share premium;
3. delegates to the Board of Directors, with powers to subdelegate within the law, its authority to decide upon issues of ordinary shares or of the securities mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above to be carried out further to the issuance, by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue, of securities giving access to future ordinary shares of the Company or to the securities to be issued mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above. Issuance by such companies of the aforementioned securities will entail unconditional waiver, in favor of the holders of those securities, by the Company's shareholders of their preemptive rights in respect of the ordinary shares or the securities mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above to which the securities thereby issued by those companies will give entitlement, and in respect of the future shares of the Company to which the securities mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above would give entitlement;
4. resolves to set the following limits to the amount of issues authorized to be carried out by the Company in the event of use by the Board of Directors of the present delegation of authority:
 - the maximum aggregate par value of immediate and/or deferred share capital increases that may be carried out under the present delegation is set at two hundred and forty million (240,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that such amount will count towards the overall ceiling for share capital increases stipulated in paragraph 3 of the thirteenth resolution of the present meeting and towards the ceiling stipulated in paragraph 4 of the fourteenth resolution or, as the case may be, towards the ceilings stipulated by resolutions of the same kind that may supersede said resolutions during the period of validity of the present delegation;
 - added to those ceilings will be the aggregate par value of any additional shares that may be issued in the event of new share capital transactions in order to preserve the rights of holders of securities giving access to the share capital;
5. resolves to set the maximum aggregate par value of debt instruments of the Company that may be issued under the present delegation at seven billion (7,000,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that such amount will count towards the overall ceiling for issues of debt instruments stipulated in paragraph 4 of the thirteenth resolution of the present meeting or, as the case may be, towards the overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of the present delegation;

6. resolves to cancel shareholders' preemptive rights in respect of the securities covered by the present resolution;
7. resolves that if subscriptions do not absorb the entire issue, the Board of Directors may limit the issue to the amount of subscriptions provided that such amount reaches at least three-quarters of the issue decided upon and/or may allocate at its discretion some of all of the unsubscribed shares or securities;
8. formally notes that any issuance decided upon under the present delegation of authority will entail waiver, in favor of the holders of securities thereby issued that give access to the Company's share capital, by the Company's shareholders of their preemptive rights in respect of the shares to which such securities will give immediate and/or deferred entitlement;
9. formally notes that, in accordance with Article L. 228-93 of the French Commercial Code, a decision under the present delegation to carry out an issue of the securities mentioned in item 1 (ii) (c) above will, if such securities give access to future equity instruments to be issued by a company of which the Company directly or indirectly holds more than half of the share capital at the time of issue, require the approval of an Extraordinary General Meeting of that company;
10. formally notes the fact that in accordance with Article L. 225-136.1 paragraph 1 of the French Commercial Code:
 - the issue price of shares issued directly will be at least equal to the minimum stipulated by the applicable regulations on the date of the issue (as of now, the weighted average of the quoted market prices during the last three trading sessions on the regulated market of Euronext Paris preceding the setting of the subscription price for the share capital increase minus 5%, after making any adjustment to that average in the event of a difference in the dates of ranking for dividend);
 - the issue price of the securities giving access to the share capital and the number of shares to which conversion, redemption or more generally transformation of each security giving access to the share capital would give entitlement will be such that the amount received immediately by the Company plus any amount to be received subsequently by the Company will, for each share issued as a consequence of the issuance of such securities, be at least equal to the minimum subscription price defined in the previous paragraph;
11. the Board of Directors, with powers to subdelegate within the law, may implement the present delegation of authority, and in particular may:
 - decide to carry out the issue and determine the securities to be issued;
 - in the event of an immediate and/or deferred issue of ordinary shares, determine the amount of the issue, the price of the issue, and the amount of any premium that may be required on issuance;
 - determine the dates and terms of the issue and the nature, number and characteristics of the securities to be issued, and in the case of issues of debt securities determine also whether or not they will be subordinated (and where relevant their subordination ranking); amend, during the life of the securities in question, the above terms, in compliance with the applicable formalities;
 - determine the method of payment for shares or securities giving access to the share capital to be issued in immediate and/or deferred issues;
 - set the terms for the exercise of rights (in particular rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets such as treasury shares) attached to the securities giving access to the share capital that may be issued, and in particular set the date, which may be retroactive, from which the new shares will rank for dividend, and all other terms and conditions for the completion of the issue;
 - set the terms on which the Company will have the option of purchasing or exchanging on the stock market, at any time or during specified periods, securities issued or to be issued in an immediate and/or deferred issue, whether or not such purchase or exchange be made with a view to cancellation thereof in accordance with the law;
 - allow for the option of suspending the exercise of the rights attached to the securities thereby issued, in compliance with the laws and regulations;
 - at its sole discretion, charge the cost of share capital increases against the premium arising thereon, and deduct from such premium the sums necessary to increase the legal reserve;
 - determine and make all adjustments to take account of the impact of transactions, in particular those involving the shareholders' equity of the Company, and set all other terms enabling, in compliance with legal and regulatory requirements and with any contractual stipulations, the rights of holders of securities giving access to the share capital to be preserved (including by means of cash adjustments);
 - duly record completion of each share capital increase and make the corresponding amendments to the Articles of Association;
 - generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities for the issuance, listing and financial administration of

securities issued by virtue of the present delegation and for the exercise of the rights attached thereto;

12. formally notes the fact that, in the event the Board of Directors uses the delegation of authority granted to it by the present resolution, the Board of Directors will report to the next following Ordinary General Meeting, in accordance with the laws and regulations, on the use made of the authorizations conferred in the present resolution;
13. formally notes that the present delegation deprives of effect from this day any unused portion of any prior

delegation having the same purpose as that covered by the present resolution;

14. sets the period of validity of the delegation of authority covered by the present resolution at twenty-six (26) months from the date of the present meeting, it being stipulated however that the Board of Directors will not be authorized to decide to carry out a share capital increase under the present delegation of authority during the period of a public tender offer for the Company's shares.

Sixteenth resolution

Delegation to the Board of Directors of authority to decide to issue debt instruments giving access to the share capital of subsidiaries and/or of any other company (usable outside the period of a public tender offer)

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' Report, and in accordance with Articles L. 225-129 *et seq* of the French Commercial Code, and in particular Article L. 225-129-2 of said Code, and with Articles L. 228-91 *et seq* of said Code (and in particular Article L. 228-93 of said Code):

1. delegates to the Board of Directors, with powers to subdelegate within the law, its authority to decide to issue, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, in euros or in any other currency or currency unit established by reference to more than one currency, debt instruments giving access or potentially giving access to future equity instruments to be issued by companies of which the Company directly or indirectly owns more than half of the share capital at the date of issue, said securities also potentially giving access to existing equity instruments and/or entitlement to the allotment of debt instruments of the Company and/or of companies of which the Company directly or indirectly owns more than half of the share capital at the date of issue, and/or of any other company of which the Company does not directly or indirectly own more than half of the share capital at the date of issue, either via a public offering, or via a private placement in accordance with Article L. 411-2 II of the French Monetary and Financial Code;
2. resolves that subscription for the securities mentioned in paragraph 1 of the present resolution may be in cash, or by offset of debt;
3. resolves that the maximum aggregate par value of debt instruments of the Company that may be issued under the present delegation is set at seven billion (7,000,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that such amount will count towards the overall ceiling for issues of debt instruments stipulated in paragraph 4 of the thirteenth resolution of the present meeting or, as the case may be, towards the overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of the present delegation;
4. formally notes that, subject to the necessary consents being obtained from within the company concerned, a decision under the present delegation to carry out an issue of securities giving access to future equity instruments to be issued by any company of which the Company directly or indirectly holds more than half of the share capital at the time of issue, will require the approval of an Extraordinary General Meeting of that company;
5. the Board of Directors, with powers to subdelegate within the law, may implement the present delegation of authority, and in particular may:
 - determine the dates and terms of the issue and the nature, number and characteristics of the securities to be issued, and also determine whether any debt securities issued are subordinated or not (and as the case may be, their subordination ranking); amend, during the life of the securities in question, the above terms, in compliance with the applicable formalities;
 - determine the method of payment for the securities giving access to the share capital;
 - set any terms for the exercise of rights attached to the securities giving access to the share capital to be issued;
 - set the terms on which the Company will have the option of purchasing or exchanging on the stock market, at any time or during specified periods, securities issued or to be issued in an immediate and/or deferred issue, whether or not such purchase

- or exchange be made with a view to cancellation thereof in accordance with the law;
 - allow for the option of suspending the exercise of the rights attached to the securities thereby issued, in compliance with the laws and regulations;
 - generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities for the issuance, listing and financial administration of securities issued by virtue of the present delegation and for the exercise of the rights attached thereto;
6. formally notes that the present delegation deprives of effect from this day any unused portion of any prior delegation having the same purpose as that covered by the present resolution;
 7. sets the period of validity of the delegation of authority covered by the present resolution at twenty-six (26) months from the date of the present meeting, it being stipulated however that the Board of Directors will not be authorized to decide to carry out an issue of debt instruments under the present delegation of authority during the period of a public tender offer for the Company's shares.

Seventeenth resolution

Delegation to the Board of Directors of authority to increase the number of shares to be issued in the event of an issue of ordinary shares and/or of securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company, with or without preemptive rights (usable outside the period of a public tender offer)

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' Report and the Statutory Auditors' Special Report, and in accordance with Articles L. 225-135-1 and L. 225-129-2 of the French Commercial Code:

1. delegates to the Board of Directors, with powers to subdelegate within the law, its authority to decide to increase the number of shares to be issued in the event of an issue with or without preemptive rights under the thirteenth, fourteenth and fifteenth resolutions, at the same price as that used for the initial issue, within the limits as to time and quantity specified in the applicable regulations as of the date of the issue (as of this day, in accordance with Article R. 225-118 of the French Commercial Code, within the thirty days following the closure of subscriptions, up to a maximum of 15% of the initial issue and at the same price as that used for the initial issue), in particular with a view to granting an oversubscription option in accordance with market practices;
2. resolves that the aggregate par value of increases in the Company's share capital decided upon under the present resolution will count towards the ceiling set forth in the resolution under which the initial issue is decided and towards the overall ceiling stipulated in paragraph 3 of the thirteenth resolution of the present meeting, and in the event of an increase in the Company's share capital without preemptive rights, towards the ceiling stipulated in paragraph 4 of the fourteenth resolution or, as the case may be, towards the ceilings stipulated by resolutions of the same kind that may supersede said resolutions during the period of validity of the present delegation;
3. resolves that the maximum aggregate par value of debt instruments of the Company that may be issued under the present delegation is set at seven billion (7,000,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that such amount will count towards the overall ceiling for issues of debt instruments stipulated in paragraph 4 of the thirteenth resolution of the present meeting or, as the case may be, towards the overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of the present delegation;
4. formally notes the fact that, in the event the Board of Directors uses the delegation of authority granted to it by the present resolution, the Board of Directors will report to the next following Ordinary General Meeting, in accordance with the laws and regulations, on the use made of the authorizations conferred in the present resolution;
5. formally notes that the present delegation deprives of effect from this day any unused portion of any prior delegation having the same purpose as that covered by the present resolution;
6. the present delegation of authority is granted for a period of twenty-six (26) months from the date of the present meeting, it being stipulated however that the Board of Directors will not be authorized to decide to carry out a share capital increase under the present delegation of authority during the period of any public tender offer for the Company's shares.

Eighteenth resolution

Delegation to the Board of Directors of authority with a view to the issuance, with preemptive rights cancelled, of shares and/or securities giving access to the share capital of the Company, of any of its subsidiaries and/or of any other company, as consideration for assets transferred to the Company as a capital contribution in kind (usable outside the period of a public tender offer)

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' Report and the Statutory Auditors' Special Report, and in accordance with Articles L. 225-129 *et seq* of the French Commercial Code, and in particular Article L. 225-147 of said Code:

1. delegates to the Board of Directors, with powers to subdelegate within the law, its authority to carry out, on one or more occasions, in the proportions and at the times it sees fit, in France and/or abroad, as consideration for assets transferred to the Company as a capital contribution in kind in the form of equity instruments or securities giving access to the share capital of another company, in cases where Article L. 225-148 of the French Commercial Code does not apply, issues of (i) ordinary shares of the Company and/or (ii) securities which are (a) equity instruments of the Company giving access to other equity instruments of the Company and/or giving entitlement to the allotment of debt instruments of the Company, (b) debt instruments giving access to future equity instruments of the Company, such instruments also potentially giving access to existing equity instruments and/or giving entitlement to the allotment of debt instruments of the Company, (c) equity instruments of the Company giving access to existing or future equity instruments issued by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies, and/or (d) equity instruments of the Company giving access to existing equity instruments of companies of which the Company does not directly or indirectly own more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies;
2. resolves that the aggregate par value of immediate and/or deferred share capital increases carried out under the present resolution may not exceed 10% of the share capital, such percentage being applied to a share capital figure adjusted to reflect transactions affecting the share capital subsequent to the present General Meeting (as an indication, 124,739,547 shares as at December 31, 2018);
3. resolves to set the maximum aggregate par value of debt instruments of the Company that may be issued under the present delegation at seven billion (7,000,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that such amount will count towards the overall ceiling for issues of debt instruments stipulated in paragraph 4 of the thirteenth resolution of the present meeting or, as the case may be, towards the overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of the present delegation;
4. resolves that the maximum aggregate par value of the immediate and/or deferred share capital increases that may be carried out under the present resolution (i) will count towards the ceiling for the aggregate par value of share capital increases carried out with preemptive rights cancelled as authorized by the present meeting in paragraph 4 of the fourteenth resolution and towards the overall ceiling stipulated in paragraph 3 of the thirteenth resolution or, as the case may be, towards the ceilings stipulated by resolutions of the same kind that may supersede said resolutions during the period of validity of the present delegation and (ii) is understood not to include the aggregate par value of shares that may be issued to preserve the rights of holders of securities giving access to the share capital in accordance with the law and with any contractual terms stipulating other cases where adjustment is necessary;
5. resolves that the Board of Directors will have full powers, with powers to subdelegate within the law, to implement the present resolution, and in particular to:
 - decide on the issue to be made as consideration for the assets transferred to the Company and determine the nature and characteristics of the securities to be issued, and in the case of issues of debt securities determine also whether or not they will be subordinated (and where relevant their subordination ranking); amend, during the life of the securities in question, the above terms, in compliance with the applicable formalities;
 - establish a list of the securities transferred to the Company, approve the valuation of the capital contributions in kind, set the terms of the issue of securities made as consideration for said contributions, and the amount of any cash portion to be paid;
 - set the terms enabling, in compliance with legal and regulatory requirements and with any contractual stipulations, the rights of holders of securities giving access to the share capital to be preserved;

- at its sole discretion, charge the cost of share capital increases against the premium arising thereon, and deduct from such premium the sums necessary to increase the legal reserve;
 - duly record completion of each share capital increase and make the corresponding amendments to the Articles of Association;
 - generally, take all measures and accomplish all formalities for the issuance, listing and financial administration of securities issued by virtue of the present delegation and for the exercise of the rights attached thereto;
6. formally notes the fact that, in the event the Board of Directors uses the delegation of authority granted to it by the present resolution, the Board of Directors will report to the next following Ordinary General Meeting, in accordance with the laws and regulations, on the use made of the authorizations conferred in the present resolution;
 7. formally notes that the present delegation deprives of effect from this day any unused portion of any prior delegation having the same purpose as that covered by the present resolution;
 8. sets the period of validity of the delegation of authority covered by the present resolution at twenty-six (26) months from the date of the present meeting, it being stipulated however that the Board of Directors will not be authorized to decide to carry out a share capital increase under the present delegation of authority during the period of a public tender offer for the Company's shares.

Nineteenth resolution

Delegation to the Board of Directors of authority to grant, without preemptive right, options to subscribe for or purchase shares

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' Report and the Statutory Auditors' Special Report:

1. authorizes the Board of Directors, under articles L. 225-177 to L. 225-186-1 of the French Commercial Code, with powers to subdelegate within the law, to grant, on one or more occasions, in favor of persons to be chosen by the Board of Directors from among the employees and corporate officers of the Company or of companies or groupings related to the Company on the terms specified in article L. 225-180 of said Code, options giving entitlement to subscribe for new shares in the Company to be issued in the form of an increase in its capital, and options giving entitlement to purchase shares in the Company obtained by the Company repurchasing its own shares on the terms laid down by the law;
2. resolves that options to subscribe for or purchase shares granted by virtue of the present authorization may not give entitlement to a total number of shares exceeding 0.5% of the share capital as of the day of the Board of Directors' meeting that decides to grant the options;
3. resolves that the options to subscribe for or purchase shares granted to the Company's corporate officers pursuant to the present delegation may not represent more than 15% of the number of shares set forth in paragraph 2 of this resolution;
4. resolves that the price payable to subscribe for or purchase the optioned shares will be set by the Board of Directors on the terms and within the limits permitted by laws and regulations in force on the date of grant of the options, but will be no lower than (i) in the case of a grant of options to subscribe for shares, the average of the first quoted market prices of the Company's shares on the regulated market of Euronext Paris during the twenty trading sessions preceding the day on which the options to subscribe for shares are granted, and (ii) in the case of a grant of options to purchase shares, either (a) the price indicated in (i) above or (b) the average purchase price of shares held by the Company under articles L. 225-208 and L. 225-209 of the French Commercial Code. If the Company carries out any of the transactions mentioned in articles L. 225-181 or R. 225-138 of the French Commercial Code, the Company will, on the terms stipulated by the regulations then in force, take the necessary measures to protect the interests of the grantees, including, as the case may be, by adjusting the number or the price of shares that may be obtained by grantees on exercise of their options so as to take account of the impact of the transaction in question;
5. resolves that exercise of the options to subscribe for or purchase shares will be contingent upon the attainment of performance conditions which will be set by the Board of Directors and will be assessed over a period of at least three financial years;
6. formally notes that the present delegation entails the express waiver by the shareholders, in favor of the grantees of options to subscribe for shares, of their preemptive rights relating to the shares that are to be issued as and when said options are exercised. The increase in the share capital resulting from the exercise of the options to subscribe for shares will be definitively

completed by mere declaration that the option is exercised accompanied by the subscription form and full payment, which may be made in cash or by offset of debts of the Company;

7. consequently, confers full powers on the Board of Directors to implement the present authorization, and in particular to:

- determine the nature of the options granted (options to subscribe for or purchase shares);
- determine whether the options granted give entitlement to new shares or existing shares and, if need be, to change its choice before the definitive vesting of the shares;
- determine the identity of grantees or of a class or classes of grantees of options and the number of options granted to each;
- set the price, terms and conditions of the options, and in particular:
 - the term of validity of the options, it being understood that the options must be exercised within a maximum period of ten years starting from the date of grant by the Board of Directors;
 - the exercise date(s) or period(s) of the options, it being understood that the Board of Directors may (a) bring forward the exercise date(s) or period(s) of the options, (b) maintain the benefit of the options, or (c) amend the dates or periods during which shares obtained by exercise of options may not be transferred or converted into bearer shares;
 - any clauses prohibiting immediate resale of some or all of the shares provided that the period for which the shares must be retained may not exceed three years from exercise of the option, it

being understood that in the case of options granted to corporate officers, the Board of Directors must either (a) decide that the options may not be exercised by grantees before they cease to hold office, or (b) stipulate the quantity of shares that they are required to retain in registered form until they cease to hold office;

- where appropriate, limit, suspend, restrict or prohibit the exercise of options or the transfer or conversion into bearer shares of shares obtained by the exercise of options during certain periods or with effect from certain events; such decision may relate to some or all of the options or shares or to some or all of the grantees;
 - decide on the date, which may be retrospective, from which the new shares resulting from the exercise of options to subscribe for shares will rank for dividend;
8. resolves that the Board of Directors, with powers to subdelegate within the law, will have full powers to duly record the completion of capital increases to reflect the amount of shares actually subscribed by the exercise of options to subscribe for shares, amend the Articles of Association accordingly, and, at its sole discretion and as it sees fit, charge the costs of the capital increases against the share premium arising thereon and deduct from this premium the sums necessary to increase the legal reserve to one-tenth of the new share capital after each capital increase, and accomplish all formalities necessary for the listing of the securities thereby issued, make all declarations with the relevant bodies and generally do all that is necessary;
9. resolves that this authorization deprives of effect from this day any unused portion of any previous delegation to the Board of Directors of authority to grant options to subscribe for or purchase shares. It is granted for a period of thirty-eight (38) months from this day.

Twentieth resolution

Authorization for the Board of Directors to carry out consideration-free allotments of existing or new shares to some or all of the salaried employees and corporate officers of the Group

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' Report and the Statutory Auditors' Special Report, and in accordance with Articles L. 225-197-1 *et seq* of the French Commercial Code:

1. authorizes the Board of Directors, under Articles L. 225-197-1 *et seq* of the French Commercial Code to carry out, on one or more occasions, consideration-free allotments of existing or new ordinary shares to allottees or categories of allottees chosen by the Board from among the salaried employees of the Company or

of companies or groupings related to the Company on the conditions stipulated in Article L. 225-197-2 of said Code, and from among corporate officers of the Company or of companies or groupings related to the Company that meet the conditions specified in Article L. 225-197-1 II of said Code, on the terms stipulated below;

2. resolves that existing or new shares allotted under this authorization may not represent more than 1.5% of the share capital as of the date of the decision by the Board of Directors to allot the shares;

3. resolves that shares allotted to corporate officers of the Company under the present authorization may not represent more than 5% of the number of shares specified in paragraph 2 of the present resolution;
4. resolves that allotment of said shares to the allottees will become irrevocable at the end of a minimum vesting period of three years, the allottees being required, as the case may be, to retain said shares for a minimum period of time from the irrevocable allotment thereof, it being further stipulated that allotment of said shares to the allottees will become irrevocable before the expiry of the aforementioned vesting period in the event that the allottee is classified as disabled in the second or third category of disability as defined in Article L. 341-4 of the French Social Security Code or in equivalent cases abroad and that said shares will be freely transferable in the event that the allottee is classified in either of the aforementioned French Social Security Code categories or in equivalent cases abroad;
5. resolves that irrevocable allotment of the shares will be contingent upon performance conditions which will be set by the Board of Directors and will be assessed over a period of at least three years;
6. grants full powers to the Board of Directors to implement the present authorization, and in particular to:
 - determine whether the shares allotted free of consideration will be new shares or existing shares and, as the case may be, to change its choice before the shares are irrevocably allotted;
 - select the allottees or categories of allottees from among the employees and corporate officers of the Company or of the aforementioned companies or groupings, and decide on the number of shares to be allotted to each;
 - set the terms of and any criteria for the allotment of the shares, in particular the vesting period and, as the case may be, the minimum retention period for each allottee on the aforementioned terms, it being stipulated that in the case of shares allotted free of consideration to corporate officers the Board of Directors must either (a) decide that the consideration-free shares may not be divested by the allottees while they remain in office or (b) specify the number of consideration-free shares that they are required to retain in registered form until they cease to hold office;
 - determine the performance conditions to which irrevocable allotment of the shares is subject;
 - allow for the temporary suspension of allotment rights in the event of share capital transactions;
 - duly record the dates of irrevocable allotment of the shares and the dates from which the shares will be freely transferable, given any legal restrictions;
 - in the event of an issue of new shares, charge any sums required to fully pay up such shares against reserves, profits or share premium, duly record completion of the share capital increases carried out under the present authorization, amend the Articles of Association accordingly, and generally carry out all necessary acts and formalities;
7. resolves that the Company may make, during the vesting period, any adjustments to the number of consideration-free shares allotted that may be necessary to preserve the rights of allottees in light of transactions affecting the Company's share capital in the circumstances specified in Article L. 225-181 of the French Commercial Code, it being stipulated that shares allotted as a result of such adjustments will be deemed to have been allotted on the same day as the shares originally allotted;
8. duly records that in the event of a consideration-free allotment of new shares the present authorization will entail, as and when such shares are irrevocably allotted, a share capital increase by incorporation of reserves, profits, or share premium in favor of the allottees of such shares and the correlative waiver by the shareholders of their preemptive rights in respect of said shares in favor of the allottees;
9. formally notes the fact that if the Board of Directors makes use of the present authorization, it will inform the Ordinary General Meeting annually of the transactions carried out pursuant to Articles L. 225-197-1 to L. 225-197-3 of the French Commercial Code, on the terms stipulated in Article L. 225-197-4 of said Code;
10. resolves that the present authorization deprives of effect from this day any unused portion of any prior authorization given to the Board of Directors to carry out consideration-free allotments of existing or new shares to some or all of the salaried employees and corporate officers of the Group. It is granted for a period of thirty-eight (38) months from this day.

Twenty-first resolution

Delegation to the Board of Directors of authority to decide to carry out increases in the share capital by incorporation of share premium, reserves, profits or other items (usable outside the period of a public tender offer)

The General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the Board of Directors' Report, and in accordance with Articles L. 225-129-2 *et seq.*, L. 225-130 and L. 228-92 of the French Commercial Code;

1. delegates to the Board of Directors, with powers to subdelegate within the law, its authority to decide to carry out increases in the share capital, on one or more occasions, in the proportions and at the times it sees fit, by incorporation of share premium, reserves, profits or other sums that may be converted into share capital under the law and the Company's Articles of Association, in the form of the issuance and consideration-free allotment of new equity instruments or of an increase in the par value of existing equity instruments or by a combination of those two methods. The aggregate par value of share capital increases thus effected may not exceed five hundred million (500,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency;
 2. in the event the Board of Directors makes use of the present delegation of authority, delegates to the Board full powers, with powers to subdelegate within the law, to implement the present delegation, and in particular to:
 - determine the amount and nature of sums to be incorporated into the share capital, set the number of new equity instruments to be issued and/or the amount by which the par value of the existing equity instruments will be increased and decide the date, which may be retroactive, from which the new equity instruments will rank for dividend or the increase in the par value of the existing equity instruments will take effect;
 - decide, in the event of a consideration-free allotment of equity instruments:
 - that fractional rights will not be negotiable or transferable and that the corresponding equity instruments will be sold, the proceeds of such sale being allocated to the holders of the rights on the terms specified in the laws and regulations;
 - that shares allotted under the present delegation on the basis of existing shares enjoying double voting rights will enjoy those same rights from the time of issue;
- make all adjustments to take account of the impact of transactions involving the share capital of the Company, in particular in the event of a change in the par value of the share, share capital increase by incorporation of reserves, consideration-free allotment of shares or equity instruments, stock split or reverse stock split, distribution of dividends, reserves or share premium or of any other assets, redemption of share capital or any other transaction affecting shareholders' equity or the share capital (including in the event of a public tender offer and/or change of control) and set terms enabling, in compliance with legal and regulatory requirements and with any contractual stipulations, the rights of holders of securities giving access to the share capital to be preserved (including by means of cash adjustments);
- duly record completion of each share capital increase and make the corresponding amendments to the Articles of Association;
- at its sole discretion, charge the cost of share capital increases against the premium arising thereon, and deduct from such premium the sums necessary to increase the legal reserve;
- generally, enter into all agreements, take all measures and accomplish all formalities for the issuance, listing and financial administration of securities issued by virtue of the present delegation and for the exercise of the rights attached thereto;
3. formally notes the fact that, in the event the Board of Directors uses the delegation of authority granted to it by the present resolution, the Board of Directors will report to the next following Ordinary General Meeting, in accordance with the laws and regulations, on the use made of the authorizations conferred in the present resolution;
 4. formally notes that the present delegation deprives of effect from this day any unused portion of any prior delegation having the same purpose as that covered by the present resolution;
 5. sets the period of validity of the delegation of authority covered by the present resolution at twenty-six (26) months from the date of the present meeting, it being stipulated however that the Board of Directors will not be authorized to decide to carry out a share capital increase under the present delegation of authority during the period of a public tender offer for the Company's shares.

Twenty-second resolution

Delegation to the Board of Directors of authority to decide to issue, with preemptive rights maintained, Delegation to the Board of Directors of authority to decide on the issuance of shares or securities giving access to the Company's share capital reserved for members of savings plans, with waiver of preemptive rights in their favor

The General Meeting, voting on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the Board of Directors' Report and the Statutory Auditors' Special Report, and in accordance with Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code and with Articles L. 3332-1, L. 3332-9 and L. 3332-18 to L. 3332-24 of the French Labor Code:

1. delegates to the Board of Directors, with powers to subdelegate within the law, its authority to decide to carry out increases in the share capital, on one or more occasions, up to a limit of 1% of the share capital as of the date of the Board of Directors' meeting making such decision, by issuing shares or securities giving access to the share capital reserved for members of one or more employee savings plans (or any other plan for whose members a share capital increase may be reserved on equivalent terms under Articles L. 3332-1 *et seq* of the French Labor Code or any analogous law or regulation) instituted within an entity or a group of French or foreign entities related to that entity on the conditions stipulated in Article L. 225-180 of the French Commercial Code and falling within the scope of the consolidated or combined financial statements of the Company pursuant to Article L. 3344-1 of the French Labor Code, it being further stipulated that the present resolution may be used to implement leveraged schemes;
2. resolves that the subscription price of the new shares or securities giving access to the share capital will be determined on the terms stipulated in Articles L. 3332-18 *et seq* of the French Labor Code and will not be less than the Reference Price (as defined below), less the maximum discount permitted by applicable laws; for the purposes of the present paragraph and of paragraphs 4 and 7 of the present resolution, the Reference Price designates the average of the quoted market prices of the Company's shares on the regulated market of Euronext Paris during the twenty stock exchange trading sessions preceding the date of the decision setting the opening date of the subscription period for members of an entity or group savings plan (or similar);
3. resolves, by way of derogation from paragraphs 1 and 2 of the present resolution, in the case of issues of shares that may be reserved for employees of companies belonging to the group consisting of the Company and of the French and foreign entities related to the Company on the conditions stipulated in Article L. 225-180 of the French Commercial Code and falling within the scope of the consolidated or combined financial statements of the Company pursuant to Article L. 3344-1 of the French Labor Code and operating in the United States of America, that the Board of Directors may decide that:
 - (i) the issue price of the new shares will, subject to compliance with applicable French legal and regulatory requirements and in accordance with Section 423 of the United States Internal Revenue Code, be equal to at least 85% of the quoted market price of the Company's shares on the regulated market of Euronext Paris on the date of the decision setting the opening date of the subscription period of the share capital increase reserved for employees of the companies referred to in the present paragraph 3; and
 - (ii) the number of shares issued as a result of the share issues referred to in the present paragraph 3 may not represent more than 0.2% of the share capital as of December 31, 2018, such percentage of the share capital counting towards the maximum aggregate par value of share capital increases stipulated in paragraph 1 of the present resolution;
4. authorizes the Board of Directors to allot free of consideration to the beneficiaries indicated above, in addition to shares or securities giving access to the share capital subscribed for in cash, shares or securities giving access to the share capital to be issued or already issued in full or partial substitution for the discount to the Reference Price and/or by way of top-up employer's contribution, it being stipulated that the benefit resulting from such allotment may not exceed the legal or regulatory limits applicable under Articles L. 3332-21 in the event of a substitution of some or all of the discount to the Reference Price, and L. 3332-11 *et seq* of the French Labor Code in the event of a substitution of some or all of the top-up employer's contribution;
5. resolves to waive in favor of the aforementioned beneficiaries the preemptive rights of shareholders in respect of the ordinary shares and securities giving access to the share capital of which the issuance is covered by the present delegation, said shareholders also waiving, in the event of consideration-free allotment to such beneficiaries of ordinary shares or securities giving access to the share capital, any rights to such ordinary shares or securities giving access to the share capital, including the portion of reserves, profits, or share premium incorporated into the share capital to the extent of the consideration-free allotment of securities on the basis of the present resolution;

6. authorizes the Board of Directors, on the terms specified in the present delegation of authority, to make sales of shares as permitted under Article L. 3332-24 of the French Labor Code to members of an entity or group savings plan (or similar plan), it being stipulated that the aggregate par value of shares sold at a discount to members of one or more of the employee savings plans covered by the present resolution will count towards the ceilings mentioned in paragraph 1 of the present resolution;
7. resolves that the Board of Directors will have full powers to implement the present delegation or to defer the completion of the share capital increase, with powers to subdelegate within the law subject to the aforementioned limits and terms, and in particular to:
- establish in accordance with the law the scope of companies from which the beneficiaries indicated above may subscribe for the shares or securities giving access to the share capital thereby issued and who may be allotted consideration-free shares or securities giving access to the share capital;
 - decide that subscriptions may be made directly by beneficiaries belonging to an entity or group savings plan (or similar plan), or via dedicated mutual funds or other vehicles or entities permitted under the applicable laws and regulations;
 - determine the conditions, in particular as regards length of service, that must be met by the beneficiaries of the share capital increases;
 - set the opening and closing dates for subscriptions;
 - set the amounts of issues to be made under the present authorization and in particular determine the issue prices, dates, time limits, terms and conditions of subscription, payment, delivery and date of ranking for dividend of the securities (which may be retroactive), rules for pro-rating in the event of oversubscription and any other terms and conditions of the issues, subject to applicable legal and regulatory limits;
 - in the event of consideration-free allotment of shares or of securities giving access to the share capital, determine the nature, characteristics and number of shares or securities giving access to the share capital to be issued, the number to be allotted to each beneficiary, and determine the dates, time limits, and terms and conditions of allotment of such shares or securities giving access to the share capital subject to applicable legal and regulatory limits, and in particular choose to either wholly or partially substitute the allotment of such shares or securities giving access to the share capital for the discount to the Reference Price specified above or offset the equivalent value of such shares or securities against the total amount of the employer's contribution or a combination of the abovementioned options;
 - in the event of an issue of new shares, charge any amounts required to pay up said shares against reserves, profits, or share premium;
 - duly record the completion of share capital increases equal to the amount of shares actually subscribed;
 - as the case may be, charge the costs of share capital increases against the premium arising thereon, and deduct from such premium the sums necessary to increase the legal reserve to one-tenth of the new share capital after each share capital increase;
 - enter into all agreements and accomplish directly or indirectly via an agent all transactions and formalities, including formalities required following the share capital increases and the corresponding amendments to the Articles of Association;
 - generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and decisions and accomplish all formalities for the issuance, listing and financial administration of securities issued by virtue of the present delegation and for the exercise of the rights attached thereto or required as a result of the share capital increases;
8. formally notes that this delegation of authority deprives of effect starting from July 10, 2019, any unused portion of any prior delegation for the same purpose as that covered by the present resolution;
9. sets the period of validity of the delegation of issuance powers granted by the present resolution at twenty-six (26) months from the date of the present meeting.

ORDINARY AND EXTRAORDINARY BUSINESS

Twenty-third resolution

Powers for formalities

The General Meeting, voting on the quorum and majority conditions for Extraordinary Meetings, confers full powers on the bearer of an original, copy or extract of the minutes

of its deliberations to carry out any filings (including filings with the competent registry) and formalities required by law.

CURRENT COMPOSITION OF THE BOARD OF DIRECTORS



Serge Weinberg
Chairman of the Board
of Directors



Olivier Brandicourt
Chief Executive Officer
Director



Laurent Attal
Director



Emmanuel Babeau
Independent
Director



Christophe Babule
Director



Bernard Charlès
Independent
Director



Claudie Haigneré
Independent
Director



Patrick Kron
Independent
Director



Fabienne Lecorvaisier
Independent
Director



Melanie Lee
Independent
Director



Suet-Fern Lee
Independent
Director



Marion Palme
Director representing
employees



Carole Piwnica
Independent
Director



Christian Senectaire
Director representing
employees



Diane Souza
Independent
Director



Thomas Südhof
Independent
Director

INFORMATION ABOUT DIRECTORS

Serving directors whose reappointment is submitted for approval by the General meeting⁽¹⁾

Serge Weinberg



Date of birth:	February 10, 1951 (aged 68)
Nationality:	French
First elected:	December 2009
Last reappointment:	May 2015
Term expires:	2019
Business address:	Sanofi – 54, rue La Boétie – 75008 Paris – France

Directorships and appointments of Serge Weinberg

Within the Sanofi Group

Current directorships and appointments

- Independent director and Chairman of the Board of Directors of Sanofi*,
 - Chairman of the Strategy Committee of Sanofi
 - Chairman of the Appointments and Governance Committee of Sanofi (renamed the Appointments, Governance and CSR Committee effective March 8, 2019)
 - Member of the Scientific Committee of Sanofi

None

Outside the Sanofi Group

In French companies

- **Chairman of Weinberg Capital Partners**
 - Chairman of Maremma
 - Manager of Alret
 - Weinberg Capital Partners' permanent representative on the Board of ADIT
- Director of Madrigall

In foreign companies

None

Past directorships expiring within the last five years

None

In French companies

- Director of Alliance Automotive Participations SAS and Schneider Electric*
- Member of the Supervisory Boards of Financière BFSA and Schneider Electric*
- Weinberg Capital Partners' permanent representative on the Board of Sasa Industrie
- Vice Chairman and Director of Financière Sasa
- Chairman of the Supervisory Boards of Financière Climater SAS and Financière Tess SAS
- Chairman of Financière Piasa and Piasa Holding

In foreign companies

- Chairman of Corum (Switzerland)

None

Education and professional experience

- Graduate in law, degree from the *Institut d'Etudes Politiques*
- Graduate of ENA (*Ecole Nationale d'Administration*)

Since 2005

Chairman of Weinberg Capital Partners

1976-1982	<i>Sous-préfet</i> and then Chief of Staff of the French Budget Minister (1981)
1982-1987	Deputy General Manager of FR3 (French television channel) and then Chief Executive Officer of Havas Tourisme
1987-1990	Chief Executive Officer of Pallas Finance
1990-2005	Various positions at PPR* group including Chairman of the Management Board for 10 years
2006-2009	Chairman of the Board of Accor*
2005-2010	Vice Chairman of the Supervisory Board of Schneider Electric*

Number of shares held

1,636 shares

(1) Positions held in listed companies are flagged by an asterisk. Each person's principal position is indicated in bold.

Suet-Fern Lee



Date of birth: May 16, 1958 (aged 60)
 Nationality: Singaporean
 First appointed: May 2011
 Last reappointment: May 2015
 Term expires: 2019
 Business address: Sanofi – 54, rue La Boétie – 75008 Paris – France

Directorships and appointments of Suet-Fern Lee
Within the Sanofi Group

Current directorships and appointments

- Independent director of Sanofi*

None

Past directorships expiring within the last five years

None

None

Outside the Sanofi Group

In French companies

- Rothschild & Co*:
 - Independent member of the Supervisory Board
 - Member of the Audit Committee

In foreign companies

- Director of Stamford Corporate Services Pte Ltd (Singapore) and the World Justice Project (United States), Caldecott Inc. (Cayman Islands) and Morgan Lewis & Bockius LLP (United States)

In French companies

- Axa*:
 - Independent director
 - Member of the Finance Committee

In foreign companies

- Director of Macquarie International Infrastructure Fund Ltd* (Bermuda) and of the National Heritage Board (Singapore)
- Chairwoman of the Board of Directors of the Asian Civilisations Museum (Singapore)
- Director of Rickmers Trust Management Pte Ltd* (Singapore)

Education and professional experience

- Law degree from Cambridge University (1980)
- Admitted to the Bar in London (1981) and Singapore (1982)
- **Director of Morgan Lewis Stamford LLC**
- Partner of Morgan Lewis & Bockius (United States)
- Chairwoman of the International Leadership Team, Morgan Lewis & Bockius

Since 2006	Member of the Board of Trustees of Nanyang Technological University (Singapore) Member of the Accounting Advisory Board of National University of Singapore Business School (Singapore)
Since 2007	Member of the Advisory Committee of Singapore Management University School of Law (Singapore)
Since 2014	Member of the Senate and the Executive Committee of the Singapore Academy of Law where she also chairs the Committee on Legal Education and Studies (Singapore) Chairwoman of the Expert Panel of the Centre of Cross-Border Commercial Law in Asia of the Singapore Management University School of Law (Singapore)
2010-2011	President of the Inter-Pacific Bar Association

Number of shares held

1,000 shares

Co-opted director whose appointment is submitted for ratification by the General Meeting⁽¹⁾

Christophe Babule



Date of birth:	September 20, 1965 (aged 53)
Nationality:	French
First appointed:	February 2019
Term expires:	2022
Business address:	Sanofi – 54, rue La Boétie – 75008 Paris – France

Directorships and appointments of Christophe Babule

	Within the Sanofi Group	Outside the Sanofi Group
Current directorships and appointments	<ul style="list-style-type: none"> Director of Sanofi* <p>None</p>	<p>In French companies</p> <p>None</p> <p>In foreign companies</p> <ul style="list-style-type: none"> L'Oréal Group: <ul style="list-style-type: none"> Director of L'Oréal USA Inc. (United States)
Past directorships expiring within the last five years	<p>None</p> <p>None</p>	<p>In French companies</p> <p>None</p> <p>In foreign companies</p> <p>None</p>

Education and professional experience

- Graduate of HEC Paris (*Master of Business Administration* (MBA) in finance)

Since February 2019 **Executive Vice President, Chief Financial Officer of L'Oréal***

Since 1988 Various positions within the L'Oréal Group, including as Director of Administration & Finance of China, then Mexico, Director of Internal Audit and Administration & Financial Director for the Asia Pacific Zone

⁽¹⁾ Positions held in listed companies are flagged by an asterisk. Principal position indicated in bold.

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France

For the year ended December 31, 2018

To the Shareholders of Sanofi,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of Sanofi for the year ended December 31, 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' responsibilities for the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us for the period from January 1, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of equity interests

See Notes 2.d and 6.b to the financial statements

Description of the risk

As of December 31, 2018, equity interests amounted to € 97 949 million in gross value and € 96 779 million in net value (i.e. 83% of the assets on the balance sheet).

Equity interests are recognized at their acquisition cost, including any transfer taxes and other expenses.

The book value of these interests is determined by management based on a review of internal and external indicators of impairment. The value may be adjusted depending on the valuation model selected with respect to the business activity of the relevant entity (commercial, manufacturing or holding company), on the basis of the percentage of equity held in the entity, discounted future cash flows, multiples of revenue or independent valuations.

It follows that determining the book value of equity interests relies on valuation models that are sensitive to the underlying data, especially when the method of choice is the discounted cash flow method, which is based on multiple assumptions such as the cash flows forecast and the discount rate of future cash flows.

We deemed the measurement of the book value of equity interests to be a key audit matter due to the significant amounts at stake, the sensitivity of the value to the assumptions used and the high degree of judgment required from management.

How our audit addressed this risk

We examined and evaluated the process implemented by management to determine the book value of these assets, focusing in particular on the identification of impairment indicators, the application of valuation methods and the calculations performed.

We obtained the impairment tests performed by management.

In addition, in association with our experts in valuation, we assessed the methodology and discount rates employed.

For the impairment tests we deemed the most sensitive, we evaluated the main data and assumptions used, by comparing them to past performance, to progress made in the projects carried out by the relevant entities, to our knowledge of the businesses and, where available, to independent data.

Lastly, we assessed (i) the accounting policies applied to the measurement of the book value, and (ii) the disclosures provided in the notes to the financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to the payment terms required by article D.441-4 of the French Commercial Code.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L.225-37-3 of the French Commercial Code relating to remunerations and benefits received by corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public purchase offer or exchange, provided pursuant to

article L. 225-37-5 of the French Commercial Code, we have agreed these to the source documents communicated to us. Based on our work, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Sanofi by the Annual General Meetings held on May 4, 2012 for Ernst & Young et Autres and on March 12, 1999 for PricewaterhouseCoopers Audit.

As at December 31, 2018, Ernst & Young et Autres was in the seventh year of total uninterrupted engagement (previously, Ernst & Young Audit was Statutory Auditor of Sanofi from 1994 to 2011) and PricewaterhouseCoopers Audit in the twentieth year of total uninterrupted engagement.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' responsibilities for the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material

misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit and furthermore:

- *Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.*
- *Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.*
- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and related disclosures made by management in the financial statements.*
- *Assess the appropriateness of management's use of the going concern basis of accounting and, based on the*

audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- *Evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.*

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No 537-2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, March 8, 2019

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit

ERNST & YOUNG et Autres

Philippe Vogt

Stéphane Basset

Alexis Hurtrel

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2018

To the Shareholders of Sanofi,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Sanofi for the year ended December 31, 2018.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2018 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from January 1, 2018 to the date of our report and in particular we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Basis for opinion

Without qualifying our opinion, we draw your attention to notes A.2.1.1, A.2.1.2 and A.2.1.3. which respectively set out the impact of the first application of IFRS 15 and IFRS 9 and the IFRIC 23 interpretation.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Bioverativ and Ablynx business combinations (See Notes D.1. and D.4. to the consolidated financial statements)

Description of risk	How our audit addressed this risk
<p>Sanofi completed two major acquisitions in the first half of 2018: it acquired Bioverativ Inc. (Bioverativ) on March 8, 2018 for €9,354 million and Ablynx on May 14, 2018 for €3,897 million.</p> <p>As a result of these acquisitions, Sanofi recognized:</p> <ul style="list-style-type: none"> ■ With respect to the acquisition of Bioverativ: goodwill in an amount of €2,676 million and identifiable intangible assets primarily with respect to products and R&D projects acquired for an amount of €8,113 million, representing the main assets acquired, recorded at fair value. ■ With respect to the acquisition of Ablynx: goodwill in an amount of €1,372 million and identifiable intangible assets primarily with respect to products acquired for an amount of €2,409 million, representing the main assets acquired, recorded at fair value. <p>These valuations are inherently dependent on data and assumptions requiring judgment from management, such as cash flow forecasts, the likelihood of R&D projects being successful, and discount rates.</p> <p>We deemed the accounting treatment of these acquisitions to be a key audit matter due to their materiality and the degree of judgment required from management.</p>	<p>We (i) gained an understanding of the procedures implemented by management to record these transactions and (ii) assessed the design and tested the operating effectiveness of controls relevant for our audit.</p> <p>We analyzed the acquired entities' main collaboration agreements and assessed the work performed by management as regards the purchase price allocation. A significant part of our audit procedures concerned the assessment of the fair value of the assets acquired and liabilities assumed. With the assistance of our evaluation experts, we conducted sensitivity analyses and evaluated the main data inputs and assumptions used, such as cash flow forecasts, the likelihood of R&D projects being successful and discount rates used, by comparing them with our knowledge of the businesses and, where available, independent data.</p> <p>Lastly, we examined (i) the accounting policies applied to the reporting of these acquisitions and (ii) the disclosures provided in the notes to the consolidated financial statements on the accounting treatment of these acquisitions.</p>

Recoverable amount of Goodwill and Other intangible assets (See Notes B.3.2., B.4., B.6.1. and D.5. to the consolidated financial statements)

Description of risk	How our audit addressed this risk
<p>As at December 31, 2018, Goodwill and Other intangible assets amounted to €44,235 million and €21,889 million, respectively. Sanofi recognized an impairment loss of €720 million on Other intangible assets for the financial year.</p> <p>Impairment tests concerning Goodwill and Other intangible assets are performed annually and/or when there is an indication of impairment. The tests are based on the recoverable amounts of the assets, as determined by management by discounting future cash flows prepared using the same methods as those used in the initial measurement of the assets on the basis of medium-term strategic plans.</p> <p>These cash flows are based on numerous assumptions such as estimated future cash flows, estimated terminal value, where applicable, the discount rate, revenue growth rates, the likelihood of R&D projects being successful and the ability to renew the portfolio over the long term through new product launches.</p> <p>Goodwill and Other intangible assets concerning products sold by the Group may carry a risk of impairment if actual performances are lower than the initial estimated future cash flows. For Other intangible assets concerning products under development, there is a risk that the various development</p>	<p>We (i) gained an understanding of the process implemented by management to determine the recoverable amount of these assets and (ii) evaluated the design and tested the operating effectiveness of controls relevant for our audit, especially those related to identifying indicators of impairment and supervising calculations of recoverable amounts.</p> <p>We obtained the impairment tests and sensitivity analyses performed by management. We evaluated the sensitivity analyses, in particular by comparing them to our own, in order to define the nature and scope of our work.</p> <p>For the impairment tests we deemed the most sensitive, we evaluated the reasonableness of the main data and assumptions used, by comparing them to past performance, to clinical advancements and study results, to our knowledge of the businesses and, where available, to independent data.</p> <p>We compared the data used by management for performing its impairment tests with data from the budget and long-term projections presented to the Board of Directors with a view to evaluating consistency.</p>

Description of risk

phases will not be completed and ultimately that marketing authorization will not be obtained or the anticipated commercial potential achieved.

We deemed the measurement of the recoverable amount of Goodwill and Other intangible assets to be a key audit matter due to the materiality of the amounts concerned and the high level of judgment and estimation required from management.

How our audit addressed this risk

In addition, in association with our evaluation experts, we assessed the methodology employed and the discount rates used by management.

Lastly, we examined the (i) accounting policies applied to the reporting of the recoverable amounts of Goodwill and Other intangible assets and (ii) the disclosures provided in the notes to the consolidated financial statements.

Discounts, rebates and chargeback incentives relating to Sanofi's business in the United States (See Notes B.13.1. and D.23. to the consolidated financial statements)

Description of risk

Products sold in the United States are covered by various government and federal programs (of which Medicaid and Medicare are the most significant) and are subject to commercial agreements with healthcare authorities and certain customers and distributors.

Sales recognized as part of these programs and agreements are subject to discounts, rebates and chargeback incentives based on qualitative or quantitative criteria (hereinafter the "Discounts").

These Discounts are recognized as a reduction of Sanofi's gross sales revenue.

Provisions are recognized at the end of the reporting period for open Discounts granted under these programs and agreements. Those relating to government and federal programs, as well as the Managed Care and Group Purchasing Organizations (GPO) programs, amounted to €2,148 million and €674 million respectively at December 31, 2018 and mainly concerned products sold in the United States (see Note D.23).

We deemed Discounts pertaining to the US pharmaceutical market to be a key audit matter due to the materiality of the amounts involved, the complexity of the underlying programs and agreements and the degree of judgment required from management to determine the appropriate level of provisioning, taking into account changes to and issues relating to regulatory interpretation, as well as increasing competition on prices in the US healthcare sector.

How our audit addressed this risk

We (i) gained an understanding of the process established by management to estimate these Discounts and (ii) evaluated the design and tested the operating effectiveness of controls relevant for our audit, especially those related to the measurement of provisions at the accounts closing.

We obtained management's calculations underlying the estimates, and, with the support of our experts in price-setting mechanisms for government and federal programs, we (i) defined our own expectations, (ii) evaluated the reasonableness of management's estimates, by comparing them with our expectations, (iii) recalculated some of the estimates, (iv) carried out retrospective analyses to assess the quality of the estimates and (v) evaluated the impact of subsequent events on the estimates.

In addition, we (i) carried out tests of details on the credit notes and payments issued during the year, (ii) gained an understanding of related agreements and (iii) sent confirmation requests to a sample of customers on contractual clauses taken into account.

Lastly, we examined (i) the accounting policies applied to the reporting of Discounts, and (ii) the disclosures provided in the notes to the consolidated financial statements.

Provisions for product-related risks and other disputes (See Notes B.12., D.19.3. and D.22. to the consolidated financial statements)

Description of risk

As at December 31, 2018, provisions for product liability, litigation and other risks were recorded in an amount of €1,288 million.

The pharmaceutical industry is highly regulated, which increases the inherent risk of litigation and arbitration.

Sanofi and its affiliates are involved in litigation, arbitration and other legal proceedings. These proceedings are typically related to litigation concerning civil liability, intellectual property rights, competition law and trade practices, as well as

How our audit addressed this risk

We (i) examined the process implemented by management to determine the probability of an outflow of resources pertaining to litigation, arbitration and other legal proceedings and to estimate the amount thereof and (ii) assessed the design and tested the operating effectiveness of controls relevant to our audit.

We met with Sanofi's legal department to discuss the status of the Group's legal proceedings and contingent liabilities.

Description of risk

claims under warranties or indemnification arrangements relating to business divestments.

The amounts involved are potentially significant and the application of accounting standards to determine their measurement, where appropriate, is intrinsically subjective.

The measurement of risk is generally based on a series of complex assessments relating to future events. This is founded on estimations and assumptions deemed by management to be reasonable.

We deemed these estimations to be a key audit matter given their materiality and given that the majority of the issues raised in relation to these claims are complex and subject to significant uncertainty.

How our audit addressed this risk

We sought direct confirmation from external legal counsel of the legal proceedings included in Sanofi's consolidated financial statements, to gain an understanding of their assessment of the risk and, where appropriate, the cost of pending and closed claims.

We assessed the documentation justifying management's decisions to record or not to record provisions.

We assessed the main changes in provisions pertaining to legal proceedings and arbitration recorded in previous years.

Lastly, we examined (i) the accounting principles applied to the reporting of provisions for litigation and arbitration, and (ii) the disclosures provided in the notes to the financial statements.

Complex assessments of tax risks (See Notes A.3., B.22., D.14., D.19.3., D.19.4. and D.30. to the consolidated financial statements)

Description of risk

Sanofi entities operate in multiple tax jurisdictions, carrying out potentially complex transactions that require management to make judgments and estimates as to the tax impact of those transactions. Sanofi is also subject to many different laws and obligations governing the determination and documentation of transfer pricing.

The positions adopted by Sanofi in tax matters are based on assumptions and interpretations of how current tax regulations are to be applied. Some of these positions may be subject to uncertainty and may give rise to disputes or challenges from or against local tax authorities. As at December 31, 2017, provisions were recorded for this purpose in an amount of €1,031 million.

In addition, a tax liability of €1,193 million was recognized with respect to the direct and indirect effects of the 2017 Act. This estimation relies on assumptions and interpretations that may be subject to adjustment or clarification in the coming months, in particular with respect to the taxation of foreign earnings and profits.

Management (i) regularly assesses the technical merits of its tax positions and (ii) may revise these positions and, in the event of a dispute or challenge, recognize a tax liability or limit the recognition of a tax asset.

The above aspects are applied whenever a tax impact is considered likely, based on an estimate of the related costs.

We deemed these assessments to be a key audit matter given their materiality and the potential uncertainty of certain assumptions and interpretations underlying the positions adopted by management.

How our audit addressed this risk

We (i) examined the process implemented by management to determine the probability that Sanofi would need to recognize a liability relating to an uncertain tax position and to estimate the amount thereof and (ii) assessed the design and tested the operating effectiveness of controls relevant for our audit.

We examined (i) the assumptions used by management when preparing tax returns, (ii) the documentation prepared by management in relation to its transfer pricing policy, (iii) the status of any tax audits and investigations and (iv) the potential impact of past claims.

We worked with our tax experts in France and abroad to (i) assess the assumptions used by management and (ii) reconcile the positions adopted with tax regulations and past decisions from tax authorities. With a view to assessing the pertinence of the main assumptions used by management and where possible, we obtained opinions from Sanofi's external tax advisors.

Lastly, we examined (i) the accounting policies applied to the reporting of uncertain tax positions, and (ii) the disclosures provided in the notes to the consolidated financial statements concerning tax risks.

Verification of the information pertaining to the Group presented in the management report

As required by legal and regulatory texts and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We certify that the consolidated non-financial performance report provided for in Article L. 225-102-1 of the French Commercial Code is included in the Group's management report, it being specified that, in accordance with the provisions of Article L. 823-10 of this Code, the information contained in this statement has not been the subject of our verification of fairness or consistency with the consolidated financial statements and must be reported by an independent third party.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Sanofi by the Annual General Meetings held on May 4, 2012 for Ernst & Young et Autres and on March 12, 1999 for PricewaterhouseCoopers Audit.

As at December 31, 2018, Ernst & Young et Autres was in the seventh year of total uninterrupted engagement (previously, Ernst & Young Audit was statutory auditor of Sanofi from 1994 to 2011) and PricewaterhouseCoopers Audit in the twentieth year of total uninterrupted engagement.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements presenting a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of management of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements.
- Assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty

exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion.

- Evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the

audit program implemented, as well as the results of our audit. We also report any material deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris-La Défense, March 8, 2019

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit

Philippe Vogt Stéphane Basset

ERNST & YOUNG et Autres

Alexis Hurtrel

STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of a report issued in French and it 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

For the year ended December 31, 2018

To Sanofi's general meeting of shareholders,

In our capacity as statutory auditors of your company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms, conditions and the reasons for interest in the company of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with article R. 225-31 of the French commercial code (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with article R. 225-31 of the French commercial code (*Code de commerce*) concerning the implementation, during the year, of the agreements and commitments already approved by the general meeting of shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval by the general meeting of shareholders

We hereby inform you that we have not been advised of any agreements or commitments agreed and concluded in the course of the year to be submitted to the general meeting of shareholders for approval in accordance with article L. 225-38 of the French commercial code (*Code de commerce*).

Agreements and commitments previously approved by the general meeting

Agreements and commitments approved in previous year

In accordance with article R. 225-30, we have been advised that the following agreements and commitments already approved by the general meeting of shareholders were not implemented during the year.

With Mr Olivier Brandicourt, Chief Executive Officer

As a termination benefit.

Nature and purpose

The board of directors of your company meeting held on February 19, 2015 authorized the termination benefit granted for Mr Olivier Brandicourt

Conditions

In the event of removal or resignation from office as Chief Executive Officer linked to a change in control or strategy, Olivier Brandicourt would receive a termination benefit equivalent to 24 months of total compensation on the basis of his fixed compensation effective on the date he ceases to hold office and the last variable compensation received prior to that date. This compensation is not due if the board of directors of your company would see gross misconduct prior to the departure of Mr. Olivier Brandicourt or in the context of it.

Payment of the termination benefit will be contingent upon fulfillment of the following two performance criteria, assessed over the three financial years preceding his ceasing to hold office:

- the average of the ratios of adjusted net income excluding selected items (a non-GAAP financial measure) to net sales for each financial year must be at least 15%;
- the average of the ratios of operating cash flow before changes in working capital to net sales for each financial year must be at least 18%.

The amount of this indemnity will be reduced by any amount received under the non-compete indemnity, such that the cumulative amount of these two indemnities may in no case exceed the equivalent of two years of total compensation.

As non-compete indemnity.

Nature and purpose

The board of directors of your company meeting held on February 19, 2015 authorized the non-compete indemnity granted for Mr Olivier Brandicourt

Conditions

In the event of his departure from your company, Olivier Brandicourt undertakes for the 12-month period after his departure not to join a competitor of your company as an employee or executive officer, or to provide services to or cooperate with such a competitor.

In return for his undertaking, he would receive an indemnity corresponding in total to one year's total compensation on the basis of his fixed compensation effective on the date he ceases to hold office and the last variable compensation received prior to that date. The indemnity will be payable in 12 instalments.

In the event of his departure from your company, the board of directors of your company could reserve the unilateral right to cancel this 12-month non-compete agreement, either totally or partially. In such a case, this non-compete indemnity would not be due for the period of time waived by your company.

As a top-up defined benefit pension plan.

Nature and purpose

The board of directors of your company also authorized the admission of Mr Olivier Brandicourt to the Sanofi top-up defined benefit pension plan offered to executives of your company and its French subsidiaries, who meet the eligibility criteria specified in the plan rules.

Conditions

The main characteristics of the pension are as follows:

The top-up pension, which may not exceed 37.50% (1.5% per year of service capped at 25 years) of the reference compensation, is in the form of a life annuity, and is transferable as a survivor's pension. The annuity is based on the arithmetical average of the three highest years' average annual gross compensation (fixed plus variable) paid during the five years (not necessarily consecutive) preceding final cessation of employment. This reference compensation is capped at 60 times the French social security ceiling ("PASS") applicable in the year in which the rights vest.

The top-up defined benefit pension plan of your company granted to Mr Olivier Brandicourt comes along with a gratitude of ten years of deemed service.

In the February 7, 2017, meeting, the Board of Directors of your company changed the commitment given to Mr Olivier Brandicourt concerning the supplementary defined benefit collective retirement plan.

It has been decided to introduce a performance condition for the acquisition of new conditional rights under the supplementary pension plan granted to Mr Olivier Brandicourt, pursuant to the amendments made by the Macron law, effective on January 1, 2017.

A year will be taken into account in determining the amount of the annuity only if it corresponds to a year in respect of which the performance condition has been fulfilled.

The performance condition conditional upon the acquisition of the rights for supplementary retirement is set as follows:

- if the rate of achievement of the variable compensation component is equal to or greater than the target of 150% of the fixed compensation, 100% of the additional contingent benefits will be acquired, corresponding to an increase of 1.5% of the annual compensation used to calculate the annuity paid under the plan;
- if the rate of achievement of the variable portion of compensation is less than 100% of the fixed compensation, no additional pension rights will be acquired for the year in question;
- and between these two ranges, the calculation of the granted rights will be carried out on a pro rata basis.

Thus, the quantum of the annual increase in contingent benefits is capped at 1.5% of the annual compensation used as a reference for the calculation of the annuity paid under this plan, and thus remains below the 3% Annual compensation referred to in Article L. 225-42-1 of the French Commercial Code.

The Board of Directors will verify, each year before the general meeting, that the performance condition has been complied with and will determine the contingent rights for supplementary retirement benefiting Mr. Olivier Brandicourt.

No other elements of the pension plan have changed.

Neuilly-sur-Seine and Paris-La Défense, March 8, 2019

The Statutory Auditors
French original signed by

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STATUTORY AUDITORS' REPORT ON THE SHARE CAPITAL REDUCTION

This is a free translation into English of a report issued in French and it 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,

In our capacity as Statutory Auditors of Sanofi and as required under the provisions of Article L. 225-209 of the French Commercial Code (*Code de commerce*) in respect of a share capital reduction by cancellation of treasury shares, we hereby report to you on our assessment of the reasons for and the terms and conditions of the proposed share capital reduction.

The Board of Directors proposes that, for a period of twenty-six (26) months as from this meeting, the shareholders delegate to the Board of Directors full powers to cancel treasury shares, pursuant to an authorization granted within the framework of the abovementioned article, up to a maximum of 10% of the shares comprising the share capital of the Company over a 24-month period.

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 reasons for and the terms and conditions of the proposed share capital reduction, which is not considered to affect shareholder equality, comply with the applicable legal provisions.

We have no matters to report on the reasons for and the terms and conditions of the proposed capital reduction.

Neuilly-sur-Seine and Paris-La Défense, March 8, 2019

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit

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STATUTORY AUDITORS' REPORT ON THE ISSUANCE OF SHARES AND SECURITIES WITH AND/OR WITHOUT PREEMPTIVE SUBSCRIPTION RIGHTS

This is a free translation into English of a report issued in French and it 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,

In our capacity as Statutory Auditors of Sanofi and in compliance with articles L.228-92 and L.225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed delegations of authority to the Board of Directors to carry out various issues of shares and/or securities, which are submitted to you for approval.

The Board of Directors proposes that, on the basis of its report, the shareholders:

- delegate to the Board, with the possibility to sub-delegate, for a period of twenty-six (26) months, the authority to decide and set the final terms and conditions of the following issues, where appropriate, without preemptive subscription rights:
 - the issue, with preemptive subscription rights (13th resolution), of (i) ordinary shares in the Company and/or (ii) securities consisting of (a) equity securities of the Company carrying rights to other equity securities of the Company and/or to the award of debt securities of the Company, (b) debt securities carrying rights to equity securities to be issued of the Company, such securities also potentially carrying rights to existing equity securities and/or to the award of debt securities of the Company, (c) equity securities of the Company carrying rights to equity securities, existing or to be issued, of companies in which the Company holds over half of the share capital, directly or indirectly, at the time of issue and/or to the award of debt securities of those companies, and/or (d) equity securities of the Company carrying rights to existing equity securities and/or to the award of debt securities of other companies in which the Company does not hold over half of the share capital, directly or indirectly, at the time of issue,
 - the issue, without preemptive subscription rights, by way of public offer(s) (14th resolution), of (i) ordinary shares in the Company and/or (ii) securities consisting of (a) equity securities of the Company carrying rights to other equity securities of the Company and/or to the award of debt securities of the Company, (b) debt securities carrying rights to equity securities to be issued of the Company, such securities also potentially carrying rights to existing equity securities

and/or to the award of debt securities of the Company, (c) equity securities of the Company carrying rights to equity securities, existing or to be issued, of companies in which the Company holds over half of the share capital, directly or indirectly, at the time of issue and/or to the award of debt securities of those companies, and/or (d) equity securities of the Company carrying rights to existing equity securities and/or to the award of debt securities of other companies in which the Company does not hold over half of the share capital, directly or indirectly, at the time of issue,

- the issue, without preemptive subscription rights, by way of the offer(s) referred to in article L.411-2, II of the French Monetary and Financial Code (*Code monétaire et financier*) and for up to 20% of the share capital per year (15th resolution), of (i) ordinary shares in the Company and/or (ii) securities consisting of (a) equity securities of the Company carrying rights to other equity securities of the Company and/or to the award of debt securities of the Company, (b) debt securities carrying rights to equity securities to be issued of the Company, such securities also potentially carrying rights to existing equity securities and/or to the award of debt securities of the Company, (c) equity securities of the Company carrying rights to equity securities, existing or to be issued, of companies in which the Company holds over half of the share capital, directly or indirectly, at the time of issue and/or to the award of debt securities of those companies, and/or (d) equity securities of the Company carrying rights to existing equity securities or to the award of debt securities of other companies in which the Company does not hold over half of the share capital, directly or indirectly, at the time of issue;
- delegate to the Board, for a period of twenty-six (26) months, the necessary powers to issue, as consideration for in-kind contributions made to the Company in form of equity securities or securities carrying rights to the share capital, where the provisions of article L.225-148 of the French Commercial Code do not apply, (i) ordinary shares in the Company and/or (ii) securities consisting of (a) equity securities of the Company carrying rights to other equity securities of the Company and/or to the award of debt securities of the Company, (b) debt securities carrying rights to equity securities to be issued of the Company, such securities also potentially carrying rights to existing equity securities and/or to the award of debt securities of the Company, (c) equity securities of the Company carrying rights to equity securities, existing or to be issued, of companies in which the Company holds over half of the share capital,

directly or indirectly, at the time of issue and/or to the award of debt securities of those companies, and/or (d) equity securities of the Company carrying rights to existing equity securities and/or to the award of debt securities of other companies in which the Company does not hold over half of the share capital, directly or indirectly, at the time of issue (18th resolution), for up to 10% of the share capital.

The aggregate nominal amount of the share capital increases that may be carried out, immediately or in the future, pursuant to the 13th resolution may not exceed €997 million under the 13th, 14th, 15th, 17th and 18th resolutions, it being specified that the aggregate nominal amount of the share capital increases that may be carried out may not exceed:

- €997 million under the 13th resolution;
- €240 million under the 14th resolution;
- €240 million under the 15th resolution.

The aggregate nominal amount of debt securities that may be issued under the 13th, 14th, 15th, 17th and 18th resolutions may not exceed €7 billion.

These maximum limits take into account the additional securities to be issued in application of the delegations of authority referred to in the 13th, 14th and 15th resolutions, in accordance with article L.225-135-1 of the French Commercial Code, in the event that the shareholders adopt the 17th resolution.

It is the Board of Directors' responsibility to prepare a report in accordance with articles R.225-113 *et seq.* of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the financial information taken from the financial statements, the proposed cancellation of

shareholders' preemptive subscription rights and on other information relating to the issues contained in this report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the information provided in the Board of Directors' report relating to these issues and the methods used to set the issue price of the equity securities to be issued.

Subject to a subsequent examination of the conditions of the issues once they have been decided, we have no matters to report on the information provided in the Board of Directors' report relating to the methods used to set the issue price of the equity securities to be issued under the 14th and 15th resolutions.

In addition, as this report does not stipulate the methods used to set the issue price in the event that equity securities are issued pursuant to the implementation of the 13th and 18th resolutions, we do not express an opinion on the choice of factors used to calculate the issue price.

Since the final terms and conditions of the issues have not been set, we do not express an opinion on these terms and conditions, or consequently on the cancellation of the shareholders' preemptive subscription rights, as proposed in the 14th and 15th resolutions.

In accordance with article R.225-116 of the French Commercial Code, we will prepare an additional report if and when the Board of Directors uses these delegations of authority to issue securities consisting of equity securities carrying rights to other equity securities or to the award of debt securities, in the event of the issue of securities carrying rights to equity securities to be issued or shares without preemptive subscription rights.

Neuilly-sur-Seine and Paris-La Défense, March 8, 2019

The Statutory Auditors
French original signed by

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STATUTORY AUDITORS' REPORT ON THE AUTHORIZATION TO AWARD STOCK SUBSCRIPTION OR PURCHASE OPTIONS

This is a free translation into English of a report issued in French and it 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,

In our capacity as Statutory Auditors of Sanofi and in compliance with articles L.225-177 and R.225-144 of the French Commercial Code (Code de commerce), we hereby report to you on the authorization to award stock subscription or purchase options to the persons to be designated by the Board of Directors among the corporate officers and employees of the Company and of the companies or groups of companies that are related to it within the meaning of article L.225-180 of said Code, which is submitted to you for approval.

Based on the Board of Directors' report, the shareholders are requested to authorize the Board, for a period of thirty-eight (38) months, to award stock subscription or purchase options.

It is the Board of Directors' responsibility to prepare a report on the reasons for awarding the stock subscription or purchase options and on the proposed methods for setting the subscription or purchase price. It is our responsibility to express an opinion on the methods proposed for setting the subscription or purchase price.

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 methods proposed for setting the subscription or purchase price are specified in the Board of Directors' report and that they comply with the applicable legal and regulatory provisions.

We have no matters to report as regards the proposed methods for setting the subscription or purchase price.

Neuilly-sur-Seine and Paris-La Défense, March 8, 2019

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit

ERNST & YOUNG et Autres

Philippe Vogt

Stéphane Basset

Alexis Hurtrel

STATUTORY AUDITORS' REPORT ON THE AUTHORIZATION TO CARRY OUT CONSIDERATION-FREE ALLOTMENTS OF EXISTING OR NEW SHARES

This is a free translation into English of a report issued in French and it 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,

In our capacity as Statutory Auditors of Sanofi, and in compliance with Article L. 225-197-1 of the French Commercial Code (Code de commerce), we hereby report to you on the proposed authorization to allot existing shares of the Company or shares to be issued to salaried employees and corporate officers of the Company and of the companies or groupings related to the Company, which is submitted to you for approval.

The existing or new shares allotted under this authorization may not represent more than 1.5% of the share capital as of the date of the decision by the Board of Directors, it being stipulated that the aggregate nominal amount of share capital increases that may be carried out will count towards the overall ceiling of €997,000,000 specified in the thirteenth resolution.

Shares allotted to corporate officers of the Company may not represent more than 5% of the number of shares specified in paragraph 3 of the twentieth resolution.

Irrevocable allotment (vesting) of the shares will be contingent upon performance conditions which will be set by the Board of Directors and will cover a period of at least three years.

The Board of Directors proposes that, on the basis of its report, for a period of thirty-eight (38) months, the shareholders authorize the Board of Directors to carry out consideration-free allotments of existing or new shares.

It is the responsibility of the Board of Directors to prepare a report on the proposed operation. It is our responsibility to report on any matters relating to the information provided to you in this report.

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 methods proposed and the information provided in the Board of Directors' report comply with the applicable legal provisions.

We have no matters to report on the information in the Board of Directors' report concerning the proposed authorization to carry out consideration-free allotments of shares.

Neuilly-sur-Seine and Paris-La Défense, March 8, 2019

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit

ERNST & YOUNG et Autres

Philippe Vogt

Stéphane Basset

Alexis Hurtrel

STATUTORY AUDITORS' REPORT ON THE ISSUANCE OF ORDINARY SHARES AND/OR SECURITIES GIVING ACCESS TO THE COMPANY'S SHARE CAPITAL RESERVED FOR MEMBERS OF EMPLOYEE SAVINGS PLANS

This is a free translation into English of a report issued in French and it 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,

In our capacity as Statutory Auditors of Sanofi, and in compliance with Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed delegation of authority to the Board of Directors to increase the capital by issuing ordinary shares and/or securities giving access to the Company's share capital, without preemptive subscription rights, reserved for members of one or more employee savings plans set up within the Sanofi Group formed by the Company and the French or foreign entities related to the Company as defined in Article L. 225-180 of the French Commercial Code and included in the scope of consolidation or combination as defined in Article L. 3344-1 of the French Labor Code (*Code du travail*), which is submitted to you for approval.

The maximum amount of the capital increases likely to result from the implementation of the twenty-second resolution is set at 1% of the share capital as of the date of the Board of Directors' decision. With regard to employees of companies operating in the United States, the Board of Directors also proposes that you delegate it the authority to decide, where it deems appropriate, to apply the special implementation conditions as stated in its report, up to a limit of 0.2% of the share capital as of December 31, 2018.

These increases in share capital are submitted to the shareholders for approval in accordance with Article L. 225-129-6 of the French Commercial Code, and Articles L. 3332-18 *et seq.* of the French Labor Code.

The Board of Directors proposes that, on the basis of its report, for a period of 26 months, the shareholders delegate

to the Board of Directors the authority to increase the share capital, on one or more occasions, and to waive their preemptive subscription rights to the shares to be issued. Where appropriate, the Board of Directors will set the final terms and conditions of the issue.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the financial information taken from the financial statements, on the proposed cancellation of shareholders' preemptive subscription rights and on other information relating to the issuance provided in the report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the information provided in the Board of Directors' report relating to this transaction and the methods used to set the issue price of the shares to be issued.

Subject to a subsequent examination of the terms and conditions of the proposed issues once they have been decided, we have no matters to report on the information provided in the Board of Directors' report relating to the methods used to set the issue price of the shares to be issued.

We do not express an opinion on the final terms and conditions of the issuances, as they have not been set, or consequently on the proposed cancellation of the shareholders' preemptive subscription rights.

In accordance with Article R. 225-116 of the French Commercial Code, we will issue an additional report if and when the Board of Directors exercises this delegation of authority for issuances of equity securities giving access to other equity securities, for issues of non-equity securities giving access to equity securities to be issued and for issues of shares without preemptive subscription rights.

Neuilly-sur-Seine and Paris-La Défense, March 8, 2019

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit

ERNST & YOUNG et Autres

Philippe Vogt

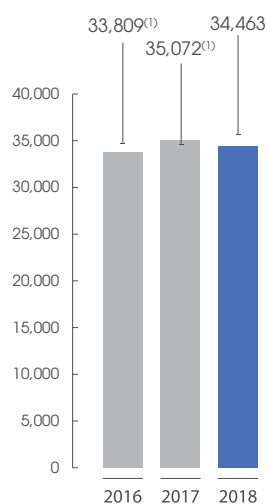
Stéphane Basset

Alexis Hurtrel

OVERVIEW OF SANOFI IN 2018

NET SALES

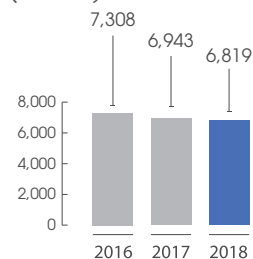
(€ million)



OTHER KEY INDICATORS

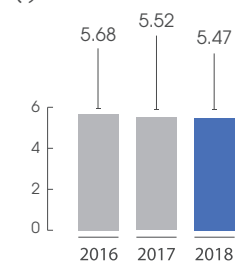
BUSINESS NET INCOME⁽²⁾

(€ million)



BUSINESS EARNINGS PER SHARE⁽²⁾

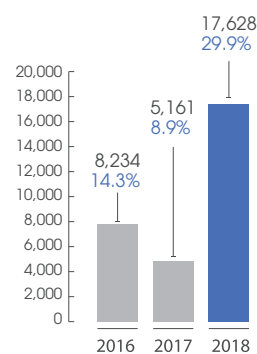
(€)



NET DEBT AS OF DECEMBER 31

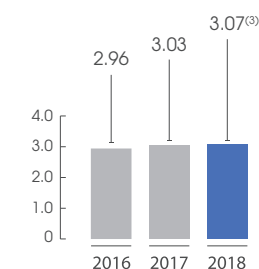
(€ million)

GEARING RATIO (%)



DIVIDEND PER SHARE

(€)



(1) Includes the effects of first-time application of IFRS 15 on revenue recognition (see Note A.2.1.1. to our consolidated financial statements in our 2018 Annual Report on Form 20-F).

(2) See "Definitions" section below.

(3) Dividend submitted for approval at the AGM of April 30, 2019.

SIGNIFICANT EVENTS

- During 2018, we continued to progress towards our key strategic objectives: reshape the portfolio, deliver outstanding launches, sustain innovation in R&D and simplify the organization.
- We began the year by creating a new global Rare Blood Disorder franchise, with three strategic deals announced within the space of a month. The acquisition of **Bioverativ**, a biotechnology company focused on therapies for hemophilia and other rare blood disorders, was completed in early March 2018 at a price of \$11.6 billion. This acquisition brought us a portfolio of products that are delivering growth including the flagship hemophilia treatments Eloctate[®] and Alprolix[®]. The acquisition of **Ablynx**, a company engaged in the discovery and development of nanobodies, was completed in June 2018 at a price of €3.9 billion, and enhances our portfolio with the addition of Cablivi[®] (caplacizumab), which received marketing approval from the European Commission in September 2018. Finally, the reshaping of our alliance with **Alnylam** enabled us to obtain global development and commercialization rights to fitusiran, an investigational RNAi therapeutic currently in development for the treatment of hemophilia A and B.
- To streamline and refocus our operations, we completed the sale of our **European Generics** business to **Advent International** for €1.9 billion on September 30, 2018. We also sold most of our infectious disease research and early-stage development portfolio, and our infectious disease research unit, to **Evotec**.
- At the start of 2018, Sanofi and **Regeneron** decided to accelerate their investment in the clinical development of three innovative products: cemiplimab (Libtayo[®]) in oncology, dupilumab (Dupixent[®]) in the treatment of Type 2 allergies, and REGN3500/SAR440340 (an anti-IL33 monoclonal antibody) in atopic dermatitis, asthma and chronic obstructive pulmonary disease. Our Immuno-Oncology Discovery and Development Agreement with Regeneron has also been restructured, giving us greater flexibility to pursue our own early stage immuno-oncology development projects independently while allowing Regeneron to retain all rights to its other discovery and development programs in that field. The renegotiation of that agreement, effective from December 31, 2018, was signed on January 2, 2019.
- We also continued our efforts to secure research and development alliances during 2018, entering into a collaboration agreement with **Denali Therapeutics, Inc.** to develop several molecules with a view to the potential treatment of various neuro-degenerative conditions and systemic inflammatory diseases.
- Our research and development efforts led to a number of products entering Phase III in 2018: fitusiran in the treatment of hemophilia type A and B; Dupixent[®] in the treatment of eosinophilic esophagitis; Kevzara[®] in the treatment of giant-cell arteritis and polymyalgia rheumatica; isatuximab in the treatment of recently diagnosed multiple myeloma; sotagliflozin in the treatment of worsening heart failure; and Libtayo[®] as a first line treatment for patients with advanced or metastatic non small cell lung cancer.
- A number of product launches took place in 2018 following approvals from regulatory bodies. These included **Dupixent[®]**, which was launched as a treatment for adults with moderate-to-severe atopic dermatitis in Japan, and in a new indication in the United States for adults with moderate-to-severe asthma. **Cablivi[®]** was launched in Germany in the treatment of acquired thrombotic thrombocytopenic purpura (aTTP). **Admelog[®]** was launched in the United States and some European countries as a biosimilar, under the name **Insulin lispro Sanofi[®]**. **Libtayo[®]** was launched in the United States in the treatment of advanced cutaneous squamous cell carcinoma (CSCC).
- Also in 2018, we invested €350 million (CAD 500 million) in the construction of a new state-of-the-art vaccine manufacturing facility at the Sanofi Pasteur Canadian headquarters in Toronto (Ontario), to meet the growing demand for vaccines.
- Net sales for the year ended December 31, 2018 amounted to €34,463 million, 1.7% lower than in 2017. At constant exchange rates (CER)⁽¹⁾, net sales rose by 2.5%, reflecting the acquisition of Bioverativ's rare blood disorder products. At constant exchange rates and on a constant structure basis (CER/CS)⁽¹⁾, net sales grew by 0.6%. Lower sales in Diabetes in the United States and for Established Prescription Products in mature markets were offset by the performance of Dupixent[®] and the Rare Diseases franchise, and more generally by increased sales in Emerging Markets.

(1) See "Definitions" section below.

1. Business overview

1.1 PHARMACEUTICALS

1.1.1. ACQUISITIONS, ALLIANCES AND DIVESTMENTS

During 2018, we made a number of acquisitions and alliances in our Pharmaceuticals operations. The principal transactions are described below:

- Sanofi and **Bioverativ**, a biotechnology company focused on therapies for hemophilia and other rare blood disorders, entered into a definitive agreement in January 2018 under which Sanofi offered to acquire all of the outstanding shares of Bioverativ for \$105 per share in cash, valuing Bioverativ at approximately \$11.6 billion (on a fully diluted basis). The acquisition was accretive to our business earnings per share⁽¹⁾ in 2018, and we expect it to be slightly more than 5% accretive in 2019. The acquisition closed on March 8, 2018.
- In January 2018, Sanofi and **Ablynx**, a biopharmaceutical company engaged in the discovery and development of nanobodies, entered into a definitive agreement under which Sanofi offered to acquire Ablynx at a price of €45 per share in cash, valuing Ablynx at approximately €3.9 billion (on a fully diluted basis). On June 19, 2018, after the end of the squeeze-out tender period, Sanofi announced that it held all the outstanding shares of Ablynx.
- In January 2018, Sanofi and **Regeneron** announced that they were accelerating and expanding investment in the clinical development of (i) cemiplimab, a PD-1 (programmed cell death protein 1) antibody, in oncology; (ii) dupilumab in Type 2 allergic diseases; and (iii) the anti-IL33 monoclonal antibody REGN3500/SAR440340. These breakthrough therapies have the potential to benefit a number of different patient populations, and these strategic investments will enable the companies to evaluate cemiplimab and dupilumab in broad clinical development programs. Our global Immuno-Oncology Discovery and Development Agreement with Regeneron was restructured early in 2019, as described in section 1.4. “Significant events subsequent to December 31, 2018” below.
- In January 2018, Sanofi and **Alnylam** announced a strategic restructuring of their RNAi therapeutics alliance to streamline and optimize development and commercialization of certain products for the treatment of rare genetic diseases. Specifically:
 - Sanofi obtained global development and commercialization rights to fitusiran, an investigational RNAi therapeutic currently in development for the treatment of people with hemophilia A and B. Global commercialization of fitusiran, upon approval, will be handled by Sanofi Genzyme, Sanofi’s Specialty Care Global Business Unit. Alnylam will receive royalties based on net sales of fitusiran products.
 - Alnylam obtained global development and commercialization rights to its investigational RNAi therapeutics programs for the treatment of hereditary ATTR amyloidosis, including patisiran and ALN-TTRsc02. Sanofi will receive royalties based on net sales of those products.
 - With respect to other products falling under the RNAi therapeutics alliance, the material terms agreed between Alnylam and Sanofi Genzyme in 2014 remained unchanged.
- On March 8, 2018, **Evotec AG** and Sanofi entered into exclusive negotiations to accelerate infectious disease research and development by creating a new open innovation platform near Lyon, France, to be managed by Evotec. In support of this platform, Sanofi licensed most of its infectious disease research and early-stage development portfolio, and transferred its infectious disease research unit, to Evotec. The transaction excluded the vaccine R&D unit and related projects. Sanofi made an initial, one-time, upfront cash payment of €60 million to Evotec on the closing date of the deal, and will provide significant further long-term funding. Sanofi retains certain option rights on the development, manufacturing and commercialization of anti-infective products. Under the agreement, Evotec is integrating Sanofi’s infectious disease research unit, which includes more than 100 employees, into its own global drug discovery and development operations. The transfer is backed by specific undertakings from Evotec to safeguard jobs for a five-year period and to maintain its activities in the Lyon region, to take advantage of the local scientific and medical ecosystem. Evotec will expand its existing long-term initiatives focused on innovation to fight infectious diseases; those initiatives include maintaining a portfolio of projects aimed at diseases affecting the developing world. The focus of drug discovery is expected to be on new mode-of-action antimicrobials.
- On September 30, 2018, we finalized the sale of our European Generics business (Zentiva) to **Advent International** (Advent), for an enterprise value of €1,919 million. Exclusive negotiations with Advent had begun in April 2018 and were completed on June 28, 2018. This divestment is in line with our strategy of streamlining and reorganizing our business. Advent is a global private equity firm, with over 25 years’ experience

⁽¹⁾ Non-GAAP financial measure; see “Definitions” section below.

of investing in the healthcare sector. Advent will support the Zentiva management team to invest in the company's operations, production facilities and R&D pipeline.

- On November 1, 2018, we signed a collaboration agreement with **Denali Therapeutics Inc.** (Denali) on the development of multiple molecules with the potential to treat a range of neurological and systemic inflammatory diseases. The two lead molecules (DNL747 and DNL758) target a protein that regulates inflammation and cell death in human tissue. Sanofi and Denali plan to study DNL747 in multiple sclerosis (MS), Alzheimer's disease and amyotrophic lateral sclerosis (ALS), and DNL758 in systemic inflammatory diseases such as rheumatoid arthritis and psoriasis. Under the terms of the agreement, Sanofi made an upfront payment of \$125 million to Denali. Future development and commercial milestone payments could exceed \$1 billion, depending on progress achieved in the development and commercialization of the molecules. Sanofi and Denali will share commercial profits and losses from DNL747 in the United States and China equally, while Denali will receive a royalty from Sanofi on profits arising from DNL747 in other territories and on worldwide sales of DNL758. Phase Ib and II clinical development costs for DNL747 will be fully funded by Sanofi for MS, ALS and other neurological indications, with the exception of Alzheimer's disease which will be funded by Denali. Phase III trials for all neurological indications will be jointly funded by Sanofi (70%) and Denali (30%). Sanofi will fully fund the clinical development costs for DNL758 in systemic inflammatory diseases.

1.1.2 RESEARCH & DEVELOPMENT AND MARKETING APPROVALS

In 2018, we obtained marketing approval from the regulatory authorities for two new pharmaceutical products: **Cablivi**[®] in Europe and **Libtayo**[®] in the United States. In addition, **Dupixent**[®] was approved in Japan for adults with moderate-to-severe atopic dermatitis, and also for a new indication in the United States for adults with moderate-to-severe asthma. For more information about our principal marketed pharmaceutical products and our research and development pipeline, refer to "Item 4. – B.2. Principal pharmaceutical products" and "Item 4. – B.5. Global research and development" respectively in our 2018 Annual Report on Form 20F.

1.2 CONSUMER HEALTHCARE

At the end of June 2018, we sold a portfolio of 12 Sanofi Consumer Healthcare brands to Cooper-Vemedica, the European over-the-counter drug manufacturing and distribution subsidiary of Charterhouse Capital Partners, for €158 million. The sale sharpens the focus of Sanofi Consumer Healthcare on its four strategic fields: Pain; Allergy, Cough & Cold; Digestive; and Nutritionals.

1.3 VACCINES

In April 2018, we announced an investment of €350 million (CAD 500 million) in the construction of a new state-of-the-art vaccine manufacturing facility at the Sanofi Pasteur Canadian headquarters in Toronto, Ontario. The new facility will allow Sanofi Pasteur, our vaccines global business unit, to meet the growing demand for five-component acellular pertussis (5-acP) antigen. Upon completion in 2021, the new building will also be equipped to produce the antigens used in the manufacture of diphtheria and tetanus vaccines.

1.3.1 RESEARCH & DEVELOPMENT AND MARKETING APPROVALS

In 2018, we obtained market approvals from the regulatory authorities for two vaccines: the dengue vaccine **Dengvaxia**[®] in Europe, and **Vaxelis**[®] (which protects against diphtheria, tetanus, pertussis, hepatitis B, poliomyelitis, and invasive disease due to *Hemophilus influenzae* type b) in the United States. For more information about our marketed vaccines and our research and development pipeline, refer to "Item 4. – B.2. Vaccine products" and "Item 4. – B.5. Global research and development" respectively in our 2018 Annual Report on Form 20F.

1.4 SIGNIFICANT EVENTS SUBSEQUENT TO DECEMBER 31, 2018

On January 7, 2019, Sanofi and Regeneron announced that they had restructured their global Immuno-oncology Discovery and Development Agreement for new cancer treatments. The 2015 agreement was scheduled to end around mid-2020, and this restructuring provides for ongoing collaborative development of two clinical-stage bi-specific antibodies. This provides us with increased flexibility to advance our early-stage immuno-oncology pipeline independently, while Regeneron retains all rights to its other immuno-oncology discovery and development programs. As of December 31, 2018, we recognized a provision of €283 million to cover the costs of terminating the other programs included in the initial agreement (see Note D.19.2. to our consolidated financial statements, included at Item 18 in our 2018 Annual Report on Form 20F). For further information about our alliance with Regeneron, refer to Note C.1. to our consolidated financial statements, included at Item 18 of our 2018 Annual Report on Form 20F.

On January 30, 2019, we announced that the Democratic Republic of Congo (DRC) had granted marketing approval for fexinidazole in the treatment of human African trypanosomiasis (HAT), more commonly known as sleeping sickness. This approval paves the way for the distribution of fexinidazole in endemic countries this year, with another submission planned in Uganda.

On February 6, 2019, we announced that the US Food and Drug Administration (FDA) had approved Cablivi® in combination with plasma exchange and immunosuppression for the treatment of acquired

thrombotic thrombocytopenic purpura (aTTP) in adults. Cablivi® is the first FDA-approved therapy specifically indicated for the treatment of aTTP.

2. Operating and financial review

2.1. NET SALES

Consolidated net sales for the year ended December 31, 2018 amounted to €34,463 million, 1.7% lower than in 2017. Exchange rate fluctuations had a negative effect of 4.2 percentage points overall, due mainly to unfavorable trends in the exchange rate for the euro against the US dollar, Argentinean peso, Brazilian real and Turkish lira. The unfavorable impact of the Argentinean peso was €196 million, including the effects of applying hyperinflation accounting from July 1, 2018 onwards (see Note A.4. to our consolidated financial statements in our Annual Report on Form 20-F) and the effects of devaluation on our Argentinean subsidiaries relative to 2017.

At constant exchange rates (CER), net sales rose by 2.5%, reflecting the acquisition of Bioverativ's rare blood disorder products. At constant exchange rates and on a constant structure basis (CER/CS), net sales grew by 0.6%. Lower sales in Diabetes in the United States and for Established Prescription Products in mature markets were offset by the performance of Dupixent® and the Rare Diseases franchise, and more generally by increased sales in Emerging Markets.

Reconciliation of net sales to net sales at constant exchange rates and on a constant structure basis⁽¹⁾

(€ million)	2018	2017 ^(a)	Change
Net sales	34,463	35,072	-1.7%
Effect of exchange rates	1,492		
Net sales at constant exchange rates	35,955	35,072	+2.5%
Impact of changes in structure (Bioverativ and Zentiva)		664	
Net sales at constant exchange rates and on a constant structure basis	35,955	35,736	+0.6%

(a) Includes the effects of first-time application of IFRS 15 on revenue recognition (see Note A.2.1.1. to our consolidated financial statements in our Annual Report on Form 20-F).

Analysis of impact on net sales of changes in structure

(€ million)	2017
Net sales of Bioverativ ^(a)	828
Net sales of Zentiva (European Generics business) ^(b)	(164)
Total impact on net sales of changes in structure	664

(a) Net sales of Bioverativ products (consolidated from March 8, 2018) for the period from March 9, 2017 through December 31, 2017.

(b) Net sales of Zentiva (European Generics business), divested on September 30, 2018, for the period from October 1, 2017 through December 31, 2017.

2.2. NET SALES BY OPERATING SEGMENT

Our net sales comprise the net sales generated by our Pharmaceuticals, Consumer Healthcare and Vaccines segments.

(€ million)	2018	2017 ^(a)	Change
Pharmaceuticals	24,685	25,173	-1.9%
Consumer Healthcare	4,660	4,798	-2.9%
Vaccines	5,118	5,101	+0.3%
Net sales	34,463	35,072	-1.7%

(a) Includes the effects of first-time application of IFRS 15 on revenue recognition (see Note A.2.1.1. to our consolidated financial statements in our Annual Report on Form 20-F).

(1) See "Definitions" section below.

2.3. NET SALES BY GLOBAL BUSINESS UNIT (GBU)

The table below presents net sales for our Global Business Units (GBUs). Note that Emerging Markets sales of Diabetes & Cardiovascular and Specialty Care products are included in the General Medicines & Emerging Markets GBU.

(€ million)	2018	2017 ^(a)	Change on a reported basis	Change at constant exchange rates
Sanofi Genzyme (Specialty Care) GBU ^{(b)(c)}	7,226	5,674	+27.4%	+30.8%
Diabetes & Cardiovascular GBU ^(b)	4,511	5,399	-16.4%	-13.8%
General Medicines & Emerging Markets GBU ^{(d)(e)}	12,948	14,100	-8.2%	-2.8%
Total Pharmaceuticals	24,685	25,173	-1.9%	+2.4%
Consumer Healthcare GBU	4,660	4,798	-2.9%	+3.0%
Sanofi Pasteur (Vaccines) GBU	5,118	5,101	+0.3%	+2.4%
Total net sales	34,463	35,072	-1.7%	+2.5%

(a) Includes the effects of first-time application of IFRS 15 on revenue recognition (see Note A.2.1.1. to our consolidated financial statements in our Annual Report on Form 20-F)

(b) Does not include Emerging Markets net sales.

(c) Rare Diseases, Multiple Sclerosis, Oncology and Immunology, and Rare Blood Disorder.

(d) Includes net sales in Emerging Markets of Specialty Care and Diabetes & Cardiovascular products.

(e) Emerging Markets: World excluding United States, Canada, Europe (apart from Eurasia: Russia, Ukraine, Georgia, Belarus, Armenia and Turkey), Japan, South Korea, Australia, New Zealand and Puerto Rico.

New GBUs

We have announced our intention to adjust the structure of two of our GBUs with effect from January 1, 2019, so as to refocus our operations in mature and emerging markets. This involves creating a new Primary Care GBU that combines the product portfolio of the former Diabetes & Cardiovascular GBU with the Established Products portfolio previously contained in the former General Medicines & Emerging Markets GBU. The new Primary Care GBU will focus exclusively on mature markets. We have also created a second GBU: China and Emerging Markets. This new GBU will focus on the specific characteristics and growth potential of emerging markets and especially China, which is our second-largest market after the United States.

To give investors a better understanding of the presentation of our net sales from 2019 onwards, the table below provides a breakdown of our 2018 net sales based on this new structure:

(€ million)	2018
Sanofi Genzyme (Specialty Care) GBU	7,226
Primary Care GBU	10,406
China & Emerging Markets GBU	7,053
Total Pharmaceuticals	24,685
Consumer Healthcare GBU	4,660
Sanofi Pasteur (Vaccines) GBU	5,118
Total net sales	34,463

2.4. NET SALES BY FRANCHISE

The table below sets forth our 2018 and 2017 net sales by franchise in order to facilitate direct comparisons with our peers. For a detailed reconciliation of net sales by franchise and net sales by GBU for our Pharmaceuticals segment, refer to the table in section 4 below, entitled “2018 Pharmaceuticals net sales by geographical region”.

(€ million)	2018	2017 ^(a)	Change on a reported basis	Change at constant exchange rates
Rare Diseases	2,958	2,890	+2.4%	+8.3%
Multiple Sclerosis	2,049	2,041	+0.4%	+4.4%
Oncology	1,494	1,517	-1.5%	+2.1%
Immunology	871	230	+278.7%	+287.0%
Rare Blood Disorder	897	-	-	-
Total Specialty Care	8,269	6,678	+23.8%	+29.0%
<i>of which Developed Markets (Sanofi Genzyme GBU)</i>	7,226	5,674	+27.4%	+30.8%
<i>of which Emerging Markets^{(b)(c)}</i>	1,043	1,004	+3.9%	+18.7%
Diabetes	5,472	6,398	-14.5%	-10.4%
Cardiovascular	611	510	+19.8%	+23.5%
Total Diabetes & Cardiovascular	6,083	6,908	-11.9%	-7.9%
<i>of which Developed Markets (Diabetes & Cardiovascular GBU)</i>	4,511	5,399	-16.4%	-13.8%
<i>of which Emerging Markets^{(b)(c)}</i>	1,572	1,509	+4.2%	+13.1%
Established Prescription Products^(b)	8,843	9,818	-9.9%	-6.1%
Generics^(b)	1,490	1,769	-15.8%	-9.8%
Total Pharmaceuticals	24,685	25,173	-1.9%	+2.4%
Consumer Healthcare (Consumer Healthcare GBU)	4,660	4,798	-2.9%	+3.0%
Vaccines (Sanofi Pasteur GBU)	5,118	5,101	+0.3%	+2.4%
Total net sales	34,463	35,072	-1.7%	+2.5%

(a) Includes the effects of first-time application of IFRS 15 on revenue recognition (see Note A.2.1.1. to our consolidated financial statements in our Annual Report on Form 20-F).

(b) These lines are aggregated to form the net sales of the General Medicines and Emerging Markets GBU.

(c) Emerging Markets: World excluding United States, Canada, Europe (apart from Eurasia: Russia, Ukraine, Georgia, Belarus, Armenia and Turkey), Japan, South Korea, Australia, New Zealand and Puerto Rico.

2.4.1. Pharmaceuticals Segment

In 2018, net sales for the Pharmaceuticals segment were €24,685 million, down 1.9% on a reported basis but up 2.4% at constant exchange rates (CER). At constant exchange rates and on a constant structure basis, net sales of the Pharmaceuticals segment were virtually unchanged, down just 0.2% in 2018 versus 2017. The year-on-year decline of €488 million on a reported basis reflects (i) an unfavorable effect of €1,104 million from exchange rates; (ii) the positive net effect of €664 million from the acquisition of Bioverativ products and the divestment of the European Generics business; and (iii) the following effects at constant exchange rates:

- positive performances from the Immunology franchise (up €660 million), the Rare Diseases franchise (up €239

million), the Cardiovascular franchise (up €120 million), the Multiple Sclerosis franchise (up €90 million), the Rare Blood Disorder franchise on a constant structure basis (up €89 million), and the Oncology franchise (up €32 million); and

- offset by lower net sales for the Diabetes franchise (down €666 million), the Established Prescription Products franchise (down €603 million), and the Generics franchise on a constant structure basis (down €9 million).

Net sales for the **Rare Diseases** franchise amounted to €2,958 million in 2018, up 2.4% on a reported basis and 8.3% at constant exchange rates (CER).

The **Multiple Sclerosis** franchise generated 2018 net sales of €2,049 million, up 0.4% on a reported basis and up 4.4%

CER. Strong growth in sales of **Aubagio**[®] offset lower sales of **Lemtrada**[®] in mature markets.

Net sales for the **Oncology** franchise in 2018 totaled €1,494 million, down 1.5% on a reported basis but up 2.1% CER. We divested **Leukine**[®] on January 31, 2018, as part of our portfolio refocusing strategy. Excluding **Leukine**[®], Oncology franchise net sales were up 6.3% CER in 2018, reflecting good performances by **Jevtana**[®] in the United States and **Thymoglobulin**[®] in China.

Our **Rare Blood Disorder** franchise was created in 2018 following two acquisitions. The first was the acquisition of Bioverativ, which added two products to our portfolio: the flagship hemophilia treatments **Eloctate**[®] and **Alprolix**[®]. This was followed by the acquisition of **Ablynx**, enhancing our portfolio with the addition of **Cablivi**[®] (caplacizumab), which received marketing approval from the European Commission in September 2018 in the treatment of acquired thrombotic thrombocytopenic purpura (aTTP). Net sales for the Rare Blood Disorder franchise have been consolidated by Sanofi since March 9, 2018, and in the period from that date to December 31, 2018 amounted to €897 million, including €175 million of non-US sales (mainly in Japan). At constant exchange rates and on a constant structure basis, the sales of the franchise grew by 10.7%.

Net sales of the **Immunology** franchise reached €871 million in 2018, up 278.7% on a reported basis and 287.0% CER. **Dupixent**[®] (developed in collaboration with Regeneron) was launched in the United States in April 2017 for moderate-to-severe atopic dermatitis in adults, and in Germany in December 2017. Further launches followed in 2018 in many European countries, Emerging Markets countries, and Japan. Net sales of **Dupixent**[®] reached €788 million in 2018, of which €660 million was generated in the United States, where sales were 213.9% higher CER than in 2017. In October 2018, **Dupixent**[®] was approved in the United States for moderate-to-severe asthma in adults. **Kevzara**[®] (developed in collaboration with Regeneron) was launched as a rheumatoid arthritis treatment in the United States in June 2017; in Germany, the United Kingdom and the Netherlands in the second half of 2017; and in Japan and many European Union countries in 2018. Net sales of **Kevzara**[®] in 2018 amounted to €83 million, of which €64 million was generated in the United States.

Net sales for the **Diabetes** franchise totaled €5,472 million in 2018, down 14.5% on a reported basis and 10.4% at constant exchange rates. This reflects a decline in sales for the franchise in the United States (-26.9% CER at €2,185 million), especially of insulin glargines (**Lantus**[®] and **Toujeo**[®]) as a result of changes to Medicare Part D welfare program cover and the ongoing decline in average net prices for insulin glargines in the United States. Elsewhere in the world, net sales for the Diabetes franchise rose in Emerging Markets (+12.7% CER at €1,554 million) and fell slightly in Europe (-0.9% CER at €1,272 million) and in the Rest of the World region (-0.8% CER at €461 million),

where good performances from **Toujeo**[®] nearly offset lower sales of **Lantus**[®].

Net sales of the **Cardiology** franchise reached €611 million in 2018, up 19.8% on a reported basis and 23.5% CER.

Net sales of **Established Prescription Products** in 2018 amounted to €8,843 million, down 9.9% on a reported basis and 6.1% CER. Stronger sales in Emerging Markets (+6.6% CER at €3,753 million) failed to offset lower net sales in mature markets (-14.1% CER at €5,090 million). In the United States for example, the franchise saw net sales fall by 38.2% CER to €751 million, mainly due to generic competition for **Renvela**[®]/ **Renagel**[®] (sevelamer). In the Rest of the World region, net sales were down 16.9% CER at €1,009 million, largely as a result of competition from generics of **Plavix**[®] and **Aprovel**[®] in Japan. In Europe, the franchise posted net sales of €3,330 million, down 4.4% CER, impacted by generic competition for **Lovenox**[®].

Net sales of **Generics** were €1,490 million, down 15.8% on a reported basis and 9.8% CER. The main reason for the decrease was the sale of our European Generics business (**Zentiva**) to **Advent International** on September 30, 2018. This divestment was in line with our strategy of streamlining and refocusing our operations. At constant exchange rates and on a constant structure basis, Generics net sales were relatively stable, falling by just 0.6%. Higher sales in Emerging Markets (+3.0% CER at €685 million) and the Rest of the World region (+9.1% CER at €113 million), especially in Japan, failed to fully offset lower sales in the United States (-15.3% CER at €124 million) and Europe (-3.2% at constant exchange rates and on a constant structure basis at €568 million).

2.4.2. Consumer Healthcare Segment

Net sales of **Consumer Healthcare** products for 2018 were €4,660 million, down 2.9% on a reported basis but up 3.0% at constant exchange rates, driven by Emerging Markets (+8.9% CER at €1,588 million) – especially Latin America – and by the Pain (+6.7% CER at €1,254 million) and Digestive (+8.7% CER at €986 million) categories. Sales of Consumer Health products were stable in Europe at €1,403 million, but decreased slightly in the United States (-1.1% CER at €1,066 million).

2.4.3. Vaccines Segment

The **Vaccines** segment posted 2018 net sales of €5,118 million, up 0.3% on a reported basis and 2.4% CER, driven by influenza vaccines in mature markets. US vaccine sales advanced by 1.1% CER to €2,577 million, with higher influenza vaccine sales more than offsetting lower sales for other vaccine categories. Sales growth was robust in the Rest of the World region and Europe, at 16.0% CER (to €728 million) and 9.5% CER (to €342 million), respectively.

However, net sales fell by 2.3% in Emerging Markets to €1,471 million, mainly due to weaker influenza vaccines sales.

2.5. NET SALES BY GEOGRAPHICAL REGION

Net sales in the **United States** were €11,540 million in 2018, down 2.7% on a reported basis but up 0.7% at constant exchange rates. Good performances from Dupixent® and Aubagio® and the first-time consolidation of sales of Elocate® and Alprolix® offset lower sales for the Diabetes franchise (-26.9% CER at €2,185 million) and Renvela®/Renagel® (-59.1% CER at €253 million).

Net sales in **Emerging Markets** reached €10,112 million, down 1.6% on a reported basis but up 7.5% CER. All Pharmaceuticals segment franchises saw net sales growth in Emerging Markets, as did Consumer Healthcare; the only exception was vaccines, with net sales down 2.3% CER at €1,471 million. The biggest contributors to growth in Emerging Markets were Established Prescription Products (+6.6% CER at €3,753 million), Diabetes (+12.7% CER at €1,554 million) and Consumer Healthcare (+8.9% CER at €1,588 million). In **Asia**, net sales rose by 9.3% CER to €3,962 million on a solid performance in China (+12.7% CER at €2,464 million), despite local supply constraints on Pentaxim® in the first half. In **Latin America**, net sales reached €2,612 million, up 8.1% CER, fueled by Brazil (+7.0% CER at €1,023 million). The best performers in this zone were Consumer Healthcare (+15.4% CER at €641 million) and Rare Diseases (+32.8% CER at €231 million). In **Africa and the Middle East**, net sales were up 1.1% CER at €2,232 million, boosted by the Diabetes franchise (+10.3% CER at €426 million) and Consumer Healthcare (+7.1% CER at €274 million), which offset lower Vaccines sales. In **Eurasia**, net sales were 10.1% higher CER at €1,152 million, reflecting strong sales growth in Turkey (+17.6% CER at €426 million) and Russia (+4.6% CER at €605 million).

In **Europe**, net sales remained stable in 2018 at €9,434 million. Robust performances by Vaccines (+16.0% CER at €728 million) and from Dupixent® and Praluent® offset lower sales of Established Prescription Products (-4.4% CER at €3,330 million), and of Generics following the divestment of Zentiva on September 30, 2018. At constant exchange rates and on a constant structure basis, sales in Europe rose by 1.1%.

In the **Rest of the World** region, net sales advanced by 2.7% CER to €3,377 million. Net sales in Japan totaled €1,710 million, down 2.0% CER. Good performances from Dupixent® and the first-time consolidation of sales of Elocate® and Alprolix® failed to fully offset a sharp decline in net sales of Established Prescription Products (-16.9% CER at €1,009 million), attributable in part to generic competition for Plavix® and Aprovel®.

2.6. NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF SANOFI

Net income attributable to equity holders of Sanofi amounted to €4,306 million in 2018, compared with €8,416 million in 2017. Basic earnings per share for 2018 was €3.45, 48.5% lower than the 2017 figure of €6.70 (which included the net gain on the sale of the Animal Health business), based on an average number of shares outstanding of 1,247.1 million in 2018 and 1,256.9 million in 2017. Diluted earnings per share for 2018 was €3.43, 48.3% lower than the 2017 figure of €6.64, based on an average number of shares after dilution of 1,255.2 million in 2018 and 1,266.8 million in 2017.

2.7. BUSINESS NET INCOME

We believe that understanding of our operational performance by our management and our investors is enhanced by reporting "business net income". This non-GAAP financial measure represents business operating income, less net financial expenses and the relevant income tax effects.

Business net income for 2018 was €6,819 million, 1.8% lower than in 2017 (€6,943 million). Business net income was unchanged year-on-year as a percentage of net sales, at 19.8%.

We also report "business earnings per share" (business EPS), a non-GAAP financial measure which we define as business net income divided by the weighted average number of shares outstanding.

Business EPS was €5.47 for 2018, 0.9% lower than the 2017 figure of €5.52, based on an average number of shares outstanding of 1,247.1 million for 2018 and 1,256.9 million for 2017.

2.8. CONSOLIDATED STATEMENT OF CASH FLOWS

Net cash provided by operating activities amounted to €5,547 million in 2018, against €7,379 million in 2017.

Operating cash flow before changes in working capital for 2018 was €6,827 million, compared with €7,232 million in 2017. Working capital requirements increased by €1,280 million in 2018, compared with a reduction of €147 million in 2017. The main factors in 2018 were (i) an increase of €701 million in inventories, associated with new products (especially Dupixent®) and (ii) the net change in other current assets and liabilities (negative change of €814 million in 2018, versus positive change of €243 million in 2017), due mainly to a decrease in provisions for discounts, rebates and sales returns (especially in the United States), and to differences between the date of recognition of income taxes and the timing of tax payments during the year.

Net cash used in investing activities totaled €12,866 million in 2018, compared with €2,896 million in 2017.

Acquisitions of property, plant and equipment and intangible assets amounted to €1,977 million, versus €1,956 million in 2017. There were €1,415 million of acquisitions of property, plant and equipment (versus €1,388 million in 2017), most of which (€1,046 million) were in the Pharmaceuticals segment, primarily in industrial facilities. The Vaccines segment accounted for €364 million of acquisitions of property, plant and equipment during 2018. Acquisitions of intangible assets (€562 million, versus €568 million in 2017) mainly comprised contractual payments for intangible rights under license and collaboration agreements.

Acquisitions of investments during 2018 totaled €12,994 million, net of the cash of acquired entities and after including assumed liabilities and commitments; this compares with €1,212 million in 2017. The main acquisitions in 2018 were Bioverativ (€8,932 million) and Ablynx (€3,639 million).

After-tax proceeds from disposals amounted to €2,163 million in 2018, and arose mainly from the sale of the European Generics business (€1,598 million), the sale of some Consumer Healthcare products to Cooper-Vemedia (€158 million), and the divestment of equity interests in Impact Therapeutics (€99 million). In 2017, after-tax proceeds from disposals amounted to €535 million, and arose mainly from the sale of mutual fund investments previously held to meet commitments under postemployment plans; divestments of Consumer Healthcare brands in the United States; and the divestment of Consumer Healthcare products to Ipsen (for €83 million).

Net cash inflow from the exchange of the Animal Health business for BI's Consumer Healthcare business comprised the following items in 2017: (i) the receipt by Sanofi of a balancing cash payment of €4,207 million; (ii) reimbursements of intragroup accounts with Merial entities totaling €967 million; (iii) the €1,784 million payment of the tax due on the gain arising on the divestment; and (iv) the cash held by the BI subsidiaries acquired by Sanofi. After taking account of final enterprise value adjustments, the total consideration for the businesses effectively transferred in 2017 was €10,557 million for the sale of the Animal Health business to BI, and €6,239 million for the acquisition of BI's Consumer Healthcare business (see Note D.1. to our consolidated financial statements for the year ended December 31, 2017).

Net cash provided by/used in financing activities represented a net cash inflow of €3,934 million in 2018, compared with a net outflow of €7,902 million in 2017. The 2018 figure includes net external debt finance obtained of €8,722 million (compared with a net repayment of €2,297 million of debt in 2017), including a debt issue of €8 billion under the Euro Medium Term Note program in March 2018 and a further \$2 billion bond issue in June

2018. Other cash outflows in 2018 included the dividend payout to our shareholders of €3,773 million (versus €3,710 million in 2017), and the effect of changes in our share capital (repurchases of our own shares, net of capital increases) amounting to €924 million (€1,843 million in 2017).

The net change in cash and cash equivalents during 2018 was a decrease of €3,390 million, compared with an increase of €42 million in 2017.

2.9. CONSOLIDATED BALANCE SHEET AND DEBT

Total assets were €111,408 million as of December 31, 2018, compared with €99,813 million as of December 31, 2017, an increase of €11,595 million.

Net debt was €17,628 million as of December 31, 2018, compared with €5,161 million as of December 31, 2017, due largely to the acquisitions of Bioverativ and Ablynx. "Net debt" is a non-GAAP financial indicator which is reviewed by our management, and which we believe provides useful information to measure our overall liquidity and capital resources. We define "net debt" as (i) the sum total of short term debt, long term debt, and interest rate derivatives and currency derivatives used to manage debt, minus (ii) the sum total of cash and cash equivalents and interest rate derivatives and currency derivatives used to manage cash and cash equivalents.

To assess our financing risk, we use the "gearing ratio", another non-GAAP financial measure. This ratio (which we define as the ratio of net debt to total equity) increased from 8.9% as of December 31, 2017 to 29.9% as of December 31, 2018. Analyses of debt as of December 31, 2018 and December 31, 2017, by type, maturity, interest rate and currency, are provided in Note D.17. to our consolidated financial statements in our Annual Report on Form 20-F.

We expect that the future cash flows generated by our operating activities will be sufficient to repay our debt. The financing arrangements in place as of December 31, 2018 at the Sanofi parent company level are not subject to covenants regarding financial ratios and do not contain any clauses linking credit spreads or fees to Sanofi's credit rating.

Other key movements in the balance sheet are described below.

Total equity was €59,035 million as of December 31, 2018, versus €58,239 million as of December 31, 2017. The year-on-year change reflects the following principal factors:

- increases: our net income for 2018 (€4,410 million) and movements in currency translation differences (€1,194 million, mainly on the US dollar); and
- decreases: the dividend payout to our shareholders in respect of the 2017 financial year (€3,773 million), and repurchases of our own shares (€1,100 million).

As of December 31, 2018 we held 1.9 million of our own shares, recorded as a deduction from equity and representing 0.15% of our share capital.

Goodwill and Other intangible assets (€66,124 million in total) rose by €12,780 million year-on-year, the main factors being:

- increases: movements related to the acquisitions of Bioverativ (€2,676 million of goodwill and €8,113 million of other intangible assets) and Ablynx (€1,372 million of goodwill and €2,409 million of other intangible assets); and
- decreases: amortization and impairment charged during the period (€3,033 million), and the effects of the divestment of our European Generics business (€988 million).

Investments accounted for using the equity method (€3,402 million) increased by €555 million, mainly due to the recognition of our share of the profits of Regeneron.

Other non-current assets were €393 million lower at €2,971 million. The main movement during the year was a decrease in the market value of our equity investment in Alnylam (€447 million, including the effect of exchange rates).

Net deferred tax assets were €1,199 million as of December 31, 2018, versus €2,686 million as of December 31, 2017, a decrease of €1,487 million. This was largely due to deferred taxes arising on the remeasurement of other intangible assets acquired in business combinations, primarily €1,906 million relating to Bioverativ as of December 31, 2018.

Non-current provisions and other non-current liabilities (€8,613 million) decreased by €541 million, mainly due to a reduction in provisions for pensions and other post-employment benefits.

Liabilities related to business combinations and to non-controlling interests (€1,304 million) decreased by €65 million. The main movements in this line item are (i) the effects of buying out non-controlling interests from BMS and (ii) fair value remeasurements of contingent consideration payable to Bayer as a result of an acquisition made by Genzyme prior to the latter's acquisition by Sanofi; those movements were partly offset by the effect of the acquisition of Bioverativ (see Note D.18. to our consolidated financial statements in our Annual Report on Form 20-F).

3. Outlook

3.1. IMPACT OF COMPETITION FROM GENERICS AND BIOSIMILARS

Some of our flagship products continued to suffer sales erosion in 2018 due to competition from generics and biosimilars. We do not believe it is possible to state with certainty what level of net sales would have been achieved in the absence of generic competition.

A comparison of our consolidated net sales for the years ended December 31, 2018 and 2017 for products affected by generic and biosimilar competition shows a loss of €1,749 million of net sales on a reported basis. Other parameters may have contributed to the loss of sales, such as a fall in the average price of certain products (e.g. Lantus®).

We expect the erosion caused by generic competition to continue in 2019, with a negative impact on our net income. The products likely to be impacted include those that already faced generic competition in 2018, but whose sales can reasonably be expected to be subject to further sales erosion in 2019: Aprovel®, Lantus®, Lovenox®, Plavix® and Renage®/Renvela® in Europe; Ambien®, Lantus®, Lovenox®, Renage® / Renvela® and Taxotere® in the United States; and Allegra®, Amaryl®, Aprovel®, Lantus®, Myslee®, Plavix® and Taxotere® in Japan.

(1) See "Definitions" section below.

In 2018, the aggregate consolidated net sales of those products in countries where generic competition currently exists or is expected in 2019 amounted to €4,248 million; this comprises €1,951 million in the United States (including €1,614 million in net sales of Lantus® and €253 million in net sales of Renage®/ Renvela®); €1,869 million in Europe; and €428 million in Japan. The negative impact on our 2019 net sales is likely to represent a substantial portion of those sales, but the actual impact will depend on a number of factors such as the prices at which the products are sold and potential litigation outcomes.

3.2. 2019 OUTLOOK

At constant exchange rates, Sanofi expects 2019 business earnings per share (business EPS)⁽¹⁾ to grow between 3% and 5%, barring unforeseen major adverse events. Applying average January 2019 exchange rates, the positive currency impact on 2019 business EPS is estimated to be between 1% to 2%.

In 2018, business net income was €6,819 million, giving business EPS of €5.47 per share.

This guidance was prepared using accounting policies consistent with those used to prepare our historical financial information.

Certain information, assumptions and estimates are wholly or partly derived from or reliant upon judgments and

decisions reached by Sanofi management that may be subject to change or adjustment in the future.

4. Definitions

4.1. NET SALES AT CONSTANT EXCHANGE RATES AND CONSTANT STRUCTURE BASIS

When we refer to changes in our net sales at constant exchange rates (CER), that means that we have excluded the effect of exchange rates by recalculating net sales for the relevant period using the exchange rates that were used for the previous period.

When we refer to changes in our net sales on a constant structure basis, that means that we eliminate the effect of changes in structure by restating the net sales for the previous period as follows:

- by including sales generated by entities or product rights acquired in the current period for a portion of the previous period equal to the portion of the current period during which we owned them, based on sales information we receive from the party from whom we make the acquisition;
- similarly, by excluding sales for a portion of the previous period when we have sold an entity or rights to a product in the current period; and
- for a change in consolidation method, by recalculating the previous period on the basis of the method used for the current period

4.2. SEGMENT INFORMATION AND RESULTS

In accordance with IFRS 8 (Operating Segments), the segment information reported by Sanofi is prepared on the basis of internal management data provided to the Chief Executive Officer, who is the chief operating decision maker. The performance of those segments is monitored individually using internal reports and common indicators. The operating segment disclosures required under IFRS 8

are provided in Notes B.26. and D.35 (“Segment Information”) to the consolidated financial statements in our Annual Report on Form 20-F. Sanofi has three operating segments: Pharmaceuticals, Consumer Healthcare and Vaccines.

The Pharmaceuticals segment comprises the commercial operations of the following global franchises: Specialty Care (Rare Diseases, Multiple Sclerosis, Oncology, Immunology and Rare Blood Disorder), Diabetes & Cardiovascular, Established Prescription Products and Generics, together with research, development and production activities dedicated to the Pharmaceuticals segment. This segment also includes associates whose activities are related to pharmaceuticals, in particular the investment in Regeneron. The Consumer Healthcare segment comprises, for all geographical territories, the commercial operations for our Consumer Healthcare products, together with research, development and production activities dedicated to those products.

The Vaccines segment comprises, for all geographical territories (including from January 1, 2017 certain European territories previously included in the Sanofi Pasteur MSD joint venture), the commercial operations of Sanofi Pasteur, together with research, development and production activities dedicated to vaccines.

Inter-segment transactions are not material.

The costs of Sanofi’s global functions (Medical Affairs, External Affairs, Finance, Human Resources, Legal Affairs, Information Solutions & Technologies, Sanofi Business Services, etc.) are managed centrally at group-wide level, and are presented within the “Other” category. That category also includes other reconciling items such as retained commitments in respect of divested activities.

The table below sets forth our segment results for the **year ended December 31, 2018**:

(€ million)	December 31, 2018				Total Sanofi
	Pharmaceuticals	Consumer Healthcare	Vaccines	Other	
Net sales	24,685	4,660	5,118	-	34,463
Other revenues	252	-	962	-	1,214
Cost of sales	(6,738)	(1,539)	(2,854)	(190)	(11,321)
Research and development expenses	(4,572)	(143)	(555)	(624)	(5,894)
Selling and general expenses	(5,431)	(1,534)	(710)	(2,156)	(9,831)
Other operating income and expenses	(37)	101	(4)	(124)	(64)
Share of profit/(loss) from investments accounted for using the equity method	425	1	(3)	-	423
Net income attributable to non-controlling interests	(96)	(10)	-	-	(106)
Business operating income	8,488	1,536	1,954	(3,094)	8,884

The table below sets forth Sanofi's segment results for the years ended December 31, 2018 and December 31, 2017, based on the new segment reporting model

(€ million)	December 31, 2017 ^(a)				Total Sanofi
	Pharmaceuticals	Consumer Healthcare	Vaccines	Other	
Net sales	25,173	4,798	5,101	-	35,072
Other revenues	287	-	862	-	1,149
Cost of sales	(6,766)	(1,612)	(2,798)	(271)	(11,447)
Research and development expenses	(4,056)	(123)	(557)	(736)	(5,472)
Selling and general expenses	(5,649)	(1,645)	(728)	(2,050)	(10,072)
Other operating income and expenses	34	94	(107)	(17)	4
Share of profit/(loss) from investments accounted for using the equity method	212	1	1	-	214
Net income attributable to non-controlling interests	(110)	(15)	-	-	(125)
Business operating income	9,125	1,498	1,774	(3,074)	9,323

(a) Includes the effects of first-time application of IFRS 15 on revenue recognition (see Note A.2.1.1. to our consolidated financial statements in our Annual Report on Form 20-F.

4.3. BUSINESS NET INCOME

We believe that understanding of our operational performance by our management and our investors is enhanced by reporting "business net income". This non-GAAP financial measure represents business operating income, less net financial expenses and the relevant income tax effects.

We also report "business earnings per share" (business EPS), a non-GAAP financial measure which we define as business net income divided by the weighted average number of shares outstanding.

We define business net income as **Net income attributable to equity holders of Sanofi** determined under IFRS, excluding the following items:

- amortization and impairment losses charged against intangible assets (other than software and other rights of an industrial or operational nature);
- fair value remeasurements of contingent consideration relating to business combinations or divestments;
- other impacts associated with acquisitions (including impacts of acquisitions on investments accounted for using the equity method);
- restructuring costs and similar items⁽¹⁾;
- other gains and losses (including gains and losses on major disposals of non-current assets⁽²⁾);

- other costs and provisions related to litigation⁽²⁾;
- the tax effects of the items listed above;
- the effects of major tax disputes;
- the 3% tax levied on the distribution of dividends to equity holders of Sanofi, up to and including 2017;
- the direct and indirect effects of the US tax reform in 2017 and the adjustments to our estimates of those effects, recognized in 2018, and the consequences of the French Constitutional Council ruling of October 6, 2017 on the additional 3% tax levied on dividends paid out in cash;
- those Animal Health items that are not included in business net income⁽³⁾; and
- the portion attributable to non-controlling interests of the items listed above.

The most significant reconciling items between our business net income and **Net income attributable to equity holders of Sanofi** relate to (i) the purchase accounting effects of our acquisitions and business combinations, particularly the amortization and impairment of intangible assets (other than software and other rights of an industrial or operational nature) and (ii) the impacts of events regarded as non-recurring, where the amounts involved are particularly significant. We believe that excluding those non-cash or non-recurring charges

(1) Presented in the line item **Restructuring costs and similar items** in the consolidated income statement in our Annual Report on Form 20-F.

(2) Presented in the line item **Other gains and losses, and litigation** in the consolidated income statement in our Annual Report on Form 20-F.

(3) Comprises (i) impact of the discontinuation of depreciation and impairment of property, plant & equipment with effect from the start date of application of IFRS 5 (Discontinued and Held-for-Sale Operations), included in business net income; (ii) impact of the amortization and impairment of intangible assets until the start date of IFRS 5 application; (iii) costs directly incurred as a result of the divestment; and (iv) tax effects of those items.

enhances an investor's understanding of our underlying economic performance, because we do not consider that the excluded charges reflect the combined entity's ongoing operating performance. Rather, we believe that each of the excluded charges reflects the decision to acquire the businesses concerned.

The principal purchase accounting effects of acquisitions and business combinations on net income are:

- amortization and net impairment losses charged against intangible assets (other than software and other rights of an industrial or operational nature), net of taxes and non-controlling interests; and
- the incremental cost of sales incurred on the workdown of acquired inventories remeasured at fair value, net of taxes.

We believe (subject to the limitations described below) that disclosing our business net income enhances the comparability of our operating performance, for the following reasons:

- the elimination of charges related to the purchase accounting effects of our acquisitions and business combinations (particularly amortization and impairment of finite-lived intangible assets, other than software and other rights of an industrial or operational nature) enhances the comparability of our ongoing operating performance relative to our peers in the pharmaceutical industry that carry those intangible assets (principally patents and trademarks) at low book values either because they are the result of in-house research and development that has already been expensed in prior periods or because they were acquired through business

combinations that were accounted for as poolings-of-interest;

- the elimination of selected items – such as the incremental cost of sales arising from the workdown of acquired inventories remeasured at fair value in business combinations, major gains and losses on disposals, and costs and provisions associated with major litigation and any other major non-recurring items – improves comparability from one period to the next; and
- the elimination of restructuring costs and similar items enhances comparability because those costs are incurred in connection with reorganization and transformation processes intended to optimize our operations.

We remind investors, however, that business net income should not be considered in isolation from, or as a substitute for, **Net income attributable to equity holders of Sanofi** reported in accordance with IFRS. In addition, we strongly encourage investors and potential investors not to rely on any single financial measure but to review our financial statements, including the notes thereto, carefully and in their entirety.

We compensate for the material limitations described above by using business net income only to supplement our IFRS financial reporting and by ensuring that our disclosures provide sufficient information for a full understanding of all adjustments included in business net income.

Because our business net income is not a standardized measure, it may not be directly comparable with the non-GAAP financial measures of other companies using the same or a similar non-GAAP financial measure.

The table below reconciles our business net income to **Net income attributable to equity holders of Sanofi**:

(€ million)	2018	2017 ^(a)	2016 ^(a)
Net income attributable to equity holders of Sanofi	4,306	8,416	4,709
Amortization of intangible assets ^(b)	2,170	1,866	1,692
Impairment of intangible assets	718	293	192
Fair value remeasurement of contingent consideration	(117)	159	135
Expenses arising from the impact of acquisitions on inventories	114	166	-
Other expenses related to business combinations	28	-	-
Restructuring costs and similar items	1,480	731	879
Impairment loss charged against equity investment in Alnylam	-	-	457
Other gains and losses, and litigation ^(c)	(502)	215	(211)
Tax effects of the items listed above:	(1,125)	(1,126)	(841)
<i>amortization and impairment of intangible assets</i>	(692)	(719)	(694)
<i>fair value remeasurement of contingent consideration</i>	38	4	(24)
<i>expenses arising from the impact of acquisitions on inventories</i>	(27)	(52)	-
<i>other expenses related to business combinations</i>	(6)	-	-
<i>restructuring costs and similar items</i>	(435)	(134)	(95)
<i>other tax effects</i>	(3)	(225)	(28)
Other tax items ^(d)	(188)	741	113
Share of items listed above attributable to non-controlling interests	(2)	(4)	(22)
Investments accounted for using the equity method: restructuring costs and expenses arising from the impact of acquisitions	(76)	129	(9)
Items relating to the Animal Health business ^(e)	13	(4,643)	162
Other Sanofi Pasteur MSD items ^(f)	-	-	52
Business net income	6,819	6,943	7,308
Average number of shares outstanding (million)	1,247.1	1,256.9	1,286.6
Basic earnings per share (in euros)	3.45	6.70	3.66
Reconciling items per share (in euros)	2.02	(1.18)	2.02
Business earnings per share (in euros)	5.47	5.52	5.68

(a) Includes the effects of first-time application of IFRS 15 on revenue recognition (see Note A.2.1.1. to our consolidated financial statements in our Annual Report on Form 20-F).

(b) Includes amortization expense generated by the remeasurement of intangible assets in connection with business combinations: €1,957 million in 2018, €1,726 million in 2017, and €1,550 million in 2016.

(c) For 2018, this line consists mainly of the gain on the divestment of our European Generics business, net of separation costs and before any tax effects. For 2017, it mainly comprises a provision for a vendor's liability guarantee on a past divestment; and for 2016, the gain on the divestment of Sanofi's interest in the Sanofi Pasteur MSD joint venture, before any tax effects.

(d) For 2018, this line comprises adjustments to our preliminary analysis of the direct and indirect impacts of US tax reform. For 2017, it comprises the estimated initial impact of US tax reform (-€1,193 million) and of the 3% tax levied on dividends in France (€451 million).

(e) For 2017, this line comprises the gain on the divestment of our Animal Health business. For 2016, it comprises (i) the impact of the discontinuation of depreciation and impairment of property, plant & equipment with effect from the start date of application of IFRS 5 included in business net income; (ii) the impact of the amortization and impairment of intangible assets until the start date of IFRS 5 application; (iii) costs directly incurred as a result of the divestment; and (iv) tax effects of those items.

(f) For 2016, this line comprises the elimination of our share of the business net income of Sanofi Pasteur MSD from the date when Sanofi and Merck announced their intention to end their joint venture.

CONSOLIDATED INCOME STATEMENTS

The consolidated income statements for the years ended December 31, 2018, December 31, 2017 and December 31, 2016 are presented below, with information for the year ended December 31, 2017 and December 31, 2016 restated in accordance with the new standard on revenue recognition, IFRS 15, which became applicable on January 1, 2018. The impacts of these restatements are described in detail in Note A.2.1.1. to our consolidated financial statements in our Annual Report on Form 20-F.

(€ million)	2018	2017 ^(a)	2016 ^(a)
Net sales	34,463	35,072	33,809
Other revenues	1,214	1,149	887
Cost of sales	(11,435)	(11,613)	(10,701)
Gross profit	24,242	24,608	23,995
Research and development expenses	(5,894)	(5,472)	(5,172)
Selling and general expenses	(9,859)	(10,072)	(9,478)
Other operating income	484	237	355
Other operating expenses	(548)	(233)	(482)
Amortization of intangible assets	(2,170)	(1,866)	(1,692)
Impairment of intangible assets	(718)	(293)	(192)
Fair value remeasurement of contingent consideration	117	(159)	(135)
Restructuring costs and similar items	(1,480)	(731)	(879)
Other gains and losses, and litigation	502	(215)	211
Operating income	4,676	5,804	6,531
Financial expenses	(435)	(420)	(924)
Financial income	164	147	68
Income before tax and investments accounted for using the equity method	4,405	5,531	5,675
Income tax expense	(481)	(1,722)	(1,325)
Share of profit/(loss) from investments accounted for using the equity method	499	85	136
Net income excluding the exchanged/held-for-exchange Animal Health business	4,423	3,894	4,486
Net income/(loss) of the exchanged/held-for-exchange Animal Health business ^(b)	(13)	4,643	314
Net income	4,410	8,537	4,800
Net income attributable to non-controlling interests	104	121	91
Net income attributable to equity holders of Sanofi	4,306	8,416	4,709
Average number of shares outstanding (million)	1,247.1	1,256.9	1,286.6
Average number of shares after dilution (million)	1,255.2	1,266.8	1,296.0
◆ Basic earnings per share (in euros)	3.45	6.70	3.66
◆ Basic earnings per share excluding the exchanged/ held-for-exchange Animal Health business (in euros)	3.46	3.00	3.42
◆ Diluted earnings per share (in euros)	3.43	6.64	3.63
◆ Diluted earnings per share excluding the exchanged/ held-for-exchange Animal Health business (in euros)	3.44	2.98	3.39

(a) Includes the effects of first-time application of IFRS 15 on revenue recognition (see Note A.2.1.1. to our consolidated financial statements in our Annual Report on Form 20-F).

(b) For 2017, the gain on the divestment of the Animal Health business is presented separately in accordance with IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations); see Note D.36 to our consolidated financial statements in our Annual Report on Form 20-F.

NON-CONSOLIDATED FINANCIAL DATA OF SANOFI (PARENT COMPANY) FOR THE LAST FIVE YEARS

(€ million)	2018	2017	2016	2015	2014
Capital at period-end					
Share capital	2,495	2,508	2,584	2,611	2,639
Number of shares in issue	1,247,395,472	1,254,019,904	1,292,022,324	1,305,696,759	1,319,367,445
Income statement data					
Net sales	472	517	406	403	339
Net income before tax and non-cash charges (depreciation, amortization and provisions)	4,900	3,701	4,398	9,202	3,392
Income tax	(47)	(387)	171	174	214
Employee profit-sharing	-	-	-	-	-
Net income after tax and non-cash charges (depreciation, amortization and provisions)	12,843	4,288	4,542	9,323	3,499
Dividends paid		3,773	3,824	3,759	3,694
Per share data (in euros)					
Net income after tax but before non-cash charges (depreciation, amortization and provisions)	3.89	3.26	3.27	6.91	2.41
Net income after tax and non-cash charges (depreciation, amortization and provisions)	10.30	3.42	3.52	7.14	2.67
Dividend per share (net)	3.07 ^(a)	3.03	2.96	2.93	2.85
Employee data					
Number of employees at period-end	12	13	17	19	18
Payroll cost for the year	21	25	31	27	39
Employee benefits for the year (social security and other welfare benefits)	10	12	9	17	16

(a) Dividend submitted for approval at the AGM of April 30, 2019.

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REQUEST FOR ADDITIONAL DOCUMENTS AND INFORMATION



COMBINED GENERAL MEETING OF APRIL 30, 2019

These documents are available on our corporate website:
www.sanofi.com/AGM2019

I, the undersigned

Surname or corporate name _____

First name _____

Address _____

Town/City _____

Zip code _____

Country _____

Owner of _____ registered shares of Sanofi,

Owner of _____ bearer shares of Sanofi (attach a copy of the shareholding certificate issued by your accredited intermediary),

hereby request to be sent the documents and information relating to the Combined General Meeting of April 30, 2019, as specified in Article R. 225-83 of the French Commercial Code.

Place of signature _____ Date of signature _____ 2019

Signature

**Please send this form to BNP Paribas Securities Services
CTO Assemblées – Les Grands Moulins de Pantin – 9 rue du Débarcadère
93761 Pantin Cedex – France
or to your accredited intermediary.**

NOTICE: In accordance with Article R. 225-88 of the French Commercial Code, owners of shares may request the Company to send them the documents and information specified in Articles R. 225-81 and R. 225-83 of the French Commercial Code in advance of all subsequent general meetings. If you would like to choose this option, please indicate on this request form that you wish to do so.

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SANOFI

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