

## 2.2 CORPORATE GOVERNANCE REPORT

In accordance with the new provisions of article L. 225-37 of the French Code of Commerce, the Board of Directors drew up its Corporate Governance Report at its meeting on March 8, 2018.

The information referred to in articles L. 225-37-2 *et seq* of the French Code of Commerce presented in other chapters of the Registration Document is incorporated by reference and forms an integral part of the Corporate Governance Report, in particular:

- composition, organization and functioning of the Board of Directors; list of offices and functions held by each corporate officer; exercise of Executive Management (chapter 3 – Corporate Governance);
- principles and criteria for determining, allocating and granting the fixed, variable and extraordinary components of the total compensation and benefits of all kinds that may be allotted to Executive Corporate Officers, including the relevant draft resolutions as well as the compensation and benefits of all kinds paid to Corporate Officers during the financial year (chapter 3 – Corporate Governance and chapter 8 – Ordinary and Extraordinary Shareholders' General Meeting of May 4, 2018);
- table summarizing the financial authorizations and delegations for share capital increases granted by the Shareholders' General Meeting to the Board of Directors (chapter 7 – information about the Company and its share capital);
- items likely to have an impact in the event of a public offer (chapter 7 – information about the Company and its share capital);
- particular conditions for admission of Shareholders to the Shareholders' General Meeting (chapter 7 – information about the Company and its share capital).

# 3

## CORPORATE GOVERNANCE

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The Company has been organized as a French Limited Liability Company (“Société Anonyme”) with a Board of Directors. On April 28, 2011, the Board decided to merge the roles of Chairman of the Board and Chief Executive Officer and to appoint Mr. Gilles Michel to perform them. In 2014, it also decided to appoint a Vice-Chairman, who is currently Mr. Paul Desmarais III. Mr. Gilles Michel expressed the wish not to continue for personal reasons his executive functions at the end of his term of office as Chairman and Chief Executive Officer. On the recommendations of the Appointments Committee resulting from an in-depth review of the Group’s leadership and governance, the Board of Directors at its meeting of March 8, 2018, decided to separate again the Chairman of the Board and Chief Executive Officer roles, effective as from May 4, 2018.

At the same meeting, the Board decided to re-elect Gilles Michel as Chairman of the Board of Directors, subject to the renewal of his term of office as Director by the Shareholders’ General Meeting of May 4, 2018 and to appoint Conrad Keijzer immediately as Deputy Chief Executive Officer and, as from May 4, 2018, as the new Chief Executive Officer of the Company.

This new governance structure will allow to: further increase, coupled with the proposed reduction in the number of Directors (*see paragraph 3.1.2 of this chapter*), the efficiency of the Board

and its agility; to continue to benefit from the strategic vision of Mr. Gilles Michel and his deep operational knowledge of the Group, and to Mr. Conrad Keijzer to fully focus on accelerating the Group’s growth and continuing its programs of excellence (*see Chapter 1, section 1.4 of the Registration Document*); and finally, to ensure that the Company continues to apply the best corporate governance practices, taking into account the presence of controlling shareholders in the Company’s capital. This balance of powers in the Company’s governance is further strengthened by the diversity within the Board composition.

The Company complies with the French regulations to which it is subject with respect to Corporate Governance. The AFEP-MEDEF Corporate Governance Code, updated for the last time in November 2016 (the “AFEP-MEDEF Code”), is used by the Company as a reference in drawing up the report provided for in article L. 225-37 of the French Code of Commerce (this Code is available on the Company’s website: [www.imerys.com](http://www.imerys.com), in the “The Group/Corporate Governance” section). The Company complies with all of the recommendations resulting from this Code, except for those that are explained in *section 3.8* of this chapter.

The provisions of this chapter form an integral part of the Report on Corporate Governance provided for in Article L. 225-37 of the French Code of Commerce.

## 3.1 BOARD OF DIRECTORS

### 3.1.1 POWERS

In accordance with legal and statutory provisions, the Board of Directors’ general mission is to:

- make sure that the Company’s corporate interests and assets are protected;
- determine the directions of the business activity of the Company and ensure their implementation;
- opt for the Company’s governance form, appoint its corporate executive officers and determine their compensation;
- control the management of the Company by the Executive Management;
- ensure the quality of the information provided to shareholders and to markets.

For the purposes of that control and in accordance with the provisions of article 16 of the by-laws and of the Board’s Internal Charter:

- the Board of Directors makes the checks and controls that it judges appropriate at any time of the year. It may obtain any documents that it judges useful for carrying out its mission;
- the Executive Management submits to the Board of Directors its annual operating objectives for the year ahead and, periodically, its long-term strategic projects;

- the Executive Management periodically presents a report to the Board of Directors on the status and running of Company affairs, which is drawn up under conditions requested by the Board of Directors. The report includes the presentation of the Group’s quarterly and half-yearly financial statements;
- within three months of closing the financial year, the Executive Management presents the Company’s annual financial statements, the Group’s consolidated financial statements and its report on the financial year just ended to the Board of Directors for review and control. The Board of Directors settles these financial statements and the terms of its Management Report to be presented to the annual Shareholders’ General Meeting.

Furthermore, pursuant to the provisions of the Board of Directors’ Internal Charter, the Board examines and approves the following prior to their implementation, with respect to the general powers granted to it by-law:

- the strategic orientations of the Company and Group and any operations likely to significantly influence such orientations; it also periodically examines the long-term strategic plan (multiyear plan) drawn up or revised by Executive Management;

- the operations likely to significantly modify the purpose or scope of business of the Company and the Group, including:
    - the acquisition, investment, takeover or disposal of securities or any other fixed asset (and any operation economically comparable, including by way of contribution or exchange) for an amount greater than €75 million per operation, or its equivalent amount in any other currency,
    - the significant commercial or industrial agreements that would bind the long-term future of the Company or the Group,
    - any financing operations for an amount likely to significantly modify the financial structure of the Group;
  - as the case may be, the allocation of management tasks between the various Delegate Chief Executive Officers, as proposed by the Chief Executive Officer;
  - more generally, any commitment by the Company or the Group that may constitute a regulated agreement, in accordance with the law.
- Finally, the Board of Directors grants any specific delegations of its powers to Executive Management, within the limits and conditions set down by-law, for the purposes of:
- the granting by the Company of any personal security (such as third-party guarantees and endorsements) or of any security on its assets, within the limit of a total amount determined in principle every year;
  - making, pursuant to the authorizations granted to the Board of Directors by the Shareholders' General Meeting, purchases by the Company of its own shares or certain capital increase operations;
  - carrying out issues of ordinary bonds in one or more times.

### 3.1.2 COMPOSITION

On the date of the present Registration Document, the Board of Directors is composed of 17 members. Their term of office is three years and, in principle, one third of members is renewed each year.

The composition of the Board of Directors is designed to allow the Group to benefit from the diverse and international professional experience of its members and to involve the representatives of Imerys' controlling shareholders in the definition and implementation of the Group's strategy.

The Board of Directors has since October 6, 2014 two employee representative Directors appointed by Imerys' French Group Works Council and European Works Council respectively. They benefit from training in line with the performance of their duties, borne by the Company and provided either by external organizations or by Imerys Learning Center. In accordance with regulatory provisions, the Board of Directors, at its meeting of October 31, 2017, has set the time devoted to their training to 20 hours as a minimum and 35 hours as a maximum per year as for the duration of their term of office (outside any language training). Furthermore, the Board of Directors has set at 15 hours on the legal working time the overall time spent by the employee representative Directors to prepare each meeting of the Board of Directors. Since the appointment of employee representative Directors, the Company Works Council has only been represented on the Board of Directors by one person who attends all Board meetings on an advisory basis.

#### ■ CHANGES IN 2017

The Company's shareholders, at their Ordinary and Extraordinary General Meeting of May 3, 2017, decided to: renew the terms of office as Directors of Mrs. Marion Guillou, Messrs. Aldo Cardoso, Paul Desmarais III and Colin Hall for a further period of three years, and appoint Mrs. Martina Merz as a new Director, for the same 3-year period *i.e.* until the end of the Shareholders' General Meeting called in 2020 to rule on the financial statements for 2019.

The term of office of Mrs. Arielle Malard de Rothschild ended following the Shareholders' General Meeting of May 3, 2017. Given that she did not solicit its renewal, the Board of Directors acknowledged it at its meeting of February 15, 2017 and did not therefore propose its renewal.

Finally, on October 6, 2017, the terms of office as employee representative Directors of Mrs. Eliane Augelet-Petit and Mr. Enrico d'Ortona were renewed by Imerys' French Group Works Council and European Works Council respectively.

## ■ COMPOSITION

On the date of the present Registration Document, the composition of the Board of Directors is as follows:

Name	Age	Nationality	Position	Date of 1 <sup>st</sup> appointment	Year of renewal of term of office	Number of shares owned	Independent member
Gilles Michel	62	French	Chairman and Chief Executive Officer	11/03/2010	2018	98,075	No <sup>(1)</sup>
Paul Desmarais III	35	Canadian	Director	04/29/2014	2020	600	No <sup>(2)</sup>
Éliane Augelet-Petit	60	French	Employee representative Director	10/06/2014	2020	n.a.	n.a.
Aldo Cardoso	62	French	Director	05/03/2005	2020	1,680	Yes
Odile Desforges	68	French	Director	05/04/2016	2019	600	Yes
Ian Gallienne	47	French	Director	04/29/2010	2019	600	No <sup>(2)</sup>
Marion Guillou	63	French	Director	09/01/2012	2020	600	Yes
Colin Hall	47	American	Director	12/15/2015	2020	600	No <sup>(2)</sup>
Giovanna Kampouri Monnas <sup>(3)</sup>	62	Greek	Director	04/30/2015	2018	600	Yes
Ulysses Kyriacopoulos	65	Greek	Director	04/30/2015	2018	600	No <sup>(4)</sup>
Xavier Le Clef <sup>(3)</sup>	41	Belgian	Director	04/26/2012	2018	720	No <sup>(2)</sup>
Martina Merz	55	German	Director	05/03/2017	2020	260	Yes
Enrico d'Ortona	54	Belgian	Employee representative Director	10/06/2014	2020	n.a.	n.a.
Laurent Raets <sup>(3)</sup>	38	Belgian	Director	07/29/2015	2019	600	No <sup>(2)</sup>
Katherine Taaffe Richard <sup>(3)</sup>	36	American	Director	04/30/2015	2018	600	Yes
Arnaud Vial <sup>(3)</sup>	65	French	Director	05/04/2016	2019	600	No <sup>(2)</sup>
Marie-Françoise Walbaum	68	French	Director	04/25/2013	2018	600	Yes
<b>Total members: 17</b>						<b>107,335<sup>(5)</sup></b>	<b>7</b>

(1) Chairman and Chief Executive Officer of the Company.

(2) Director representing a majority shareholder in the Company.

(3) Director whose term of office expires on May 4, 2018 and will not be renewed or continued.

(4) Director having a business relationship with the Company.

(5) i.e. 0.13% of capital and 0.15% of voting rights as of December 31, 2017.

The minimum number of shares required to be a member of the Board of Directors is set at 100 by the by-laws. The Board's Internal Charter increased that number to 600 Imerys shares to be acquired by each Director within a year of his or her appointment.

Pursuant to current statutory provisions, the terms of office of Directors end *ipso jure* on the date of the General Meeting following the date on which the incumbent reaches the age of 70; those of Chairman and Vice-Chairman(s) end *ipso jure* following the next Board Meeting after their 70<sup>th</sup> birthday. At its meeting of March 8, 2018, the Board of Directors decided, following the recommendation of the Appointments Committee, to submit to the General Meeting of May 4, 2018, the deletion of this statutory limitation, which is more restrictive than that provided for by the law, in order to allow greater flexibility in the composition of the Board ([chapter 8, paragraph 8.1.10 of the Registration Document](#)).

Furthermore, as of the date of the present Registration Document: the proportion of women on the Board (six out of 15, outside the employee representative Directors) reaches 40%; nine members are not French nationals and seven are considered "independent". This proportion of independent members in the composition of the Board of Directors (7 out of 15) is greater than the one-third recommended by the AFEP-MEDEF Code for companies with controlling shareholders.

The definition of independence adopted by the Board of Directors since its meeting of May 3, 2005 and confirmed since then each year is "the lack of any relationship of any kind whatsoever between a Director and Imerys, its Group or its management that could compromise the exercise of his or her freedom of judgment".

At its meeting of February 15, 2017 and on the proposal of its Appointments Committee, the Board revised the independence criteria that it used until then, in order to take account of the last clarifications provided by the AFEP-MEDEF Code. On that occasion the Board pointed out that the independence criteria

thus revised<sup>(1)</sup> were neither exclusive of independent status if any of them were not met, nor necessarily sufficient to grant such status. A member's independent status should be appraised according to his or her particular personal situation or the Company's situation, with respect to its shareholding or for any other reason. Directors representing the Company's major shareholders may be thus considered as being independent provided that these shareholders do not take part in the control of the Company. However, above a threshold of 10% in capital or voting rights, the Board, upon a report by the Appointments Committee, systemically examines if the independence status can be retained taking into account the Company's shareholding and any potential conflicts of interest.

### ■ CHANGES PLANNED FOR 2018

Following an examination and opinion by the Appointments Committee, the Board will propose, at the General Meeting of May 4, 2018 to:

- renew the terms of office as Directors of Mrs. Marie-Françoise Walbaum, Mr. Gilles Michel and Mr. Ulysses Kyriacopoulos; and
- appoint Mr. Conrad Keijzer as a new Director

for a period of three years, *i.e.* until the General Meeting called in 2021 to rule on the financial statements for 2020.

On the recommendation of the Appointments Committee, the Board wished to continue the tightening in its composition in order to reinforce its agility and the efficiency of its work. In this context, it acknowledged at its meeting of March 8, 2018 the wish expressed by Mrs. Giovanna Kampouri Monnas, Mrs. Katherine Taaffe Richard and Mr. Xavier Le Clef not to request the renewal of their term of office to expire at the next Shareholders' General Meeting and by Mr. Arnaud Vial not to continue his term of office as Director after May 4, 2018.

The Board, at its meeting of May 4, 2018, will decide the cooptation of a new female member having an independent status, currently being selected, and propose that Mr. Laurent Raets continues

to participate in Board meetings no longer as a Director but as an observer ("*Censeur*"), in an advisory capacity, subject to the approval of the proposed amendments to the Company's by-laws by the Shareholders' General Meeting.

Following the wish expressed by Mr. Gilles Michel to resign from his executive functions for personal reasons, the Board of Directors at its meeting of March 8, 2018, on the recommendation of the Appointments Committee, decided to separate the Chairman and Chief Executive Officer roles, effective as from May 4, 2018.

The Board also decided to re-elect Mr. Gilles Michel as Chairman of the Board, subject to the renewal of his term of office as Director by the Shareholders' General Meeting of May 4, 2018 and to appoint Mr. Conrad Keijzer immediately as Deputy Chief Executive Officer and, as from May 4, 2018, as the new Chief Executive Officer of the Company.

Following the General Meeting of May 4, 2018, subject to the above proposals being passed, the proportion of women on the Board of Directors (five out of 12, excluding Directors representing the employees) would be 41.70%, complying with legal provisions and the recommendations of the AFEP-MEDEF Code.

Furthermore, it is proposed that the same General Meeting amend the Company's by-laws to allow the Board, if it sees fit, to appoint up to two people as observers to assist the Board in carrying out its assignments and take part in its debates on an advisory basis ([see chapter 8, paragraph 8.1.10 of the Registration Document](#)).

In accordance with the principles set down by the Company and the opinions given by the Appointments Committee, the Board, at its meeting of March 8, 2018, individually examined the personal situation, including any business relations that may exist with Group companies, and the independent status of each Director, particularly those whose renewal or appointment are proposed at the General Meeting.



(1) *The Board and the Appointments Committee must examine the following criteria:*

- *not being or having been during the previous five financial years:*
  - *an employee or executive corporate officer of the Company,*
  - *an employee, executive corporate officer or Director of a company consolidated by the Company,*
  - *an employee, executive corporate officer or Director of the Company's parent company (Pargesa-GBL) or a company consolidated by that parent company;*
- *not being an executive corporate officer of a company in which the Company directly or indirectly holds the office of Director or in which an employee designated as such or an executive corporate officer of the Company (whether at present or in the past five years) has the office of Director;*
- *not being a customer, supplier, investment banker or commercial banker that is significant for the Company or its Group, or for which the Company or its Group represents a significant share of business;*
- *not having a close family relation to a corporate officer;*
- *not having been a Statutory Auditor of the Company in the past five financial years;*
- *not having been a Director of the Company for more than twelve years;*
- *not receiving any variable compensation in cash or securities or any performance-based compensation from the Company or its Group.*

(2) *With no intention for them to act in concert* ([see chapter 7, paragraph 7.3.3 of the Registration Document](#)).

Following that examination, the Board noted on the basis of the personal information provided by each of the Directors and to the best of the Company's knowledge that:

- there were no business relations with the Directors representing the Company's controlling shareholders other than the capital relation between those shareholders and the Company;
- a capital relation also exists between Mr. Ulysses Kyriacopoulos and the Company following the acquisition of the S&B group by Imerys. His family holds 5.23% of Imerys' share capital through Blue Crest Holding S.A. as of the end of February 2018 and has entered into a shareholders' agreement with the GBL group<sup>(2)</sup>. Furthermore, the obligation remains to settle the additional price owed to Blue Crest Holding S.A. by Imerys under the contract for the acquisition of the S&B group ([see chapter 2, paragraph 2.2.3 and chapter 8, paragraph 8.1.2 of the Registration Document](#)) and other potential residual liability guarantees granted for the benefit of the Group, directly or indirectly, by Blue Crest Holding S.A. and its affiliates with respect to the divestment of the S&B group and its former bauxite mining activities;
- the other Directors had no business relation with the Group that was likely to affect their independence or create a conflict of interest.

On the basis of these observations and following the recommendations of the Appointments Committee, the Board:

- confirmed that the Directors representing the Company's controlling shareholders, Mr. Ulysses Kyriacopoulos and Mr. Gilles Michel, Chairman & Chief Executive Officer of the Company, and Mr. Conrad Keijzer, Deputy Chief Executive Officer and future Chief Executive Officer, did not have independent status; and
- acknowledged that Mrs. Marie-Françoise Walbaum did have independent status and maintained that status for all other Directors other than those representing employees, including Mr. Aldo Cardoso whose term of office was more than 12 years. The Board considered in particular, in accordance with the recommendation of the Appointments Committee, that the length of his term of office did not affect his critical judgement with respect to Executive Management and that his expertise was recognized in the financial, control, management and corporate governance areas, including by market regulation authorities and bodies ([see section 3.8 of the present chapter](#)).

Information on Directors whose terms of office's renewal will be put to the Shareholders' General Meeting appears in [paragraph 3.1.3 of this chapter](#); the information on Mr. Conrad Keijzer as new applicant appears in [chapter 8, paragraph 8.1.5 of the Registration Document](#).

### 3.1.3 INFORMATION ON THE DIRECTORS

The information below was provided individually to the Company by each of the Directors concerned in function as of December 31, 2017.

#### ■ MAIN ACTIVITY AND OTHER RESPONSIBILITIES OF THE MEMBERS OF THE BOARD OF DIRECTORS

#### Gilles Michel

Chairman and Chief Executive Officer

Born on January 10, 1956

**Work address:**

Imerys  
43, quai de Grenelle  
75015 Paris (France)

**Biography**

A graduate of École Polytechnique (1974), École Nationale de la Statistique et de l'Administration Économique (ENSAE) and Institut d'Études Politiques (IEP) of Paris, Gilles Michel began his career with the World Bank (Washington, D.C.) before joining the Saint-Gobain group in 1986 where during sixteen years he held various managerial positions, notably in the United States, before being appointed in 2000 General Manager of the Ceramics & Plastics business group. In 2001, he joined PSA Peugeot-Citroën group, as Manager of the Platforms, Techniques & Purchasing activity. In 2007, he was appointed General Manager of Citroën, and member of the managing Board of Peugeot SA. On December 1, 2008, Gilles Michel held the position of Chief Executive Officer of the Strategic Investment Fund, whose activity involves taking equity stakes in companies expected to contribute to the growth and competitiveness of the French economy. Gilles Michel joined Imerys in September 2010 and was appointed Director and Deputy Chief Executive Officer on November 3, 2010. Since April 28, 2011, he has been Chairman and Chief Executive Officer of Imerys.

**LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES IN 2017**

**Main activity**

- Chairman and Chief Executive Officer of Imerys\*.

**Other responsibilities**

- Director: Solvay\* (Belgium); Charles Telfair Institute, IBL Ltd\* (Mauritius).

**LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES THAT HAVE EXPIRED DURING THE PAST FIVE YEARS**

None.

#### Paul Desmarais III

Vice-Chairman of the Board of Directors

Born on June 8, 1982

**Work address:**

Power Corporation of Canada  
751, Square Victoria  
Montréal (QC) H2Y 2J3 (Canada)

**Biography**

Graduated in Economics from Harvard University and holder of a MBA from INSEAD in Fontainebleau, Paul Desmarais III began his career in 2004 at Goldman Sachs in the United States where he held various positions until 2009. He was involved in project management and strategy at Imerys from 2010 to 2012. He joined the insurance company Great-West Lifeco (Canada) in 2012 as Assistant Vice-President of Risk Management. Since May 2014, Paul Desmarais III is Vice-President of Power Corporation of Canada and Power Financial Corporation (Canada).

**LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES IN 2017**

**Main activity**

- Premier Vice-President: Power Corporation of Canada\*, Power Financial Corporation\* (Holding Companies – Canada).

**Other responsibilities**

- Director: Groupe Bruxelles Lambert\* (Belgium); Canada Life Financial Corporation, Great-West Financial (Canada) Inc.\*, Great-West Financial (Nova Scotia) Co., Investors Group Inc., London Insurance Group Inc., London Life Insurance Company, Mackenzie Inc., Sagard Capital Partners GP, Inc., The Great-West Life Assurance Company, Wealthsimple (Canada); Pargesa Holding SA\* (Switzerland).

**LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES THAT HAVE EXPIRED DURING THE PAST FIVE YEARS**

- Director: Great-West Life & Annuity Insurance Company (United States).



\* Listed company.



### Éliane Augelet-Petit

Employee representative Director

Born on August 29, 1957

**Work address:**

Imerys  
43, quai de Grenelle  
75015 Paris (France)

**Biography**

Éliane Augelet-Petit began her career in 1973 at Peñarroya, a listed subsidiary of Imerys (then Imetal), as an administrative employee. She joined Imerys' Legal Department in 1978 as a paralegal. She was an elected CFDT union representative on the Imerys Works Council from 1978 to October 6, 2014, the date of her appointment as an employee representative Director. She attended Imerys' Board of Directors meetings in this capacity until that date. She held various positions during that period of office, in particular the Group's CFDT union representative and Secretary of the Group French Works Council and the European Works Council.

**LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES IN 2017**

**Main activity**

- Paralegal: Legal Department of Imerys\* (France).

**LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES THAT HAVE EXPIRED DURING THE PAST FIVE YEARS**

None.

### Aldo Cardoso

Director

Born on March 7, 1956

**Work address:**

Imerys  
43, quai de Grenelle  
75015 Paris (France)

**Biography**

A graduate of École Supérieure de Commerce of Paris and holder of a master of Law, Aldo Cardoso began his career in 1979 at Arthur Andersen, where he became a partner in 1989. Vice-President of Auditing and Consulting Europe in 1996, then Chairman of Andersen France from 1998 to 2002, he was appointed Chairman of the Supervisory Board of Andersen Worldwide from 2000 to 2002, before becoming Chairman of the Managing Board from 2002 to 2003. In that capacity, Aldo Cardoso managed the shutdown of Andersen's activities worldwide.

**LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES IN 2017**

**Responsibilities**

- Chairman of the Board: Bureau Veritas\* (France).
- Director: Engie\*, Worldline\* (France).

**LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES THAT HAVE EXPIRED DURING THE PAST FIVE YEARS**

- Director: Mobistar (Belgium); Accor\*, Gecina\*, GE Corporate Finance Bank, PlaNet Finance, Rhodia\* (France).
- Censor: AXA Investment Managers (France).

\* Listed company.

## Odile Desforges

Director

Born on January 24, 1950

**Work address:**  
3, rue Henri-Reine  
75016 Paris (France)

### Biography

A graduate of École Centrale of Paris, Odile Desforges began her career in 1973 as a researcher at Institut de Recherche des Transports (transport research institute). She joined the Renault group (France) in 1981 as a researcher in the automotive planning department before becoming in 1984 a product engineer. In 1986, she joined the purchasing department and was appointed body hardware purchasing Manager of GIE Renault Volvo Car Purchasing in 1992 and then of Renault in 1994. In March 1999, she became Deputy CEO of the Renault VI-Mack until she is appointed in 2001 President of the AB Volvo group's 3P Business Unit. In March 2003, Odile Desforges became VP Purchasing at Renault and Chairman & CEO of Renault Nissan Purchasing Organization. On that date she became a member of Renault's Management Committee. In March 2009, Odile Desforges was appointed a member of the Executive Committee, VP Engineering and Quality for the Renault group, an office that she held until July 2012, when she ended her professional activities.

### LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES IN 2017

#### Responsibilities

- Director and Chairman of the Audit & Risks Committee: Safran\*, Faurecia\* (France).
- Director and member of the Audit Committee: Dassault Systèmes\* (France).
- Director and member of the Audit Committee, Appointments Committee and Compensation Committee: Johnson Matthey plc\* (United Kingdom).

### LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES THAT HAVE EXPIRED DURING THE PAST FIVE YEARS

- Director and member of the Appointments and Compensation Committee: Sequana\* (France).
- Director: GIE REGIENOV (France); Renault España SA (Spain).
- Manager: Renault Nissan Technical Business Center "RNTBCI" (India); Renault Nissan BV (Netherlands).

## Ian Gallienne

Director

Born on January 23, 1971

**Work address:**  
Groupe Bruxelles Lambert  
24, Avenue Marnix  
1000 Bruxelles (Belgium)

### Biography

Holder of an MBA from INSEAD, Fontainebleau, Ian Gallienne began his career in Spain in 1992 as co-founder of a commercial company. From 1995 to 1997, he was a member of the management of a consulting firm specialized in the reorganization of ailing companies in France. From 1998 to 2005, he was Manager of the private equity fund Rhône Capital LLC in New York and London. In 2005, he created the private equity funds Ergon Capital in Brussels of which he was Managing Director until 2012. Ian Gallienne has been a Director of Groupe Bruxelles Lambert since 2009 and Managing Director since January 1, 2012.

### LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES IN 2017

#### Main activity

- Managing Director: Groupe Bruxelles Lambert\* (Holding Company - Belgium).

#### Other responsibilities

- Director: Frère Bourgeois (Belgium); Pernod Ricard\* (France); SGS\* (Switzerland).
- Member of the Supervisory Board: Adidas AG\* (Germany).

### LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES THAT HAVE EXPIRED DURING THE PAST FIVE YEARS

- Managing Director: Ergon Capital Partners SA, Ergon Capital Partners II SA, Ergon Capital Partners III SA, Umicore\* (Belgium).
- Director: Erbe SA, Ergon Capital SA, Publihold SA, Steel Partners NV (Belgium); Elitech Group SAS, Fonds de Dotation du Palais, Lafarge\* (France); Gruppo Banca Leonardo SpA (Italy).
- Member of the Supervisory Board: Kartesia Management SA (Luxembourg).
- Manager: Egerton Sàrl, Ergon Capital II Sàrl (Luxembourg).

\* Listed company.

## Marion Guillou

Director

Born on September 17, 1954

**Work address:**

Agreenium  
42, rue Scheffer  
75116 Paris (France)

### Biography

A graduate of École Polytechnique Paris (1973) and ENGREF (rural, water & forestry engineering school) and a doctor of physical chemistry specializing in biotransformation, Marion Guillou began her career in 1978 and held various positions in the ministries of Agriculture & Food (Saint-Lo, Paris, Nantes) and Research (Loire region research & technology delegation). In 1986 she joined a joint Nantes university/CNRS laboratory as a research scientist. From 1993 to 1996, she was agricultural attaché to the French Embassy in London. Marion Guillou was Director General for Food at the Ministry of Agriculture from 1996 to 2000. She became Director General of the National Institute for Agricultural Research (INRA) in 2000, then its Chairman & CEO from July 2004 to August 2012. She is Special counsellor, State Council.

#### LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES IN 2017

##### Responsibilities

- Chairman of the Board of Directors: Agreenium (France).
- Member of the Board of Directors: Bioversity International, BNP Paribas\*, CARE France, Institute for advanced Studies in Science and Technology (IHEST), Universcience, Veolia Environnement\* (France).

##### Other activities

- Member of the Conseil de l'ordre de la Légion (France).
- Member: National Academy of Technologies (France).

#### LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES THAT HAVE EXPIRED DURING THE PAST FIVE YEARS

- Chairman & CEO of INRA (France).
- Chairman of the Board of Directors: École Polytechnique (France).
- Member of the Board of Directors: Consultative Group on International Agricultural Research (CGIAR), Jacques de Bohan Foundation, National Political Science Foundation (FNPS), University of Lyon Foundation (France).
- Chairman: Joint European Programming Initiative "Agriculture, Food Security and Climate Change".

## Colin Hall

Director

Born on November 18, 1970

**Work address:**

Groupe Bruxelles Lambert  
24, avenue Marnix  
1000 Bruxelles (Belgium)

### Biography

Holder of a MBA from the Stanford University Graduate School of Business (United States), Colin Hall began his career in 1995 as a financial analyst at Morgan Stanley in New York. In 1997, he joined the Rhône Capital Group, a private equity fund, where he held various management positions for 10 years in London and New York. In 2009, he co-founded a hedge fund, Long Oar Global Investors (New York), which he directed until 2011. In 2012, he joined as CEO Sienna Capital, a wholly owned subsidiary of Groupe Bruxelles Lambert, combining its "alternative" activities (private equity, debt funds...). In 2016, he was appointed Director of the Investments Department of the Bruxelles Lambert Group.

#### LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES IN 2017

##### Main activity

- Director of the Investments: Groupe Bruxelles Lambert\* (Holding Company - Belgium).
- Managing Director: Sienna Capital (Investments holding company - Luxembourg).

##### Other responsibilities

- Member of the Supervisory Board: Kartesia Management SA (Luxembourg).
- Director: Ergon Capital Partners SA, Ergon Capital Partners II SA, Ergon Capital Partners III SA, Umicore (Belgium); Parques Reunidos Servicios Centrales SA\* (Spain).

#### LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES THAT HAVE EXPIRED DURING THE PAST FIVE YEARS

None.

\* Listed company.

## Giovanna Kampouri Monnas

Director

Born on May 18, 1955

**Work address:**

Keizersgracht 296B  
Amsterdam 1016EW (Netherlands)

**Biography**

A graduate of the London School of Economics, University of London and holder of a Master of Science, Economic Planning and Administration, Giovanna Kampouri Monnas began her career in 1981 as a Consultant to the Ministry of National Economy in Athens (Greece). The same year, she joined the group Procter & Gamble where she held until 1988 various management positions in Greece and the United States. In 1989, she joined the Joh. A. Benckiser GmbH group (Germany) where she successively assumed the functions of Marketing Coordinator of the company, General Director of the Lancaster Group (France) and Group Vice-President of Mass Cosmetics & Fragrances; in 1993, Giovanna Kampouri Monnas is appointed President of Benckiser International. She has been an independent consultant since 1996.

**LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES IN 2017**

**Responsibilities**

- Director and member of the Compensation Committee of Aptar Group (United States).
- Director and member of the Appointments and Compensation Committee of Puig SL (Spain).
- Director, Chairman of the Appointments and Compensation Committee and member of the Strategic Committee of Randstad Holding\* (Netherlands).
- President of the Foundation Estia Agios Nikolaos (Germany, Greece).
- Director of the Foundation Air France (France).

**LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES THAT HAVE EXPIRED DURING THE PAST FIVE YEARS**

None.

## Ulysses Kyriacopoulos

Director

Born on September 25, 1952

**Work address:**

21, Amerikis Street  
10672 Athens (Greece)

**Biography**

Mining engineer of Montanuniversität Leoben (Austria) and a graduate of the University of Newcastle upon Tyne (UK) and holder of a MBA from INSEAD in Fontainebleau, Odysseus (Ulysses) Kyriacopoulos joined in 1979 the family business S&B as the Finance Director of Bauxite Parnasse, of which he became Managing Director in 1986. In 1990, he was appointed CEO of the S&B Industrial Minerals group. He was its President from 2001 to February 2015, date on which the S&B group was sold to Imerys. He also held the functions of President of the Greek Employers (SEV), Vice-President of UNICE between 2003 and 2006 and President of the Greek National Opera between 2006 and 2009, Vice-President of the Stock Exchange of Athens from 2006 to 2010 and member of the General Council of the Bank of Greece between 2002 and 2011.

**LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES IN 2017**

**Responsibilities**

- Director: ASK Chemicals GmbH (Germany); Lamda Development SA\*, Motodynamiki SA\* (Greece); Blue Crest Holding SA (Luxembourg).
- Member of the Board of Trustees of the American College of Greece (ACG) and of College Year in Athens (CYA) (Greece).
- Member of the Board: Foundation for Economic and Industrial Research (Greece).

**LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES THAT HAVE EXPIRED DURING THE PAST FIVE YEARS**

- Chairman of the Board of Directors: Imerys Industrial Minerals Greece SA (Greece).
- Chairman, then Vice-Chairman: Foundation for Economic and Industrial Research (Greece).



\* Listed company.

## Xavier Le Clef

Director

Born on August 4, 1976

**Work address:**

Compagnie Nationale à Portefeuille  
12, rue de la Blanche-Borne  
6280 Loverval (Belgium)

### Biography

A graduate of the Solvay Brussels School of Economics and Management (Belgium) and holder of a MBA from the Business School Vlerick (Belgium), Xavier Le Clef began his career in 2000 as an Associate of the consulting firm in Strategy, Arthur D. Little. In 2006, he joined Compagnie Nationale à Portefeuille (CNP) as an Investments Manager and became a Director of CNP as well as Chief Financial Officer of the Frère-Bourgeois group in 2011. Xavier Le Clef was appointed Managing Director of CNP in 2015. He also holds various responsibilities as Chairman or Director of various companies, listed or not, of which the Frère-Bourgeois group is a shareholder.

### LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES IN 2017

#### Main activity

- Managing Director: Compagnie Nationale à Portefeuille (Holding company - Belgium).

#### Other responsibilities

Managing Director: Compagnie Immobilière de Roumont, Europart, Fibelpar (Belgium).

- Director: Andes Invest, BSS Investments, Carpar, Distriplus, GB-INNO-BM, GIB Corporate Services, Investor, (Belgium); Caffitaly System (Italie); Coffeelux, Finer, International Duty Free, Immobilière Rue de Namur, Kermadec, Swilux (Luxembourg); Transcor Astra 25 (Netherlands); AOT Holding, APG/SGA\*, Worldwide Energy (Switzerland).
- Director: Parjointco, Transcor Astra Energy (Netherlands).
- Permanent representative of Compagnie Immobilière de Roumont (Belgium), Director of: International Duty Free Belgium (Belgium).
- Managing Director: Hulpe Offices Management (Belgium).
- Permanent representative of Hulpe Offices Management (Belgium), Managing Director of: Hulpe Offices (Belgium).

### LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES THAT EXPIRED DURING THE LAST FIVE YEARS:

- Director: Belgian Icecream Group "BIG", Carsport, Fidentia Real Estate Investments, Goinvest, Groupe Jean Dupuis, Loverval Finance, Nanocyl, Newtrans Trading, Starco Tielen, The Belgian Chocolate House Brussels, Trasys Group (Belgium); International Duty Free (Dubai-United Arab Emirates); Financière Flo, Groupe Flo\*, Tikehau Capital Advisors, Unifem (France); Coffeblend (Luxembourg); Rottzug (Netherlands).
- Member of the Investment Committee: Tikehau Capital Partners (France).
- Director: Pargesa Asset Management (Netherlands).
- Permanent representative of Compagnie Immobilière de Roumont (Belgium), Director of: Transcor Astra Group (Belgium).

\* Listed company.

## Martina Merz

Director

Born on March 1, 1963

**Address:**

Robert-Bosch Strasse 21  
70192 Stuttgart (Germany)

### Biography

A mechanical engineering graduate of Stuttgart University, Martina Merz began her career in 1985 at Robert Bosch GmbH (Germany) where she held several positions before becoming Chief Executive of Bosch Closure System GmbH in 2001 then Vice-President, Closure System Division, and Member of the Executive Committee of Brose Fahrzeugteile GmbH & Co. KG until 2005. From 2005 to 2012, she was Vice-President Sales & Marketing for the Chassis System Brakes division within Robert Bosch GmbH. In 2012, she was appointed Chief Executive Officer of the Chassis Brakes International group in France. Since 2015, she has been an independent director in listed European companies.

### LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES IN 2017

#### Responsibilities

- Chairman of the Board: SAF-Holland SA\* (Luxembourg).
- Director: NV Bekaert SA\* (Belgium); AB Volvo\* (Sweden).
- Member of the Supervisory Board: Deutsche Lufthansa AG\* (Germany).

### LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES THAT HAVE EXPIRED DURING THE PAST FIVE YEARS

- Director: Chassis Brakes International NV (Netherlands).

## Enrico d'Ortona

Employee representative Director

Born on April 11, 1963

**Work address:**

Imerys Minéraux Belgique  
Rue du Canal 2  
4600 Visé-Lixhe (Belgium)

### Biography

Enrico d'Ortona began his career in 1979 as a surveyor in an engineering consultancy. After holding various positions as a rolling-mill operator then a sheet metal splitter, particularly at Tolmatil then UCA (Belgium), where he was in charge of a 60-person team. In 2004 he became steelworks and overhead crane operator at Arcelor Mittal before joining Imerys Minéraux Belgique (Belgium) in 2006 as production operator. Since February 2017, he has been I-Cube team Coordinator. Enrico d'Ortona was a union delegate and a member of the Works Council from 2008 to 2012.

#### LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES IN 2017

**Main activity**

- I-Cube team Coordinator: Imerys Minéraux Belgique (Belgium).

#### LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES THAT HAVE EXPIRED DURING THE PAST FIVE YEARS

None.

## Laurent Raets

Director

Born on September 9, 1979

**Work address:**

Groupe Bruxelles Lambert  
24, Avenue Marnix  
1000 Bruxelles (Belgium)

### Biography

A graduate of École de Commerce Solvay of the Université Libre de Bruxelles, Laurent Raets began his career in 2002 at Deloitte Corporate Finance practice in Brussels (Belgium) as a consultant mergers and acquisitions. In 2006, he joined the Investments Department of Groupe Bruxelles Lambert as an analyst, and then became its Deputy Director in 2016.

#### LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES IN 2017

**Main activity**

- Deputy Director: Groupe Bruxelles Lambert\* (Holding company – Belgium).

#### LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES THAT HAVE EXPIRED DURING THE PAST FIVE YEARS

None.



\* Listed company.

## Katherine Taaffe Richard

Director

Born on March 11, 1982

**Work address:**

Warwick Energy Group  
900 Wilshire Boulevard  
Oklahoma City OK 73116 (United States)

### Biography

A graduate of Harvard College in 2004 and a holder of a BA degree in History, specializing in postcolonial theory and the development of Africa, Katherine Richard Taaffe began her career at Goldman Sachs (United States) as an analyst within the private equity and investment banking departments in New York, London, Paris and Dallas. In 2007, she joined a multi-strategy investment company, Serengeti Asset Management (United States), as an analyst in charge of investments in oil, gas, metals, mining and sovereign debt sectors. From 2009 to 2012, she supervised the “international investment” activity in the field of energy for the private investment fund MSD Capital (United States). In 2010, Katherine Richard Taaffe founded the Warwick Energy Group (United States), of which she has been the Chief Executive Officer since then.

#### LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES IN 2017

##### Main activity

- Chairman and Chief Executive Officer: Warwick Energy Group (United States).

##### Other responsibilities

- Member of the Global Agenda Council of the World Economic Forum on the future of oil and gas.

#### LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES THAT HAVE EXPIRED DURING THE PAST FIVE YEARS

- Advisor to the Ministry of Mines of the Islamic Republic of Afghanistan in the field of energy development and transparency.
- Director and member of the Advisory Committee: Microvest Capital Funds (United States).
- Member of the Board: Abraxas Petroleum Corporation (United States).

## Arnaud Vial

Director

Born on September 9, 1979

**Work address:**

Power Corporation of Canada  
751, Square Victoria  
Montréal (QC) H2Y 2J3 (Canada)

### Biography

A graduate of École Supérieure d'Électricité in Paris, Arnaud Vial began his career in 1977 at BNP Paribas (France). In 1988, he joined the Pargesa group as Vice-President Accounting & Financial Services then Deputy CEO of Parfinance (France). In 1993, he was appointed General Secretary of Pargesa Holding SA (Switzerland). Since 1997, Arnaud Vial has held the office of Senior Vice-President of Power Corporation of Canada and Power Financial Corporation (Canada). He has also been since 2010 Director of Pargesa Holding SA and CEO since 2013.

#### LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES IN 2017

##### Main activity

- Senior Vice-President: Power Corporation of Canada\*, Power Financial Corporation\* (Holding Companies – Canada).
- Managing Director: Pargesa Holding SA\* (Switzerland).

##### Other responsibilities

- Chief Executive Officer: PGB SA, Société Française Percier Gestion (France).
- Director and member of the Standing Committee: Groupe Bruxelles Lambert SA\* (Belgium).
- Director and Vice-President: Power Pacific Equities Ltd (Hong Kong).
- Director: Square Victoria Digital Properties Inc. (Canada); Power Financial Europe BV (Netherlands).
- Member of the Supervisory Board: Pargesa Netherlands BV, Parjointco NV (Netherlands).

#### LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES THAT HAVE EXPIRED DURING THE PAST FIVE YEARS

- Given his responsibilities within the Power Corporation group, Arnaud Vial has served for the past five years as a Vice-President and / or Director in various Canadian companies.

\* Listed company.

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**Marie-Françoise Walbaum**  
Director

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Born on March 18, 1950

**Address:**  
10, rue d'Auteuil  
75016 Paris (France)

**Biography**

A graduate of Paris X University in sociology and holder of a master in economics, Marie-Françoise Walbaum began her career in 1973 at BNP (Banque Nationale de Paris) and held various positions in retail banking and credit analysis until 1981. From 1981 to 1994, she was successively Senior Auditor at BNP's Inspectorate General, CEO for mutual funds and CEO of the brokerage Patrick Dubouzet S.A. In 1994, Marie-Françoise Walbaum became head of principal investments and Private Equity Portfolio Manager at BNP Paribas. Marie-Françoise Walbaum left BNP Paribas on September 30, 2012 following a career spanning 39 years.



**LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES IN 2017**

**Responsibilities**

- Director: Thales\* (France).
- Director, Member of the Audit and Financial Committee and of the Governance, Appointments & Compensation Committee: FFP\* (France).
- Director and Chairman of the Audit Committee: Esso\* (France).
- Member of the Supervisory Board: Isatis Capital (France).

**LIST OF ACTIVITIES AND OTHER RESPONSIBILITIES THAT HAVE EXPIRED DURING THE PAST FIVE YEARS**

- Director: Vigeo (France).
- Member of the Supervisory Board: Société Anonyme des Galeries Lafayette (France).

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\* Listed company.



■ OTHER INFORMATION

**Expertise and experience of the members of the Board of Directors**

The criteria used to select Directors include their expertise and experience. The members of the Audit Committee are also chosen for their special expertise in financial matters. The Appointments Committee pays particular attention, together with the Board of Directors, to assessing these criteria.

The activities and responsibilities of the Directors (*see their respective biographies above*) attest to their individual expertise and experience in different areas such as finance, industry, services, research & innovation, external growth or management which contributes to the quality of the Board's work and to its correctly balanced composition.

**Family ties between the members of the Board of Directors**

To the best of the Company's knowledge, there are no family ties between the members of the Board of Directors.

**Potential conflicts of interest between members of the Board of Directors**

To the best of the Company's knowledge, no potential conflicts of interest exist between the duties of the Directors with respect to the Company and their private interests and/or other duties other than those mentioned in paragraph 3.1.2 above concerning Mr. Ulysses Kyriacopoulos.

It is however specified that the following Directors of the Company also have executive responsibilities with the Company's controlling shareholders: Messrs. Paul Desmarais III, Ian Gallienne, Colin Hall, Xavier Le Clef, Laurent Raets and Arnaud Vial (*see their respective biographies above*).

**3.1.4 FUNCTIONING**

**Meetings**

The Board of Directors meets as often as the interests of the Group require and at least three times a year. It is convened by its Chairman, its Secretary or its Vice-Chairman, by any means including verbally.

**2017**

Number of meetings	5
Average actual attendance rate of members	91.76%

**2018**

Expected number of meetings	6
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The annual provisional schedule of Board of Directors' Meetings, as well as of its specialized Committees, is set, at the latest, in the last meeting of each year. A first indication is given on this occasion to the Board of the potential specific topics to be discussed during the coming year by the Board and its Committees. The Chairman

No Director has been selected pursuant to any arrangement or agreement entered into with the main shareholders, customers, suppliers or other parties, except for the shareholders' agreement concluded on November 5, 2014 between Blue Crest Holding, GBL and Belgian Securities (*see chapter 7, paragraph 7.3.3 of the Registration Document*).

**Service contracts between the Company and its Directors**

To the best of the Company's knowledge, there is no service contract entered into by the Directors and the Company or any of its subsidiaries providing for the granting of advantages upon expiry of such a contract.

**No sentence for fraud**

To the best of the Company's knowledge, no sentence for fraud has been pronounced against any member of the Board of Directors during the past five years.

**Bankruptcy, sequestration or liquidation of companies in which a Director has been involved as executive during the past five years**

To the best of the Company's knowledge, no Directors have been involved as executives in the bankruptcy, receivership or liquidation of any company in the past five years.

**Incrimination of and/or public sanction of the law against a Director by statutory or regulatory authorities during the past five years**

To the best of the Company's knowledge, no official incrimination and/or public sanction of the law has been pronounced against any member of the Board of Directors in the past five years.

of the Board of Directors usually sets the agenda of each Board Meeting after gathering the suggestions of the Vice-Chairman as well as the opinion of the Secretary of the Board. He runs meetings, facilitates debates and reports on meetings in accordance with the law, the by-laws of the Company and the Corporate Governance principles and practices that the Board has itself adopted, as set out in the following paragraph.

Notices of meetings, sent to each Director *via* a secure electronic platform, since the end of 2014, come with the draft minutes of the previous meeting, drawn up by the Secretary and approved by the Chairman of the Board, and all information and documents concerning the points on the agenda that are necessary for members' effective participation in debates. Such information and documents may also include, as the case may be, the Group's quarterly, half-yearly or annual (provisional or definitive) financial statements and the presentation of the various business groups' markets or any other specific items to be raised.

The work carried out by each of the specialized Committees since the previous meetings is regularly presented in a report to the Board by its Chairman or, in his or her absence, another member of the Committee in question.

Certain additional documents may also be handed to the Directors in meetings: for example, draft press releases on the Group's regular financial statements or information on the Company's share price trends.

In order to allow them to carry out their duties in appropriate conditions, the Chairman and, on his request, the members of the Executive Committee also send the Directors the following between Board meetings: any important information published, including critical items, concerning the Group (particularly in the form of press articles and financial analysis reports) and, if sufficiently important or urgent, any other relevant information on the Group's situation, projects, and economic or market environment.

### **The Vice-Chairman**

The Chairman is assisted in organizing the work of the Board and its Committees by a Vice-Chairman. The latter, traditionally chosen amongst the Directors representing the Company's controlling shareholders, ensures that the Company's governance bodies function correctly and chairs Board meetings in the event

of the Chairman's absence. He or she also coordinates the Company's relations with its controlling shareholders and their representatives and seeks to prevent any situations likely to cause potential conflicts of interest for a Director and, more generally, ensures that best Corporate Governance practices are applied. The Vice-Chairman chairs the Appointments Committee and the Compensation Committee.

### **The Secretary**

The Secretary of the Board is the Group's General Counsel. His or her appointment and, as the case may be, dismissal, are within the sole competence of the Board. All the members of the Board may consult the Secretary and benefit from his or her services. He or she assists the Chairman, the Vice-Chairman, the Committees Chairmen and the Board and makes any useful recommendations on the procedures and rules that apply to the functioning of the Board and its Committees, their implementation and compliance. The Secretary is empowered to certify copies or extracts of minutes of Board meetings.

The Secretary also acts as Ethics Officer, tasked with giving an opinion prior to any transactions in the Company's securities considered by Directors and Group's main senior executives, at their request (*see section 3.7 of this chapter*).

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## **3.1.5 IMPLEMENTATION OF BEST CORPORATE GOVERNANCE PRACTICES**

### **Internal Charter of the Board of Directors**

In the context of compliance with best Corporate Governance practices, the Board has adopted an Internal Charter that contains all the principles for its members' conduct and the functioning of the Board and its specialized Committees. This Charter is regularly updated in order to incorporate: legal and regulatory developments that apply to the Company; recommendations on Corporate Governance by the AMF as well as by trade and associations bodies that represent French listed companies (AFEP, MEDEF, ANSA, etc.); and, finally, the amendments made by the Board following the annual assessments of its own functioning, carried out to comply with best practices. The Board of Directors' Internal Charter was last updated on February 15, 2017; it is available on the Company's website, [www.imerys.com](http://www.imerys.com), in "The Group/Corporate Governance" section.

Each Director of the Company is also given a copy of the "Directors' Vade-Mecum", a collection of the main texts and provisions governing their duties and obligations, and their rights, including the Company's by-laws, the Internal Charter of the Board of Directors, the Policy for the prevention of insider trading within the Group and other useful documents and forms enabling the Directors to comply with their obligations.

### **Preventing conflicts of interest**

Pursuant to the recommendations of the AFEP-MEDEF Code, the Board's Internal Charter provides in particular that:

- "the Director shall inform the Chairman and the Vice-Chairman of the Board of any situation likely to create a conflict of interest, even a potential one, for him or her. For that purpose, he or she shall inform the Chairman and the Vice-Chairman, of any Group operations that directly or indirectly concern him or her and of which he or she has knowledge, before they are completed. He or she abstains from voting in any Board deliberation where that situation arises, or even in the discussion prior to the vote; the minutes of the meeting mention this abstention. The Shareholders' General Meeting is informed of any such operations in accordance with the law;
- a Director may not use his or her position or functions to obtain for him or herself or for a third party any benefit, whether or not monetary;
- a Director may not take on any responsibilities on a personal basis in any business or concern in direct or indirect competition with the businesses or concerns of the Imerys group without informing the Chairman and the Vice-Chairman beforehand."

### Self-assessment by the Board of Directors

Pursuant to the AFEP-MEDEF Code and in accordance with the terms of its Internal Charter, every year the Board of Directors reviews and appraises its working methods and activity during the previous financial year. The main findings of that examination are intended to appear in the Board's Corporate Governance report, to be included in the Group's Registration Document. In addition, at least every three years, at intervals determined by its Chairman the Board of Directors conducts a formal self-assessment of its functioning or has an external consultant do so.

In early 2018, the Board of Directors formally assessed its functioning and that of its Committees during 2017. Each of its members was given an individual questionnaire on the role and performance of the Board and its Committees, their composition and functioning, the organization and holding of their meetings, and the information provided to Directors. This year, to comply with the recommendations of the AFEP-MEDEF Code and AMF, the questionnaire was enhanced with a specific questionnaire on each Director's contribution to the Board's work and, as the case may be, the Committee's work. The Directors were able to complete the questionnaire *via* the secure digital platform dedicated to the Board and its Committees' functioning, in a format that keeps their answers anonymous. Individual meetings with the Secretary of the Board were proposed to the Directors who so wished, particularly independent Directors, in order to discuss the points raised in the questionnaire more freely. The results of this assessment were examined by the Appointments Committee and its main conclusions were presented and discussed at the Board of Directors' Meeting on February 14, 2018.

Generally speaking, the workings of the Board and its Committees were judged very satisfactory by their members, with most of them estimating there had been an improvement compared with 2016. The Directors particularly appreciated the quality of the information provided at each of their meetings and the quality and efficiency of debates among members. The Directors were satisfied to note that the main recommendations from the self-assessment by the Board of Directors in February 2017, intended to improve its functioning and performance and that of its Committees, has been implemented, particularly the organization in June of a specific session of the Strategic Committee on the Group's general strategy, which was open to all Directors, together with a tour of the Graphite & Carbon division's industrial site in Bodio, Switzerland, as well as increasing the diversity of Directors' profiles with the appointment of Mrs. Martina Merz.

In this new assessment, the Board confirmed the wish to see previously undertaken actions continue, particularly tours of industrial sites, reducing the number of Directors and increasing the diversity of their profiles. In addition, it was decided to submit the following to the vote of the Shareholders' General Meeting of May 4, 2018: amendments to the Company's by-laws to further increase flexibility in terms of the choice and diversity of Directors' profiles or the quality of those who can contribute to its work (removing

provisions on Director age limits that are more restrictive than the law; allowing the Board to appoint observers); increasing the maximum authorized envelope for attendance fees with a view to the possible revision of the current allocation scale for those fees (*see chapter 8, paragraphs 8.1.7 and 8.1.10 of the Registration Document*). The Board also expressed the wish to extend the planned duration of its sessions in order to further improve:

- the efficiency of its work;
- the time given to the operational monitoring of the Group's activity;
- the time given over to debates between Directors (including in the sessions periodically scheduled without the presence of Executive Management in certain Board meetings).

Finally, the Board decided to appoint an external firm to conduct the next formal assessment of its functioning in 2020.

### ■ SPECIALIZED COMMITTEES

The Board of Directors has formed four specialized Committees among its members: the Strategic Committee, the Appointment Committee, the Compensation Committee (resulting from the split of the Appointments and Compensation Committee decided by the Board on May 4, 2016) and the Audit Committee. These Committees carry out their activities under the responsibility of the Board which defines their missions, composition and compensation on the proposal of the Appointments Committee and the Compensation Committee.

The members of the specialized Committees are chosen by the Board of Directors upon the Appointment Committee's proposal from among the Directors except for the Chief Executive Officer and, as the case may be, the Deputy Chief Executive Officer, who may not be member of any of the Committees. The term of the duties of Committee members is the same as their term of office as Director. Each Committee elects its own Chairman after consulting the Appointments Committee.

The specialized Committees only have an advisory role and do not have any power of decision.

Each Committee determines the internal rules that apply to the performance of its work. The Committees' meetings give rise to minutes. These are provided to the members of the Committee concerned, the Chairman and the Secretary of the Board, the Chief Executive Officer and, on request to the Chairman of the Board, to the other members of the Board of Directors. The Chairman of the Committee concerned or, in his or her absence, another member of the Committee appointed for that purpose, reports to the Board of Directors on the work of the Committee.

Furthermore, each of the Committees reviews its activity and assesses its composition and its functioning during the previous year; the results of such reviews and assessments are intended to appear in the Group's Registration Document.

## ■ STRATEGIC COMMITTEE

(created on June 17, 1993)

### Mission

The Board of Directors' Internal Charter defines the Committee's missions as follows:

"The Strategic Committee's mission is to examine the following areas and give the Board of Directors its opinion and any recommendations:

#### 1. Strategy

- defining and setting down orientations for the Group's industrial, commercial and financial strategy and their implementation principles;
- ensuring that the strategy implemented by the Executive Management complies with the orientations set by the Board of Directors.

For that purpose, it examines in depth and, as the case may be, makes recommendations to the Board on:

- the Group budget drawn up by Executive Management;
- the operations likely to significantly modify the purpose or scope of business of the Company or the Group, including:
  - the acquisition, investment, takeover or disposal of securities or any other fixed assets (and any economically comparable operation, in particular by way of contribution or exchange) for an amount greater than €20 million per operation, or its equivalent in any other currency,

### Composition

On the date of this Registration Document, the Strategic Committee is made up of the following eight members appointed by the Board:

<b>Name</b>	<b>Date of 1<sup>st</sup> appointment to the Committee</b>	<b>Independent member status</b>
Ian Gallienne, Chairman	April 29, 2010	No
Aldo Cardoso	May 2, 2007	Yes
Odile Desforges	May 4, 2016	Yes
Paul Desmarais III	April 29, 2014	No
Giovanna Kampouri Monnas	February 15, 2017	Yes
Ulysses Kyriacopoulos	April 30, 2015	No
Xavier Le Clef	April 29, 2014	No
Arnaud Vial	May 4, 2016	No
<b>Number of members: 8</b>		<b>3</b>

The Board of Directors, following the recommendation of the Appointments Committee, appointed Mrs. Giovanna Kampouri Monnas as a new member of the Strategic Committee as from February 15, 2017.

- the significant commercial or industrial agreements that would bind the long-term future of the Company or the Group,
- any financing operations the amount of which are likely to significantly modify the financial structure of the Group;
- the orientations, implementation and monitoring by Executive Management of general policy on Corporate Social Responsibility (particularly Environment, Health & Safety and Sustainable Development).

Every year, the Committee presents to the Board its expected schedule for the examination of major strategic issues for the future of the Group for the current year.

#### 2. Risks

- questions relating to the identification, measurement and monitoring by the Executive Management of the main possible risks for the Group in the following areas:
  - external environment: investor relations, the Group's market positions,
  - internal policies: management of financial resources, human resources management and skills, dependence and continuity of key industrial or commercial activities,
  - management information: financial control and reporting and post-operation control, where appropriate, of the most significant investment projects."



## Functioning

The Committee debates with the majority of its members in attendance and meets as often as its Chairman sees fit or at the request of the Chairman of the Board or the Chief Executive Officer. In principle, it dedicates one meeting per year to the Group's strategy and market environment, to which all Directors may be invited.

### 2017

Number of meetings	7
Average actual attendance rate of members	92.86%

### 2018

Expected number of meetings	8
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To perform its mission, the Committee hears the Chief Executive Officer, and the Deputy Chief Executive Officer, if any, the Chief Financial Officer, the M&A, Strategy & International Development Officer, the General Counsel and, on the initiative of the Chief Executive Officer or at the Committee's request to the Chief Executive Officer, depending on the items on the agenda for the Committee Meeting, any other member of the Executive Committee and the relevant Corporate Department or line managers. The Committee may, where appropriate, make visits of industrial sites and on that occasion hear any of the Group's line managers, as it judges useful for the performance of its mission.

The Secretary of the Committee is the Group's M&A, Strategy & International Development Officer, who drafts the minutes of its meetings.

## Activity in 2017

Throughout the year, the Strategic Committee monitored the main management and development decisions made by the Group's Executive Management, while making sure they came under Imerys' strategy as defined by its Board of Directors.

In that respect, the Committee regularly examined the evolution of Imerys' business and the main markets on which it operates.

Consequently, it studied in detail Imerys' quarterly consolidated financial statements and how they reflected the actions taken by Executive Management. At its last meeting of the year, the Strategic Committee also reviewed the Group's estimated 2017 results and its 2018 budget. As part of that review, it heard the Group's Operations Executives give a detailed presentation of the individual budget of the divisions that they supervise, in the presence of all the other members of the Executive Committee.

At the meeting held in Lugano, Switzerland, to which all the Directors were invited, they were able to tour the Bodio plant, which specializes in the production of synthetic graphite (Graphite & Carbon division).

The Committee also began work on the Group's long-term strategy that will continue in 2018 with specific reviews on the options under consideration.

Furthermore, the Strategic Committee periodically examined and approved the key stages and main aspects of the most significant external growth or divestment projects. In 2017, this examination particularly concerned:

- the acquisition, closed on July 18, 2017, of Kerneos, the world leader of high-performance, calcium aluminate-based binders;
- the acquisition, closed on July 26, 2017, of Zhejiang Zr-Valley Science & Technology Co, a leading producer of zirconium oxychloride and high-purity zirconia in China;
- the acquisition, on September 6, 2017, of Regain Polymers, which specializes in plastics recycling in the United Kingdom;
- the acquisition, closed on November 24, 2017, of Micron-Ita, a leading Brazilian producer of micronized ground calcium carbonates for polymer applications;
- the divestment, effective in October 31, 2017 of the La Bâthie plant in France under the antitrust remedies required following the acquisition of Alteo in 2016.

Furthermore, the Strategic Committee regularly monitored the activity of the Oilfield Solutions division during the year.

Finally, as usual the Strategic Committee worked to analyze the Group's financial structure and ensure that it is sound, particularly with a view to continuing Imerys' external growth and selective capital expenditure policy.

## ■ APPOINTMENTS COMMITTEE

*(created on November 3, 1987, it results from the split of the former Appointments and Compensation Committee into two separate committees decided by the Board on May 4, 2016)*

## Mission

The Board of Directors' Internal Charter defines the Committee's missions as follows:

"The Appointments Committee's mission is to examine the following areas and give the Board of Directors its opinion and any recommendations:

- proposed appointments of Executive Corporate Officers, Chairman of the Board, Directors and Chairman and members of Committees. In that respect, the Appointments Committee has to take the following items into account, particularly as regards the composition of, and changes in, the Company's shareholding, to result in a balanced composition of the Board in terms of independence, gender balance, nationality, international experience and expertise (particularly the financial or accounting skills required for members of the Audit Committee);
- the presentation of a succession plan for Executive Corporate Officers and, on the Chief Executive Officer's initiative, for the members of the Executive Committee;
- the independent status of each Director, with respect to the definition of independence adopted by the Board, and any changes (or clarification of criteria) to be made to that definition;



- the part of the Board Report on Corporate Governance falling within its duties;
- review of proposed responses to any requests from regulatory authorities (AMF, HCGE);

and more generally, the Committee makes recommendations as needed to the Board of Directors to comply with best governance

practices and the recommendations of the AFEP-MEDEF Code; in that respect, it annually reviews the conclusions of the Board and its Committees' self-assessment and the main resulting recommendations."

## Composition

On the date of this Registration Document, the Appointments Committee is comprised of the following five members who are appointed by the Board and include the Vice-Chairman of the Board of Directors, who chairs the Committee:

Name	Date of 1 <sup>st</sup> appointment to the Committee	Independent member status
Paul Desmarais III, Chairman	May 4, 2016	No
Ian Gallienne	April 26, 2012	No
Marion Guillou	April 29, 2014	Yes
Martina Merz	May 3, 2017	Yes
Marie-Françoise Walbaum	May 4, 2016	Yes
<b>Number of members: 5</b>		<b>3</b>

This Committee is predominantly comprised of independent members in accordance with the recommendation of the AFEP-MEDEF Code.

The Board of Directors, following the recommendation of the Appointments Committee, appointed Mrs. Martina Merz as a new member of the Appointments Committee as from May 3, 2017, replacing Mrs. Arielle Malard de Rothschild whose term of office expired.

## Functioning

The Committee debates with at least two of its members in attendance and meets as often as its Chairman sees fit, or on the request of the Chairman of the Board or the Chief Executive Officer.

### 2017

Number of meetings	3
Average actual attendance rate of members	86.67%

### 2018

Expected number of meetings	6
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To perform its mission, the Committee hears the Chairman of the Board, the Chief Executive Officer, the Group Vice-President Human Resources and the Company Secretary; it also takes advice from independent experts as it sees fit.

The Secretary of the Committee is the Group Vice-President Human Resources, who draws up the minutes of the Committee's meetings.

## Activity in 2017

The Appointments Committee was first consulted on the composition of the Board of Directors and its Committees. It examined the situation of the Directors, particularly those whose terms of office ended following the Shareholders' Annual General Meeting, the proposed candidates, as the case may be, for their replacement

and new appointments. In particular, the Committee looked into the prospect of reducing the number of Directors of the Company in order to improve the Board's responsiveness, and the efficiency and intensity of exchanges among its members.

The Committee also analyzed the individual situation of the Company's current directors and proposed candidates with respect to the necessary diversity of skills and experiences to be brought together in the composition of the Board and the definition of its members' independence used by the Board. In that respect, the Committee also examined whether there were any business relations between those members and the Group. It also made sure that the current compositions of the Board, the Audit, Appointments and Compensation Committees, their Chairs and any changes in them complied with the proportions of independent Directors or women set down by legal provisions and recommendations of the AFEP-MEDEF Code, respectively. As regards any practices by the Company that did not comply with the Code, the Committee made recommendations to the Board on the relevance and transparency of the explanations justifying these exceptions in the table on the application of the AFEP-MEDEF Code to be drawn up by the Company.

The Appointments Committee also examined changes in organization and skills in the Group resulting from the implementation of its transformation plan. In particular, it looked into diversity issues and the related action plans. The Committee also examined the development and succession plan for all members of the Group's Executive Committee.

Following the wish expressed by the Chairman and Chief Executive Officer to devote for personal reasons more time to his close family, the Committee has conducted an in-depth review of the Group's leadership and governance. In this context, the Committee has started the process of selecting and evaluating potential candidates for the positions of executive corporate officers of the Group.



## ■ COMPENSATION COMMITTEE

(created on November 3, 1987, it results from the split of the former Appointments and Compensation Committee into two separate committees decided by the Board on May 4, 2016)

### Mission

The Board of Directors' Internal Charter defines the Committee's missions as follows:

"The Compensation Committee's mission is to examine the following areas and give the Board of Directors its opinion and any recommendations:

- the amount and allocation method for attendance fees (fixed and variable parts, the latter being larger) allotted to the Directors;
- general compensation policy for executive corporate officers, which the Board will put to the vote of the Shareholders' General Meeting;
- general compensation policy for the Group's executive managers;
- all components of compensation (fixed, variable and extraordinary), payments with respect to the taking or ending of office, benefits of any kind owed or likely to be owed to each of the executive

corporate officers and which the Board will put to the vote of the Shareholders' General Meeting;

- general policy for granting stock options or free shares of the Company and for determining the beneficiaries of stock option or free share plans proposed by the Chief Executive Officer;
- determining individual grants of stock options or free shares to executive corporate officers as well as the specific terms and restrictions that apply to those allotments, pursuant to the recommendations resulting from the AFEP-MEDEF Code (achievement of economic performance goals, restriction of their number, obligation to keep shares in the Company, etc.);
- the Group's employee shareholding policy and its implementation terms as proposed by the Chief Executive Officer;
- the part of the Board Report on Corporate Governance falling within its duties;
- review of proposed responses to any requests from regulatory authorities (AMF, HCGE); and

more generally, the Committee makes recommendations as needed to the Board to comply with best governance practices in terms of compensation and the recommendations of the AFEP-MEDEF Code."

### Composition

On the date of this Registration Document, the Compensation Committee is comprised of the following six members who are appointed by the Board and include the Vice-Chairman of the Board of Directors, who chairs the Committee:

Name	Date of 1 <sup>st</sup> appointment to the Committee	Independent member status
Paul Desmarais III, Chairman	May 4, 2016	No*
Éliane Augelet-Petit	January 1, 2017	n.a.
Ian Gallienne	April 26, 2012	No
Marion Guillou	April 29, 2014	Yes
Martina Merz	May 3, 2017	Yes
Marie-Françoise Walbaum	May 4, 2016	Yes
<b>Number of members: 6</b>		<b>3</b>

\* See section 3.8 of this chapter.

This Committee is predominantly comprised of independent members in accordance with the recommendation of the AFEP-MEDEF Code.

The Board of Directors, on the recommendation of the Appointments Committee, appointed as new members of the Compensation Committee: Mrs. Éliane Augelet-Petit, an employee representative Director, as from January 1, 2017 and Mrs. Martina Merz as from May 3, 2017, replacing Mrs. Arielle Malard de Rothschild whose term of office expired.

### Functioning

The Committee debates with at least two of its members in attendance and meets as often as its Chairman sees fit, or on the request of the Chairman of the Board or the Chief Executive Officer.

#### 2017

Number of meetings	2
Average actual attendance rate of members	100%

#### 2018

Expected number of meetings	6
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To perform its mission, the Committee hears the Chairman of the Board, the Chief Executive Officer and the concerned Group Human Resources managers; it also takes advice from independent experts as it sees fit.

The Secretary of the Committee is the Group Vice-President Human Resources, who draws up the minutes of the Committee's meetings.

## Activity in 2017

During the first half of the year, the Compensation Committee, as usual, assessed the performance of the Chairman & Chief Executive Officer for 2016. It measured the achievement of criteria, particularly quantitative criteria, assigned to the Chairman & Chief Executive Officer for the determination of the amount of the variable part of his compensation with respect to 2016, payable in 2017, and those on which the vesting of free shares granted under previous long-term retention plans depends. The Compensation Committee then made its recommendations on the setting of quantitative and qualitative criteria for determining the variable part of the Chairman & Chief Executive Officer's compensation with respect to 2017 and quantitative criteria for his 2017 individual long-term retention program.

The Committee also examined the main characteristics of the general long-term compensation and retention program that applies to the Group's other key executives. In particular, it made recommendations to the Board on the design of the long-term retention plan and the related performance criteria.

In this respect, the Committee checked that the practices implemented and the proposals made complied with the recommendations of the AFEP-MEDEF Code on compensation of executive corporate officers.

### ■ AUDIT COMMITTEE

*(created on March 27, 1996)*

## Mission

The Board of Directors' Internal Charter defines the Committee's missions as follows:

"The Audit Committee's mission is to examine the following areas and give the Board of Directors its opinion and any recommendations:

### 1. Financial statements

- the Company and the Group consolidated annual and half-yearly financial statements to be drawn up by the Board of Directors, as well as the quarterly financial statements before their review by the Board; these financial statements are the subject of a presentation by the Group's Chief Financial Officer;
- the scope of consolidation;
- the relevance and consistency of accounting methods, by verifying, in particular, the reliability of internal information-gathering and information-control procedures, with the aim of ensuring that financial statements are fairly presented and that they give an accurate image of the financial situation of the Company and the Group;
- the method and estimates used for the impairment tests carried out by the Group;
- the Group's debt position, including the structure as well as interest and currency rate hedging policy and its outcome;
- the significant litigation and off-balance sheet commitments, and their impact on the Group's accounts;

- the production and dissemination process for accounting and financial information, ensuring that it complies with legal requirements, regulatory authorities' recommendations and internal procedures;
- the review of any remarks made by regulatory authorities (AMF) and the proposed responses.

### 2. Financial information

- the policy and applicable procedures for financial information intended to ensure the Group's compliance with its regulatory obligations;
- the main financial communication items relating to the Group and Company financial statements, in particular:
  - review of press releases,
  - concordance between the financial statements and reports on them in financial communications,
  - relevance of items used in this communication.

### 3. External control

- the proposals to appoint or renew the Statutory Auditors. When appropriate, the Committee examines and approves the content of the requirements, schedule and organization for the invitation to bid, with a view to the appointment and, as the case may be, renewal of the Statutory Auditors, and checks that the invitation to bid proceeds correctly;
- the Statutory Auditors' work program and any additional assignments that they or other members of their network may be given, as well as the amount of the corresponding compensation;
- the supervision of the rules for using Statutory Auditors for services other than the legal certification of accounts ("authorized non-audit services") and, more generally, compliance with the principles guaranteeing the independence of the Statutory Auditors and the safeguard measures taken by the Statutory Auditors to mitigate those risks. In that respect, the Audit Committee reviews and approves the authorized non-audit services beforehand, in the conditions set by the Board. On an exceptional basis, services corresponding to specific assignments, the total annual amount of which does not exceed the percentages or amounts set by the Board, are simply ratified by the Audit Committee by December 31 of each year at the latest;
- the conclusions of diligence work by Statutory Auditors as well as their recommendations and follow-up actions.

### 4. Audit & Internal control

- the annual internal audit and internal control assessment programs and the resources for their implementation;
- the results of the work of the internal and external Auditors and Internal Control Function, the monitoring of any recommendations they make, particularly in regard to the analysis, the corrective measures and the development of the mapping of the Group's main risks, their control and that of significant off-balance sheet commitments, as well as the organization of the internal audit teams;
- the drafting and content of the Annual Report of the Board of Directors on risks and internal control of the Group.



## 5. Risks

- the identification, measurement and monitoring by the Executive Management of the main possible risks for the Group in the following areas:
  - external environment: legal or regulatory developments, crisis management or disaster occurrence, cybersecurity,
  - internal processes: legal monitoring of major litigation, compliance with applicable existing regulations (particularly Environment, Health & Safety and Sustainable Development), business conduct in accordance with regulations and Imerys' fundamental ethical values (conduct and ethics, anti-corruption, anti-trust, etc.),
  - mineral reserve and resource potential;

- the orientations, implementation and monitoring by Executive Management of the Group's general policy on Internal Control, risk prevention (organization, policies and procedures, IT infrastructures and systems, telecommunications and digitization, etc.) and insurance, and any changes therein;
- the work programs and results of internal experts (e.g. auditors, lawyers) and any external experts that may be called upon to analyze, audit or measure the risks and the Group's performance in the above-mentioned areas;
- any other subject likely to have a significant financial and accounting impact for the Company or the Group."

## Composition

On the date of this Registration Document, the Audit Committee is comprised of the following three members who are chosen by the Board for their financial competence as described in their respective biographies (*see paragraph 3.1.3 of this chapter*).

<b>Name</b>	<b>Date of 1<sup>st</sup> appointment to the Committee</b>	<b>Independent member status</b>
Aldo Cardoso, Chairman	May 3, 2005	Yes
Colin Hall	December 15, 2015	No
Marie-Françoise Walbaum	April 25, 2013	Yes
<b>Number of members: 3</b>		<b>2</b>

Two thirds of the Audit Committee are independent members, as recommended by the AFEP-MEDEF Code and by the AMF working group on the Audit Committee.

The Board intends to appoint as a new member of the Audit Committee the new female Director, having an independent status, currently being selected, he will co-opt at its meeting of May 4, 2018.

## Functioning

The Committee debates with the majority of its members in attendance. It meets as often as its Chairman sees fit and at any time at the request of two of its members or of the Chairman of the Board of Directors or the Chief Executive Officer, and at least two days (as far as possible) before the Board of Directors draw up the definitive annual and half-yearly consolidated financial statements and, since 2016, before the publication of the Group's quarterly consolidated results.

### 2017

Number of meetings	5
Average actual attendance rate of members	100%

### 2018

Expected number of meetings	5
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To perform its mission, the Audit Committee hears the Statutory Auditors, the Chairman of the Board, the Chief Executive Officer and the Chief Financial Officer of the Group and, on their initiative or at the Committee's request to them according to the items on the agenda for the Committee's Meeting, the other people participating in drawing up and controlling the financial statements and in risk prevention or management (Finance Department, Internal Audit & Control Department, Legal & CSR Department).

The Committee has unrestricted access to all available information on the Group. It may also make visits of industrial sites and hear any of the Group's line or support managers as it may deem advisable or necessary for the performance of its duties. The Committee may also, while informing the Chairman of the Board and the Chief Executive Officer thereof, request that any internal or external audit be carried out on any subject that it judges within the scope of its mission.

The Secretary of the Committee is the Group's Chief Financial Officer. He draws up the minutes of Committee meetings, which are kept available to the Statutory Auditors.

## Activity in 2017

As usual, the Audit Committee conducted a review of the corporate and consolidated financial statements for 2016, as well as the Group's quarterly and half-yearly financial statements for 2017. As part of that work, the Committee examined closing work and the related draft press releases and was able to recommend that the Board unreservedly approve the definitive financial statements presented to it. The Committee also reviewed the accounting rules applied by the Group and their relevance to changes in the IFRS accounting framework, as well as the application of market regulators' recommendations. As in previous years, it also examined the evolution of the effective overall tax rate for the Group and its components and reviewed the results of impairment tests on the Cash Generating Units (CGUs) concerned.

In early 2017, the Audit Committee reviewed the Chairman of the Board's draft report on the Group's internal control and risk management procedures for 2016, as well as payments made to governments by Group entities with a mining activity.

At its last meeting of the year, the Committee examined the main closing items of the Group's consolidated financial statements for 2017. It particularly focused on the CGUs that were likely, according to management's analyses, to be put through an impairment test because of the gap between their financial performance prospects at the end of the year and their budget. In addition, it made sure, after hearing the Statutory Auditors, that the accounting methods chosen by the Group were relevant and consistent. The Committee validated the key points of the 2017 financial statements audit performed by the Statutory Auditors; it examined the terms of the agreement for determining the additional price for the acquisition of S&B to be paid to Blue Crest Holding; finally, it was informed of the Company's exchanges with AMF on the drafting of its 2017 Annual Report in Corporate Governance, Executive Compensation, Internal Control and Risk Management. At the end of each half-year, the Committee examined the report by the Audit & Internal Control Department on its activity. This report covered audit assignments completed, and the results of the corrective measure plans carried out following audits in previous years, as well as tests and appraisals of the internal control systems in force in the Group. The Committee also reviewed the audit plan and the specific actions scheduled for 2017. The Committee also observed that the Group's main risks, as resulting from their last mapping done in 2016, were regularly examined either by itself or by the Strategic Committee and were supported by sufficient controls. It also validated the update of the management authority rules that apply in the Group.

During the year, the Committee also examined the following specific points: accounting of the main acquisition (including the provisional operation on Kerneos) and restructuring operations made by the Group; inventory of the Group's mining reserves and resources; management and status of main legal risks, particularly developments in lawsuits in the United States, and appraisal of the corresponding provisions; assessment of the Group's tax positions in the main countries where it is based and any potential related risks; and the organization, management and control systems for the Group's cash and the related risks. The Committee also reviewed the Group's new strategy in terms of Corporate Social Responsibility (CSR) and the current state of its performance with respect to the main indicators tracked.

Finally, on the basis of regular reviews with the Statutory Auditors of the list of non-audit services provided by them to the Company and its subsidiaries, the Committee periodically made recommendations to the Board of Directors on the provisional measures to be taken in order to comply with the new regulatory provisions applicable in France. It made sure that the control and monitoring methods for those non-audit services were correctly applied, in accordance with the authorization and arrangements set by the Board.

## 3.2 EXECUTIVE MANAGEMENT

### 3.2.1 COMPOSITION

As of April 28, 2011, the Group's Executive Management was carried out exclusively by Gilles Michel, Chairman of the Board of Directors and Chief Executive Officer.

Following the wish expressed by Gilles Michel not to continue his executive functions for personal reasons, the Board of Directors at its meeting of March 8, 2018, on the recommendations of the Appointments Committee, decided to separate the Chairman of the Board and Chief Executive Officer roles, effective as from May 4, 2018.

At the same meeting, the Board decided to re-elect Gilles Michel as Chairman of the Board, subject to the renewal of his term of office as Director by the Shareholders' General Meeting of May 4, 2018 and to appoint Conrad Keijzer immediately as Deputy Chief Executive Officer and, as from May 4, 2018, as the new Chief Executive Officer of the Company.

The information relating to Gilles Michel as well as the offices he holds or has held in the past five years appear in [paragraph 3.1.3 of this chapter](#), the one about Conrad Keijzer is in [chapter 8, paragraph 8.1.5 of the Registration Document](#).

### 3.2.2 POWERS

Pursuant to legal and statutory provisions, the Chief Executive Officer is vested with the most extensive powers to act on behalf of the Company under any circumstances. He exercises his powers within the limits of the corporate purpose and subject to the powers expressly vested in the Shareholders' General Meeting and the Board of Directors; he represents the Company with respect to third parties.

Pursuant to article 18 of the by-laws, the Board of Directors may limit his powers. However, this limitation is void against third parties. On the proposal of the Chief Executive Officer, it may also appoint one or several Deputy Chief Executive Officer(s).

[Paragraph 3.1.1 of this chapter](#) describes the internal functioning arrangements for the Board of Directors and, in particular, lists the operations that require the authorization of the Board of Directors prior to their implementation by Executive Management.

### 3.2.3 EXECUTIVE COMMITTEE

The Executive Management is assisted in carrying out his mission by an Executive Committee that comprises the Group's main line and support managers.

The Executive Committee is an informative and advisory body.

#### MISSION

Its mission is to ensure that the organization, resources and general management of the Group's business, as implemented by each member within their individual area of responsibility and under the authority of the Chief Executive Officer, are adapted to the strategy adopted by the Board of Directors and in accordance with fixed policies and objectives.

The key aspects of this mission are:

- to review the strategies and budgets submitted by individual Group divisions to the Strategic Committee and the Board of Directors, ensure their implementation, supervise their application, and make any adjustments required to ensure compliance with them;

#### COMPOSITION

On the date of the present Registration Document, the Executive Committee is comprised of Gilles Michel, Chairman and Chief Executive Officer, Conrad Keijzer, Deputy Chief Executive Officer, and the following nine members:

Name	Function	Nationality	Year of joining the Group	Date of 1 <sup>st</sup> appointment to the Committee
Gilles Michel	Chairman and Chief Executive Officer <sup>(1)</sup>	French	2010	October 1, 2010
Conrad Keijzer	Deputy Chief Executive Officer <sup>(2)</sup>	Dutch	2018	March 8, 2018
<b>Operations managers</b>				
Frédéric Beucher	<i>Vice President, Supervision of the Roofing, Kaolin, Ceramics and Graphite &amp; Carbon divisions</i> He joined Imerys in 2003 after several years in investment banking, first at Société Générale in France and Spain and then at Rothschild & Cie in Paris. Started with Imerys as Head of Strategy and Development, he was then in charge of the Minerals for Ceramics division. Since 2013, he has also overseen the Roofing division, then the Kaolin (since 2015) and Graphite & Carbone divisions (since 2017).	French	2003	July 1, 2013
Alessandro Dazza	<i>Vice President, Supervision of the Fused Minerals, Refractory Minerals, Monolithic Refractories and Kerneos divisions</i> He joined Imerys in 2000 upon the acquisition of Treibacher Schleifmittel after working for a chemical company in Italy and then in Germany. He was then successively in charge of a business unit and then of the whole Fused Minerals division. He also oversees the Monolithic Refractories division (since 2016) as well as the divisions Refractory Minerals (since 2013) and Kerneos (since 2017) newly integrated within a single division, Aluminates.	Italian	2000	July 1, 2013

(1) Until May 4, 2018, date of his reelection as Chairman of the Board of Directors.

(2) As from March 8, 2018 and until May 4, 2018, date of his appointment as new Chief Executive Officer.

Name	Function	Nationality	Year of joining the Group	Date of 1 <sup>st</sup> appointment to the Committee
Olivier Hautin	<a href="#">Vice President, Supervision of the Oilfield Solutions division and of Mergers &amp; Acquisitions and International Development departments</a> He joined Imerys in 1995, after beginning his career in strategy consulting at Mars & Co. He was first in charge of Strategy & Development for the Group. After having held management positions in several business units and divisions, he was successively appointed head of various business groups: Pigments for Paper & Packaging, Minerals for Ceramics/Refractories/Abrasives & Foundry, Energy Solutions & Specialties. In October 2016, he took the responsibility over Imerys Strategy, M&A and International Development while maintaining the supervision of the Oilfields Solutions division.	French	1995	February 13, 2008
Daniel Moncino	<a href="#">Vice President, Supervision of the Performance Additives, Filtration, Metallurgy and Carbonates divisions</a> He joined Imerys in 2002 after beginning his career in Europe and in the USA with Siemens and then held several positions with BASF and Schlumberger. He was successively in charge of a business unit, a division and then of the Performance & Filtration Minerals business group. In addition to the Performance Additives & Filtration divisions, he also oversees the Metallurgy division (since 2015) and the Carbonates division (since 2017).	American	2002	February 13, 2008
<b>Support managers</b>				
Jean-François Claver	<a href="#">Chief Industrial Officer</a> He joined Imerys in 2015 as Director of Mining and Industrial Operations and was appointed Group Chief Industrial Officer in October 2016. He previously held industrial management positions at Pechiney for nearly 16 years and then in several other International industrial groups (Alcan, Vallourec, Lafarge, Etex).	French	2015	October 17, 2016
Vincent Lecerf	<a href="#">Chief Human Resources Officer</a> He joined Imerys as Group Chief Human Resources Officer in January 2017, after holding various human resources management positions for the groups: Valeo, Poclain Hydraulics, Rhodia and Norbert Dentressangle. He was since 2008 Director of Human Resources and member of the Managing Board of Tarkett.	French	2017	January 2, 2017
Thierry Materne	<a href="#">Chief Innovation Officer</a> He joined Imerys in June 2016 as Group Chief Innovation Officer. Previously, he spent more than 11 years in research and development at Goodyear Tire & Rubber in Europe and the United States, before taking on responsibility for innovation at Dow Corning and then heading Sabic Innovative Plastics (formerly GE Plastics).	Belgian	2016	October 17, 2016
Denis Musson	<a href="#">General Counsel, Company Secretary</a> He joined Imerys in 1999 as General Counsel and Secretary of the Board. His career was previously with Pechiney, where he started in the Group's Legal Department before taking over its Corporate Department. Since the end of 2016, he also heads the Group's CSR department.	French	1999	January 1, 2003
Olivier Pirotte	<a href="#">Chief Financial Officer</a> He joined Imerys in 2015 as Chief Financial Officer of the Group. He began his career with Arthur Andersen where he held various management positions before joining Groupe Bruxelles Lambert in 1995 where he held various positions including Director of Investments, then Chief Financial Officer.	Belgian	2015	June 1, 2015

3

#### ■ FUNCTIONING

The Executive Committee meets once a month on average, as often as the interests of the Group require or at the request of the Chairman and Chief Executive Officer or, as the case may be, the Chief Executive Officer.

The Executive Committee met 11 times in 2017.

## 3.3 COMPENSATION

### 3.3.1 BOARD OF DIRECTORS

Pursuant to the provisions of article L. 225-37-3 of the French Code of Commerce, the information given below presents the compensation paid or granted in 2017 by the Company to its Directors (excluding the Chairman and Chief Executive Officer) and is an integral part of the Corporate Governance Report referred to in article L. 225-37 of the French Code of Commerce.

#### ■ AMOUNT

The maximum gross amount of attendance fees that may be allotted to the members of the Board of Directors with respect to one year is determined by the Shareholders' General Meeting; it currently amounts to €1,000,000. Pursuant to the law and article 17 of the Company's by-laws, it is up to the Board of Directors to determine the allotment of attendance fees among its members.

The allotment scale for attendance fees is set by the Board of Directors on the recommendations of the Compensation Committee, then reviewed every year by the Board in order to ensure it is suitable and competitive in relation to the best market practices.

At its meeting of February 14, 2018, the Board decided on the occasion of its self-assessment, and following the recommendations of the Appointments Committee, that the allotment scale of attendance fees would be the subject of a specific review at its meeting in May and would, if necessary, be revised. To this end, and in order to allow the Board to have a greater flexibility, to take into account in particular the separation of the Chairman of the Board and Chief Executive roles, it is proposed to the General Meeting of May 4, 2018 to increase the annual maximum amount of the attendance fees to € 1,200,000 (*see chapter 8, paragraph 8.1.7 and section 8.4 of the Registration Document*).

The allotment scale had already been revised in 2016 in order to make its variable part predominant and thus comply with the recommendations of the AFEP-MEDEF Code.

Payments are made semi-annually in arrears. Consequently, the gross amount of attendance fees effectively paid during a given financial year include (i) the amount of fees with respect to the second half of the previous year and (ii) the amount of fees with respect to the first half of said year.

Pursuant to the recommendations of the AFEP-MEDEF Code and the provisions of article L. 225-37-3 of the French Code of Commerce, the table below sets out the individual gross amount of attendance fees paid to each member of the Board with respect to the last two financial years.

(€)	2017		2016	
	Amounts due	Amounts paid	Amounts due	Amounts paid
G. Michel, Chairman and Chief Executive Officer <sup>(1)</sup>	-	-	-	-
A. de Seze, Vice-Chairman <sup>(2)</sup>	-	-	64,500	146,000
P. Desmarais III, Vice-Chairman <sup>(3)</sup>	152,500	158,000	117,250	63,250
E. Augelet-Petit	36,000	40,000	37,333	32,333
A. Cardoso	84,750	93,000	96,833	83,083
O. Desforges <sup>(4)</sup>	44,250	44,250	30,417	6,667
I. Gallienne	75,500	81,250	84,750	81,000
M. Guillou	40,500	36,500	39,833	39,833
C. Hall	47,500	53,000	55,333	26,000
G. Kampouri Monnas	42,500	35,750	35,333	32,333
U. Kyriacopoulos	39,750	44,500	49,833	46,083
F. Layt <sup>(5)</sup>	-	-	14,667	30,667
X. Le Clef	45,500	43,000	42,583	44,083
A. Malard de Rothschild <sup>(6)</sup>	16,333	41,833	47,333	35,833
M. Merz <sup>(7)</sup>	21,667	1,667	-	-
E. d'Ortona	30,000	32,000	35,333	32,333
R. Peugeot <sup>(5)</sup>	-	-	17,667	37,667
L. Raets	30,000	34,000	37,333	32,333
K. Taaffe Richard	22,000	26,000	31,333	30,333
A. Vial <sup>(4)</sup>	35,250	41,750	31,167	6,667
MF. Walbaum	61,000	70,000	61,833	44,333
<b>Total</b>	<b>825,000</b>	<b>876,500</b>	<b>930,664</b>	<b>850,831</b>

(1) Chairman and Chief Executive Officer - does not receive attendance fees. (5) Director until May 4, 2016.

(2) Director and Vice-Chairman until May 4, 2016. (6) Director until May 3, 2017.

(3) Vice-Chairman since May 4, 2016. (7) Director since May 3, 2017.

(4) Director since May 4, 2016.

It is specified that:

- the amounts set out in the table above represent the entirety of the compensation paid in 2017 by the Imerys group or by its controlling shareholders to each of the members of the Board of Directors with respect to the offices, responsibilities or other duties performed personally by those members within or on behalf of the Imerys group;
- except for the compensation paid to Gilles Michel as sole Executive Corporate Officer who was in office in 2017 (see [paragraph 3.3.2 of this chapter](#)) and the one paid in 2017 to the two employee representative Directors with respect to their salaried positions in the Imerys group.

### ■ ALLOTMENT SCALE

The allotment scale for attendance fees, applicable since May 4, 2016, is as follows:

Gross amounts (€) before taxes and social contributions		Allotment scale as from May 4, 2016
Board of Directors	Vice-Chairman	100,000 fixed per year 4,000 per attended meeting
	Other members	10,000 fixed per year 4,000 per attended meeting
Strategic Committee	Chairman	20,000 fixed per year
	All Committee members	2,500 per attended meeting
Audit Committee	Chairman	25,000 fixed per year
	All Committee members	3,500 per attended meeting
Appointments Committee	Chairman	10,000 fixed per year
	All Committee members	3,000 per attended meeting
Compensation Committee	Chairman	10,000 fixed per year
	All Committee members	3,000 per attended meeting

Since that date, the variable part of the attendance fees is reduced by half for attendance by telecommunication means.

### 3.3.2 EXECUTIVE MANAGEMENT

The information given below concerns:

- Gilles Michel, Chairman and Chief Executive Officer until May 4, 2018, the only executive corporate officer in office in 2017,
- Conrad Keijzer, Deputy Chief Executive Officer as from March 8, 2018 and until May 4, 2018, date of his appointment as new Chief Executive Officer.

Pursuant to the provisions of article L. 225-37-2 of the French Code of Commerce, this information includes the compensation policy for executive corporate officers, which will be submitted for approval (“ex-ante vote”) of the Shareholders’ General Meeting called for May 4, 2018 (see chapter 8, paragraph 8.1.3 and section 8.4 of the Registration Document). This policy includes the principle and criteria for determining, allocating and granting the fixed, variable and extraordinary components of the total compensation and benefits of any kind that may be granted to any executive corporate officer due to his/her term of office.

This information also presents the total compensation and benefits of any kind paid or granted by the Company to the Chairman and Chief Executive Officer in 2017, as well as the commitments made by the Company for his benefit which, pursuant to the new article L. 225-37-3 of the French Code of Commerce, will be subject for the first time to the approval (“ex-post vote”) of the Shareholders’ General Meeting of May 4, 2018 (see chapter 8, paragraph 8.1.4 and section 8.4 of the Registration Document). You are reminded that these items were determined in accordance with the compensation policy approved by the General Meeting of May 3, 2017 (sixth resolution).

All of this information and that on performance shares (see sections 3.5 and 3.6 of the present chapter) are an integral part of the Corporate Governance Report referred to in article L. 225-37 of the French Code of Commerce.

### ■ TABLE SUMMARIZING THE COMPENSATION ITEMS

(€)	2017	2016
<b>Executive Corporate Officer's name and position</b>		
<b>Gilles Michel, Chairman and Chief Executive Officer</b>		
Compensation due in respect of the financial year	1,815,218	1,688,299
Valuation of the stock options awarded during the financial year		
Valuation of the performance shares awarded during the financial year <sup>(1)</sup>	1,854,786	1,420,792
<b>Total</b>	<b>3,670,004</b>	<b>3,109,091</b>

(1) Valued at the time of their grant in line with IFRS 2, after taking into account notably any discount related to performance criteria and the probability of presence in the Company at the end of the vesting period, but before spreading the expense over the acquisition period.



## ■ DETERMINATION PRINCIPLES AND CRITERIA

The compensation of executive corporate officers is set by the Board of Directors on the proposal of the Compensation Committee. This proposal is intended to ensure competitiveness with respect to the external market; to make its recommendations, the Committee draws on assessments and comparisons made periodically by specialized consultants.

### Fixed part

The fixed part of compensation is determined according to the experience and level of responsibility of each executive corporate officer on the day of taking up office, then reviewed every year by the Board, on the recommendations of the Compensation Committee, in order to make sure that it is in line with the market practices of comparable companies.

It takes into account, in particular, the benefit represented by the supplementary collective pension scheme from which Imerys main executives benefit.

### Annual variable part

The calculation of the variable part is based on quantitative and qualitative criteria set by the Board of Directors on the recommendation of the Compensation Committee. Achievement of the goals is measured and observed annually by the Board of Directors on the recommendation of the Compensation Committee. The variable part of compensation owed with respect to the financial year is not paid until the following year, when all the items in its calculation are known, particularly after the Group's definitive financial statements for the year in question are approved by the Board of Directors and subject to the approval of the shareholders in an "ex post vote" at the General Meeting.

The amount resulting from the measurement of the achievement of quantitative criteria is calculated from a reference base equal to 110% of fixed annual compensation, to which a coefficient of 0.8 to 1.2 is applied according to the achievement of qualitative criteria. The Board may, if it deems it necessary, fix specific objectives among these qualitative criteria, as it was the case when setting those for the 2017 financial year. The amount of the variable for 2017 could be increased or decreased by 3% depending on the achievement of an additional objective related to safety at work, common to all Group senior managers.

The total variable compensation that may be granted to an executive corporate officer is set since 2016 at 132% of his/her fixed compensation.

The Board of Directors may also, on the proposal of the Compensation Committee, decide to grant to any executive corporate officer a multi-annual variable compensation subject to the achievement of quantitative and/or qualitative criteria. The payment of this compensation is subject to the approval of the Shareholders General Meeting ("ex-post vote").

### Exceptional components

The Board of Directors may, as the case may be, decide to grant, on the proposal of the Compensation Committee, extraordinary compensation and a signing bonus to any executive corporate officer if the circumstances warrant it. The payment of any extraordinary or variable compensation is subject to the approval of the Shareholders' General Meeting ("ex-post vote").

### Benefits in kind

On the proposal of the Compensation Committee, the Board of Directors may also grant to any executive corporate officer, benefits in kind; for Gilles Michel and Conrad Keijzer, these benefits include the use of a company car as well as the contributions to the social guarantee for Company manager and executives (GSC).

The contributions paid by the Company are reinstated in their compensation as benefits in kind. For further details about Gilles Michel, [see chapter 2, paragraph 2.3.3 of the Registration Document](#).

### End of contract indemnity

#### Gilles Michel, Chief Executive Officer

Gilles Michel's employment contract as executive corporate officer provides that a potential severance indemnity would be owed to Gilles Michel by the Company in the event of forced departure linked to a change of control or a change of strategy or a major disagreement over them. No indemnity would be owed in the event of Gilles Michel's voluntary departure or if he had the possibility of benefiting from his pension rights at short notice after he reaches the age of 63.

In accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code and according to the payout conditions provided below, the amount of Gilles Michel's severance indemnity would be calculated on the basis of a maximum of two years' compensation (fixed + variable). Pursuant to the provisions of article L. 225-42-1 of the French Code of Commerce, the payment of this severance indemnity would be subject and proportional to performance conditions appraised on the basis of the arithmetic average of the percentages of achievement of the sole quantitative criteria of the last three financial years, as set down for the determination of the variable compensation with respect to each of those financial years. For further details, [see chapter 2, paragraph 2.3.3 of the Registration Document](#). As an illustration, the theoretical amount of the severance indemnity would be €3,467,008 as at December 31, 2017.

#### Conrad Keijzer, Deputy Chief Executive Officer and future Chief Executive Officer

Conrad Keijzer's employment contract as executive corporate officer provides that a potential severance indemnity would be owed to him by the Company in the event of forced departure linked to a change of control or a change of strategy or a major disagreement over them. No indemnity would be owed in the event of Conrad Keijzer's voluntary departure or if he had the possibility to claim retirement benefits within a short period of time or in the event of gross or willful misconduct.



In accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code and according to the methods of calculation set out below, the maximum amount of Conrad Keijzer's severance indemnity would be calculated on the basis of two years of (fixed and variable) compensation in the event that his term of office exceeds a period of two years.

Pursuant to the provisions of article L. 225-42-1 of the French Code of Commerce, the payment of such severance indemnity would be subject to, and made in proportion of, a performance condition to be assessed on the basis of the arithmetic average value of the percentages of achievement of the quantitative criteria over the last three financial years ended, as set in order to determine the variable compensation with respect to each of such financial years. If the average percentage of achievement of such objectives (calculated over the last three financial years in the event of departure following the expiry of his term of office) is lower than 40%, no indemnity would be payable and, if it is higher than 80%, the maximum amount of indemnity would be payable.

### Non-compete indemnity

The Board of Directors may also decide, on the proposal of the Compensation Committee, to award non-compete compensation to any executive corporate officer.

No compensation is provided for Gilles Michel's benefit. Concerning Conrad Keijzer, he will be subject to a non-compete obligation for a two-year period from the date of termination of his duties as Chief Executive Officer, with no compensation other than his severance indemnity, if any.

### Impatriation bonus

Subject to its approval by the Shareholders' General Meeting of 4 May, 2018 as part of the executive corporate officers' compensation policy (*see chapter 8, paragraph 8.1.3 of the Registration Document*), the Board of Directors on the proposal of the Compensation Committee decided to grant to Conrad Keijzer an annual "impatriation" bonus, which shall be equal to 30% of his fixed and variable compensation paid in respect of each financial year. Its payment shall give rise to a monthly down payment and an adjustment of its final amount upon the payment of the relevant annual variable compensation.

### Pension commitments

#### Gilles Michel, Chairman and Chief Executive Officer

In 1985, Imerys set up a collective defined benefit supplementary pension plan for the principal managers of Imerys who met the restrictive and objective eligibility conditions, in particular seniority (at least eight years' seniority in the Group, to be assessed as of January 1 of each year, of which four as a member of the Executive Committee).

This collective defined benefit supplementary pension plan is managed by an external insurance company. Following the information and consultation of the works council, this plan has been amended as of January 1, 2016 to freeze its membership except for existing participants that are close to retirement age.

Gilles Michel, Chairman and Chief Executive Officer since April 28, 2011 is among the potential beneficiaries of the current collective defined benefit supplementary pension plan of the Company.

The maximum amount of the life annuity that may be paid to the beneficiaries of the plan as from the liquidation of their pension rights is calculated in order to guarantee them:

- a total annual gross amount (after allowing for pensions from obligatory and other supplementary plans, including the defined contribution supplementary pension plan described below) of 60% of their reference salary (average of the last two years of the beneficiary's fixed plus variable compensation); said salary is limited to 30 times the annual French social security ceiling (PASS);
- subject to a pay-in ceiling equal to 25% of said reference salary.

This plan also provides for the possibility of reversion of the life annuity amount to the surviving partner(s) in proportion to the time of union.

According to actuarial calculations made on December 31, 2017, the current value of the estimated share of the Chairman and Chief Executive Officer in the total amount of the Group's commitment with respect to the past services of all the beneficiaries of this supplementary pension plan amounts to €6,478,000 (compared with €5,609,000 as at the end of 2016).

The provisions of this plan are in line with the recommendations of the AFEP-MEDEF Code.

The Board of Directors, at its session on March 8, 2018, on the recommendation of the Compensation Committee, noted that Gilles Michel already met the required seniority condition and that, consequently, the right to payment of the life annuity, of which the amount will be determined on the basis of his reference salary at the time of his retiring, was already vested, subject to the completion of his career at Imerys SA. The Board therefore noted that there was no need to set the performance conditions provided for by article L. 225-42-1 of the French Code of Commerce.

#### Gilles Michel and Conrad Keijzer, Executive Corporate Officers

A fixed-contribution supplementary pension plan was set up as from October 1, 2009 for the benefit of some of Imerys' top managers, including Gilles Michel, Chairman and Chief Executive Officer, and Conrad Keijzer, Deputy Chief Executive Officer as from March 8, 2018. Contributions to this scheme, set at 8% of the compensation of eligible employees with a ceiling of eight PASS, are made jointly by the employee (for 3%) and the Company (for 5%). This scheme also allows beneficiaries to make free and voluntary contributions. An external insurance company has been appointed to manage the scheme.

### No other commitments

Apart from the provisions described above, the Company has not made any other commitments with respect to the taking-up, end or change of Gilles Michel's current position of Chairman and Chief Executive Officer and of Conrad Keijzer's one as Deputy Chief Executive Officer and subsequently Chief Executive Officer as from the next Shareholders' General Meeting.

At its meeting of March 8, 2018, the Board of Directors re-examined in accordance with legal provisions all of the agreements and commitments authorized and entered into by the Company in previous years for the benefit of Gilles Michel and that continued in 2017 as detailed in the Statutory Auditors' Special Report (*see chapter 2, paragraph 2.3.3 and chapter 8, paragraph 8.1.2 of the Registration Document*).

Given the intention expressed by Gilles Michel to claim retirement benefits following the expiry of his term of office as Chief Executive Officer, the Board considered that the commitments relating to its potential severance indemnity and to the social guarantee for Company managers will become irrelevant and that his eligibility for supplementary pension plans, as described above, will be maintained.

The commitments made for the benefit of Conrad Keijzer in particular the granting of severance pay and the entitlement to the supplementary fixed-contribution pension plan have been authorized by the Board of Directors pursuant to the provisions of article L. 225-42-1 of the French Code of Commerce, will be notified to the Statutory Auditors for the drafting of their special report on regulated agreements and commitments and will be subject to the approval of the Shareholders' General Meeting convened in 2019 to rule on the financial statements for the financial year ended on December 31, 2018.

## ■ EMPLOYMENT CONTRACT

	Employment contract	Supplementary pension plan	Indemnities or benefits due to end or change of duties	Indemnities under a non-competition clause
Gilles Michel, Chairman and Chief Executive Officer	No	Yes	Yes	No
Conrad Keijzer, Deputy Chief Executive Officer <sup>(1)</sup>	No	Yes <sup>(2)</sup>	Yes	Yes <sup>(3)</sup>

(1) as from March 8, 2018 and until May 4, 2018, date of his appointment as new Chief Executive Officer.

(2) fixed-contribution supplementary pension plan only.

(3) non-competition agreement, with no compensation other than his severance indemnity, if any.

### Employment contract

At the time of the appointment of Gilles Michel as Deputy Chief Executive Officer on November 3, 2010, the employment contract between him and the Company was terminated, given the duties of Chairman and Chief Executive Officer that he was led to perform, in order to comply with the recommendations of the AFEP-MEDEF Code.

## ■ AMOUNTS

### Amounts due and paid in 2016 and 2017

The amounts and breakdown of compensation and benefits in kind owed (fixed and variable parts for the year in question) and paid (fixed part for the year in question and variable part for the previous year, paid during the year in question) by the Group to Gilles Michel with respect to financial years 2016 and 2017 are as follows:

(€)	2017		2016	
	Amounts due	Amounts paid	Amounts due	Amounts paid
<b>Executive Corporate Officer's name and position</b>				
<b>Gilles Michel, Chairman and Chief Executive Officer</b>				
Fixed part	800,000	800,000	800,000	800,000
Variable part	996,864 <sup>(1)</sup>	870,144	870,144	882,816
Exceptional compensation	-	-	-	-
Attendance fees	-	-	-	-
Benefits <sup>(2)</sup>	18,354	18,354	18,155	18,155
<b>Total</b>	<b>1,815,218</b>	<b>1,668,498</b>	<b>1,688,299</b>	<b>1,700,971</b>

(1) Subject to the approval of the Shareholders' General Meeting of May 4, 2018.

(2) These benefits include the supply of a chauffeur-driven car and the contributions to the Social Guarantee for Company managers and executives (GSC).

The above amounts include all the compensation due or paid by the Group to Gilles Michel with respect to the related financial years and the value of all the benefits in kind due or received with respect to the financial years in question.

All the compensation and assimilated benefits granted to the Group's top managers (Executive Committee, including Gilles

Michel) and recorded as expenses during the years in question are stated in [note 27 to the consolidated financial statements](#); the criteria for determining their compensation are presented in [chapter 1, paragraph 1.3.2 of the Registration Document](#).

Moreover, the amount of the five highest compensations paid by the Company with respect to 2017 was certified by the Statutory Auditors.

### 2017 COMPENSATION

At its meeting of March 8, 2018, the Board of Directors appraised, on the recommendations of the Compensation Committee, Gilles Michel's achievement of the quantitative and qualitative criteria that he had been set for 2017 in order to determine the amount of his variable compensation with respect to that year.

The quantitative criteria for 2017 related to the achievement of goals for the Group's net income from current operations, free operating cash flow and return on capital employed of 50%, 30% and 20% respectively. These are identical to the 2016 goals.

The qualitative criteria concerned, in particular, implementation of the Group's strategy, its organic and external growth, and its internal transformation programs. The confidential nature of these criteria prevents their full publication. For 2017, the Board set down

a specific goal relating to workplace safety that is common to all the Group's top managers and accounts for 3% of the overall achievement of quantitative criteria.

#### Determination of 2017 variable compensation

Consequently, the Board of Directors determined the amount of Gilles Michel's variable compensation with respect to 2017, which will be paid to him in 2018 subject to the approval of the General Meeting of May 4, 2018, i.e. an amount of €996,864, corresponding to a percentage of 124.61% of his fixed compensation with respect to 2017. This amount results from the fulfilment of 96.9% of the quantitative criteria and 100% of the qualitative criteria. It reflects the quality of achievement of the specific goals that were set for Gilles Michel, given the removal of 3% with respect to the specific goal on workplace safety.

Quantitative criteria	Weight	Maximum variable part (% of the fixed part)	% of achievement	Amount (in euro)
Net Current Income	50%	55%	100.00%	
Free Operating Cash Flow	30%	33%	100.00%	
Return on Capital Employed	20%	22%	84.70%	
<b>Total</b>		<b>110%</b>	<b>96.90%</b>	<b>852,720</b>
Quantitative criteria	Impact of the achievement	Application	Adjusted % of achievement	
Implementation of the Group's strategy, its organic and external growth, and its internal transformation programs	Multiplier rate 0.8 and 1.2	1.2	116.28%	170,544
Specific objective related to safety at work	Adjustment by +/- 3 points	-3%	113.28%	(26,400)
		Maximum variable part (% of the fixed part)	Final % of achievement	
<b>Total</b>		<b>132%</b>	<b>113.28%</b>	<b>996 864</b>

### 2018 COMPENSATION

#### Determination of fixed compensation

At its meeting of March 8, 2018, the Board of Directors decided, on the proposal of the Compensation Committee, to maintain for 2018 the annual fixed compensation of Gilles Michel as Chairman and Chief Executive Officer until May 4, 2018 at €800,000, an unchanged amount since his appointment in November 2010 and to set Conrad Keijzer's one as Deputy Chief Executive Officer as from March 8, 2018 and subsequently as Chief Executive Officer, at €700,000.

As previously stated, the members of the Executive Management do not receive any attendance fees with respect to their office as Director of the Company (see paragraph 3.3.1 of this chapter).

#### Determination of variable compensation

At its meeting of March 8, 2018, the Board also examined and set on the proposal of the Compensation Committee the criteria applicable for determining the variable compensation, with respect to 2018 of Gilles Michel, Chairman and Chief Executive Officer until May 4, 2018 and Conrad Keijzer, Deputy Chief Executive Officer since March 8, 2018. The quantitative criteria chosen for 2018 concern the achievement of financial goals of a similar nature to those used for 2017, with an identical weighting (50%: net income from current operations, 30%: free operating cash flow and 20%: return on capital employed) to which a coefficient of 0.8 to 1.2 is applied according to the achievement of qualitative criteria (particularly those relating to the quality of execution of the Group's strategy, its continued growth and the implementation of talent management program) and potentially increased or decreased by 3% depending on the achievement of a specific objective related to safety at work, common to all senior managers of the Group. The confidential nature of these qualitative criteria does not allow the full publication. Quantitative and qualitative criteria set for 2018 are identical for Gilles Michel and Conrad Keijzer. The qualitative criteria applicable to Conrad Keijzer will be reviewed upon the Compensation Committee's opinion by the Board of Directors on May 4, 2018, date of his appointment as Chief Executive Officer.

Quantitative criteria	Weight	Maximum variable part (% of the fixed part)
Net Current Income	50%	55%
Free Operating Cash Flow	30%	33%
Return on Capital Employed	20%	22%
<b>Total</b>		<b>110%</b>

Quantitative criteria	Impact of the achievement
Quality of execution of the Group's strategy, its continued growth and the implementation of talents management program	Multiplier rate 0.8 and 1.2
Specific objective related to safety at work	Adjustment by +/- 3 points
<b>Total</b>	<b>132%</b>

The variable compensation amount of Gilles Michel and Conrad Keijzer for 2018 will be determined by the Board, on the Compensation Committee's recommendation, according to the degree of fulfillment of the quantitative and qualitative criteria; their payment will be subject to the approval of the Shareholders' General

Meeting convened in 2019 to rule on the financial statements for the financial year ended on December 31, 2018 ("ex-post vote").

All of these decisions were published on the Company's website in accordance with the recommendations of the AFEP-MEDEF Code.

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## 3.4 STOCK OPTIONS

### 3.4.1 STOCK OPTION PLANS IN FORCE

#### ■ GRANT POLICY

The Company's general policy for granting stock options is set, if necessary, by the Board of Directors on the proposal of the Compensation Committee. Since 2008 and until 2012, stock subscription option grants have been combined, within a single annual program, with grants of free shares subject to the achievement of certain economic or financial goals ("performance shares"). At its meeting of April 25, 2013, following the Appointments and Compensation Committee recommendation, the Board of Directors reviewed its policy and decided to simplify it by granting performance shares solely (see paragraph 3.5.1 of this chapter). As a consequence, no stock option has been granted since the April 2012 Plan.

#### ■ CHARACTERISTICS OF GRANTED OPTIONS

Since 2011, the authorization periodically given to the Board by the Shareholders' General Meeting to grant options for subscription or purchase of the Company's shares to employees or officers of the Company and its subsidiaries, or to certain categories of them, expressly excludes any discount of the option exercise price, confirming therefore the practice observed by the Company since 1999.

The duration of the options granted and currently in force is 10 years. These options were in principle definitively vested (except in the event of the beneficiary's dismissal, resignation or departure from the Group) after the end of the third year following their allotment or, if earlier, on the date of the beneficiary's retirement after the age of 63 (reference age set at 60 years in plans prior to 2009), his/her cessation of activity for incapacity or his/her death. The only exception concerned grants made within employee shareholding operations, for which the options were dependent on the employee's investment in Imerys shares with immediate vesting.

Conditional stock options granted to certain Group executives (the Chairman and Chief Executive Officer as well as, since 2011, the other members of the Executive Committee) were vested subject to the achievement of economic performance goals. The number of vested options was conditioned on and proportionate to the achievement of these goals.

### Option exercise conditions

Definitively vested options may be exercised at any time, except in the event of the beneficiary's death or departure from the Group. However, the beneficiary must bear any additional costs and taxes borne by the Company in the event that applicable local regulations provide for an immobilization period longer than the one provided for by French regulation.

Exercise by the beneficiary must comply with certain minimum amounts (currently set for all plans adopted as from 2008 at 500 options, any whole multiple of 500 or the balance of outstanding options if less than 500).

### Loss or maintaining of options

Options not exercised on expiry of their exercise period are automatically cancelled.

The beneficiary's departure from the Group for any reason (including in principle if the Company employing him or her leaves the Group perimeter and except in the event of his or her death, incapacity or retirement), brings about:

- if the departure takes place before the vesting date of the options, their immediate cancellation;
- if the departure takes place after the vesting date of the options, the cancellation of said options failing their exercise by the beneficiary by the end of the third month following his or her departure from the Group.

### Date of record of shares resulting from the exercise of options

All Imerys shares resulting from the exercise of subscription options enjoy, from their creation, all the rights attached to existing shares, with which they are immediately assimilated.

Consequently, new and old shares are listed on the same line on NYSE Euronext, regardless of their date of issue. The new shares enjoy the same dividend rights as old shares, including with respect to the dividends approved and paid during the year of creation of the shares with respect to results for the previous financial year.

### ■ CHANGES IN THE NUMBER OF OPTIONS IN 2017

It is recalled that no stock options were granted in 2017.

The total number of stock subscription options in existence on December 31, 2017 is 406,037, representing 0.50% of Imerys' share capital on that date after dilution; their weighted average exercise price is €47.06.

In 2017, 23,173 stock subscription options were cancelled; 436,411 were exercised by 88 beneficiaries at a weighted average price of €53.37.

## 3.4.2 CONDITIONAL STOCK OPTIONS GRANTED BY THE COMPANY TO ITS CHAIRMAN AND CHIEF EXECUTIVE OFFICER

As previously stated, the Company did not grant any stock options to Gilles Michel in 2017.

### ■ HOLDING AND CHANGES

As of December 31, 2017, the total number of stock options held by the Chairman and Chief Executive Officer is 65,680, representing 0.08% of Imerys' share capital on that date after dilution; these options are fully vested by Gilles Michel at a weighted average exercise price of €48.69.

The Chairman and Chief Executive Officer exercised 82,000 options in 2017.

### ■ SPECIFIC TERMS AND RESTRICTIONS

The specific conditions, as well as the restrictions that apply to stock options granted to the Chairman and Chief Executive Officer in previous years, are also those that apply to performance shares. They are described in [section 3.6 of this chapter](#).

### 3.4.3 DETAILS OF STOCK OPTION PLANS IN FORCE<sup>(1)</sup>

The following table summarizes the history, status and main characteristics of the stock option plans in force as at December 31, 2017.

	April 2012	April 2011	Nov. 2010	April 2010	August 2009	April 2008	May 2007	Total
<b>Initial grant</b>								
Authorization: date of Shareholders' General Meeting	04/28/2011	04/28/2011	04/30/2008	04/30/2008	04/30/2008	04/30/2008	05/03/2005	
Date of Board of Directors/Supervisory Board or Managing Board Meeting	04/26/2012	04/28/2011	11/03/2010	04/29/2010	07/29/2009	04/30/2008	05/02/2007	
Opening date of option exercise period <sup>(1)</sup>	04/26/2015	04/28/2014	03/01/2014	04/29/2013	08/14/2012	04/30/2011	05/03/2010	
Option expiration date	04/25/2022	04/27/2021	11/02/2020	04/28/2020	08/13/2019	04/29/2018	05/01/2017	
Share subscription price	€43.62	€53.05	€44.19	€46.06	€34.54	€54.19	€65.61	
Total number of initial beneficiaries	183	161	1	155	166	183	160	
Total number of options initially granted, of which to the Executive Corporate Officers:	362,720	331,875	82,000	482,800	464,000	497,925	560,000	2,781,320
<ul style="list-style-type: none"> <li>■ to G. Michel, Chairman and Chief Executive Officer</li> </ul>	44,000	40,000	82,000	n.a.	n.a.	n.a.	n.a.	166,000
<ul style="list-style-type: none"> <li>■ to the ten Group employees who received the most options</li> </ul>	98,669	83,669	-	120,900	206,750	198,150	154,000	862,138
<b>Change during financial 2017</b>								
Number of options remaining to be exercised on 01/01/2017	149,045	130,631	82,000	140,250	75,586	101,570	186,539	865,621
Number of shares subscribed in 2017, of which:	38,198	19,338	82,000	29,800	39,323	61,101	166,651	436,411
<ul style="list-style-type: none"> <li>■ by G. Michel, Chairman and Chief Executive Officer</li> </ul>	-	-	82,000	n.a.	n.a.	n.a.	n.a.	82,000
<ul style="list-style-type: none"> <li>■ by the ten Group employees who received the most options</li> </ul>	1,500	4,334	n.a.	8,300	21,500	25,966	34,395	95,995
Number of options cancelled <sup>(2)</sup> in 2017	(1,284)	(2,001)	-	-	-	-	(19,888)	(23,173)
Number of options remaining to be exercised on 12/31/2017 <sup>(3)</sup> of which:	109,563	109,292	-	110,450	36,263	40,469	-	406,037
<ul style="list-style-type: none"> <li>■ by G. Michel, Chairman and Chief Executive Officer</li> </ul>	30,360	35,320	-	n.a.	n.a.	n.a.	n.a.	65,680

(1) Except longer tax immobilization periods applicable locally.

(2) Following the beneficiaries' departure from the Group or considering the performance conditions.

(3) Following cancellation and exercise of the options since the date of approval of the plan in question.

(1) The figures presented in this table take into account, where necessary, the adjustments made on June 2, 2009 following the company's share capital increase.

## 3.5 PERFORMANCE SHARES

### 3.5.1 PERFORMANCE SHARE PLANS IN FORCE

#### ■ GRANT POLICY

Following the favorable recommendation made by the Appointments and Compensation Committee (split into two separate committees in May 2016), in 2006 the Board of Directors for the first time decided to grant free conditional shares in the Company. At the time, the Board intended to reserve this grant for exceptional cases in favor of a limited number of Group executives (which could not include the Chief Executive Officer) in charge of carrying out specific medium-term action plans that were judged priorities for the Group.

In 2008, the Board decided to extend that grant policy to a greater number of beneficiaries by combining it with the existing policy of stock option subscription grants within a single long-term Group policy for retaining their beneficiaries. In accordance with the Appointments and Compensation Committee's recommendations, the Board of Directors decided at its meeting of April 25, 2013 to simplify that policy by granting shares conditional on the achievement of economic performance goals ("performance shares") solely, excluding any stock options with which they were previously combined.

The main characteristics of the grants made by the Board are as follows:

- grants take the form of performance shares, in principle, entirely conditional on economic performance goals;
- except in exceptional circumstances, the periodicity of the plans is annual, the grant being traditionally made on the day of the Shareholders Annual General Meeting;
- the actual or likely beneficiaries of performance shares are the Group's senior executives (members of the Executive Committee, divisions managers as well as the main functional or functional managers reporting to them) and employees whose development potential or individual performance is recognized as outstanding.

#### ■ MAIN CHARACTERISTICS OF PERFORMANCE SHARES

##### Vesting of shares

Freely granted shares are vested following a period that, in accordance with the legal provisions in force, cannot be less than one year following the grant date (since the "Macron law" of August 6, 2016) or two years for grants prior to August 8, 2015, subject in principle to the achievement of certain economic and financial performance criteria that cannot be appraised on a single year. The number of vested shares is conditioned on and proportionate to the achievement of these goals.

##### Loss of shares

The departure of the beneficiary from the Group before the expiry of the vesting period for any reason (including in principle if the Company employing him or her leaves the Group perimeter) entails the loss of all rights to the vesting of his or her performance shares, except in the event of death, incapacity or retirement of the beneficiary whose rights will be retained according to the specific terms set forth by each related plan.

##### Keeping vested shares

In accordance with applicable regulations on free share grants, the minimum period for their beneficiaries' keeping of these shares cannot in principle be less than two years from the date of vesting; before the coming into force of the Macron law, this two-year period may, however, be removed in the event that the vesting period for the granted shares had already been set at four years.

Since the Macron law came into force, the total duration of vesting and keeping periods for granted performance shares cannot be less than two years.

Following any such keeping period, the beneficiaries have free use of the shares.

#### ■ PERFORMANCE SHARE PLAN ADOPTED BY THE BOARD OF DIRECTORS IN 2017

In 2017, 293,400 performance shares were granted by the Board of Directors to 200 Group managers residing in France or abroad including the Chairman and Chief Executive Officer (vs. 185 in 2016).

The vesting and number of the performance shares granted with respect to this plan adopted by the Board of Directors on May 3, 2017 are conditioned by and proportionate to the achievement of objectives common to all beneficiaries (including the Chairman and Chief Executive Officer). The Board of Directors, on the recommendation of the Compensation Committee, was able to verify the demanding nature of these goals based on two quantitative criteria: the Group's annual growth in Net current income per share and Return on capital employed for 2017-2019, with identical weight (50%).

The achievement of these goals, after their review by the Compensation Committee, will be set down by the Board of Directors following the end of each financial year of the 2017-2019 period on the basis of the Group's consolidated financial statements.



These performance shares will be vested by their beneficiaries according to the achievement of the goals to which they are subject, following a period of three years from their granting by the Board; consequently, pursuant to the provisions of article L. 225-197-1-1 al. 7 of the French Code of Commerce, these actions are not subject to any keeping obligation after the end of their vesting period.

Apart from those granted to the Chairman and Chief Executive Officer, 84,500 performance shares were granted to the 10 beneficiaries receiving the highest number of these shares.

### ■ CHANGES IN THE NUMBER OF PERFORMANCE SHARES IN 2017

In 2017, 114,905 performance shares were cancelled and 195,763 were vested and accordingly transferred to their respective beneficiaries.

The total number of performance shares in existence on December 31, 2017 was 1,046,108, which represents 1.29% of Imerys' share capital on that date after dilution.

## 3.5.2 PERFORMANCE SHARES GRANTED BY THE COMPANY TO ITS CHAIRMAN AND CHIEF EXECUTIVE OFFICER IN 2017

	Date of Plan	Number of shares granted in 2017	Valuation of shares <sup>(1)</sup> (€)	Vesting date	Availability date	Performance conditions
Gilles Michel, Chairman and Chief Executive Officer <sup>(2)</sup>	May 3, 2017	35,000	1,854,786	May 3, 2020	May 3, 2020	Yes

(1) Valued at the time of their grant in line with IFRS 2, after taking into account notably any discount related to performance criteria and the probability of presence in the Company following the vesting period, but before the spread of the expense over the acquisition period.

(2) Sole executive corporate officer in 2017.

On the recommendation of the Compensation Committee, the Board of Directors, at its meeting of May 3, 2017, decided to grant performance shares to the Chairman and Chief Executive Officer. The Board thought fit to align the Chairman and Chief Executive Officer with the Group's entire executive team on common, shared goals, after checking that these were demanding. Consequently the Board subjected the performance shares granted to Gilles Michel to the achievement of the same quantitative criteria as those provided for under the 2017 general performance share plan intended for the Group's main executives: growth of the Group's net current operating income per share (50%) and Group's ROCE (50%) during the 2017-2019 period.

These performance shares will be vested to Gilles Michel according to the achievement of the goals to which they are subject, upon expiry of a three-year period following their grant date; these shares, once vested, shall not be subject to any holding period. These conditions are also identical to those provided for by the 2017 general performance share plan intended for the Group's other top managers.

### ■ HOLDING AND CHANGES

As of December 31, 2017, among the performance shares granted to Gilles Michel by the Company:

- 97,475 shares, representing 0.12% of Imerys' share capital after dilution, are vested (vs. 74,495 on December 31, 2016);
- 128,045 shares depend on the achievement of the performance goals to which they are subject (*see paragraph 3.5.3 below*).

No performance shares were sold by Gilles Michel in 2017.

### ■ SPECIFIC TERMS AND RESTRICTIONS

In addition to the economic performance goals mentioned above, the other specific terms and restrictions which are applicable to the grant of performance shares made to the Chairman and Chief Executive Officer are set out in *section 3.6 of this chapter*.





### 3.5.3 DETAILS OF PERFORMANCE SHARE PLANS

The following table summarizes the history, status and main characteristics of the performance share plans in force as on December 31, 2017.

	May 2017 Plan	May 2016 Plan	April 2015 Plan	April 2014 Plan	April 2013 Plan
Date of Shareholders' General Meeting	05/04/2016	05/04/2016	04/29/2014	04/29/2014	04/28/2011
Date of Board of Directors	05/03/2017	05/04/2016	04/30/2015	04/29/2014	04/25/2013
Total number of shares granted, of which to:	302,500	302,500	309,550	282,475	268,500
■ G. Michel, Chairman and Chief Executive Officer	35,000	32,500	35,000	32,500	30,000
Date of vesting <sup>(1)</sup>	05/03/2020	05/04/2019	04/30/2019	04/29/2018	04/25/2017
Date of the end of the keeping period <sup>(1)</sup>	05/03/2020	05/04/2019	04/30/2019	04/29/2018	04/25/2017
Performance conditions	Group's net current operating income per share and ROCE	Group's net current operating income per share and ROCE	Group's net current operating income per share and ROCE	Group's net current operating income per share and ROCE	Group's net current operating income per share and ROCE
Cumulative number of shares acquired at December 31, 2017	-	750	626	590	174,347
Cumulative number of shares cancelled or lapsed <sup>(2)</sup>	4,000	15,500	31,124	89,227	94,153
Performance shares remaining at December 31, 2017	289,400	286,250	277,800	192,658	-

(1) For all beneficiaries, irrespective of their place of tax residence.

(2) Following the beneficiaries' departure from the Group or considering the performance conditions.

## 3.6 SPECIFIC TERMS AND RESTRICTIONS APPLICABLE TO EXECUTIVE CORPORATE OFFICERS

The Board of Directors, pursuant to the recommendations of the Compensation Committee, and in accordance with the provisions of articles L. 225-185 and L. 225-197-1 of the French Code of Commerce, confirmed, as need be, at its meeting of May 3, 2017 during which it granted performance shares to its Chairman and Chief Executive Officer, the restrictive rules on holding and keeping shares it set down for the first time in 2010. Thus, the Chairman and Chief Executive Officer shall hold on a registered basis, until the date of termination of his duties:

- as regards the grants of conditional stock subscription options: a number of shares resulting from each option exercise corresponding to at least 25% of the net gain realized upon each exercise (net of the amount needed to fund that exercise, and of any related taxes and obligatory contributions);
- as regards the grants of performance shares: a number of shares at least equal to 25% of the total number of vested shares following the applicable vesting period,

until the total amount<sup>(1)</sup> of the shares he holds<sup>(2)</sup> reaches, upon the exercise of stock subscription options and the availability of performance shares, a coefficient equal to 300% of his last annual fixed compensation on the date in question.

On these occasions, the Board also confirmed that:

- this keeping rule applies to the grants made to Gilles Michel with respect to the conditional stock subscription option and performance share plans implemented by the Company as from November 3, 2010 (date of his first appointment as Corporate Officer of the Company);
- the total amount of investment in shares of the Company shall take into account all the shares held by Gilles Michel on the date in question, regardless of their origin (purchase on the market, exercise of stock subscription options or shares acquired under performance share grant plans).

Furthermore, the grant of performance shares awarded on May 3, 2017 to Gilles Michel by the Board is within the limits it had set at its meeting of July 29, 2009 pursuant to the recommendations of the AFEP-MEDEF Code: ceiling of the value (under IFRS 2) of the granted conditional stock options and performance shares at one year of his gross annual compensation (fixed part + maximum variable part). At its meeting of March 8, 2018, the Board of Directors also decided, on the recommendation of the Compensation Committee, to increase the ceiling of the value (under IFRS 2) of conditional stock options and performance shares to be granted to executive corporate officers to 18 months of their respective gross annual compensation (fixed part + maximum variable part).

Pursuant to the recommendations of the AFEP-MEDEF Code, all these conditions were published on the Company's website.

In addition, since 2016, pursuant to the recommendations of the AFEP-MEDEF Code, the authorizations given by the Shareholders' General Meeting to the Board with a view to granting stock options and free shares for the benefit of employees or corporate officers, limit the number of rights to be allocated to executive corporate officers to 0.5% of the Company's share capital ([see chapter 7, paragraph 7.2.3 of the Registration Document](#)).

At its meeting of March 8, 2018, on the recommendation of the Compensation Committee, the Board decided to propose, at the Shareholders' General Meeting called for May 4, 2018 to rule on the renewal of free share grant authorization, that grant ceiling for the executive corporate officers be kept the same as the one currently in force ([see chapter 8, paragraph 8.1.9 of the Registration Document](#)).



(1) Estimated on the basis of the share price on the date of each option exercise or the date of availability of the free shares in question.

(2) After the sale of those needed, as the case may be, to fund the option exercise or the settlement of any taxes, contributions or expenses with respect to the transaction.

## 3.7 CORPORATE OFFICERS' TRANSACTIONS IN SECURITIES IN THE COMPANY

The Board of Directors has adopted a Policy for the prevention of insider trading within the Imerys group. This policy, which was adopted in its initial version in July 2002, has regularly been amended since then to take account of the latest regulatory developments and market recommendations.

The policy defines permanent and occasional Insiders; sets out the Company's obligation to draw up a list of Insiders for the Group and determines the related arrangements. It also reiterates the rules with respect to transactions by corporate officers in Imerys shares or, as the case may be, any other securities issued by the Group or any financial instruments (mutual fund, MONEP, warrants, convertible bonds, etc.) that are related to Imerys shares ("Imerys securities").

In accordance with the general principle that applies to Insiders, any corporate officer and related persons must, in the event that they directly or indirectly hold privileged information, before the public has knowledge of such information, refrain from carrying out any transaction, including forward transactions, in Imerys securities.

To make its implementation easier, the Board of Directors appointed the Group's General Counsel and Secretary of the Board as ethics officer, tasked with providing, on request from any concerned party, an opinion prior to the transactions on the Company's securities under consideration by Directors and Group senior executives. This decision is in line with AMF guidelines for preventing insider misconduct by executives of listed companies. The opinion given by the ethics officer is purely advisory.

Furthermore, the obligation to abstain also applies to any transaction on Imerys securities (including as hedging) during the periods prior to the public announcement of the Group's periodical results, known as "blackout periods". This obligation concerns corporate officers as well as the persons who are involved in drawing up the Group consolidated financial statements and having regular or occasional access to accounting or financial information concerning the Company and its subsidiaries prior to their publication. Blackout periods are understood as the number of days leading up to the publication of the Group's results and the day of that announcement. At its meeting of February 11, 2016,

the Board of Directors decided to increase the duration of the blackout periods for the publication of the Group's annual and half-yearly consolidated financial statements to 30 calendar days and to maintain them at 15 calendar days for the publication of the quarterly results, to strictly comply with legal requirements and AMF's recommendation.

Gilles Michel pledged to the Board to comply with those abstention obligations, even including for option exercises (which cannot be speculative in nature as the exercise price is predetermined). Moreover, the transparency of these operations was fully guaranteed by the obligation to declare to the AMF the transactions made in securities in the Company, including through the exercise of options, pursuant to legal and regulatory provisions.

The annual schedule of announcements of the Group's consolidated results as well as the resulting schedule of blackout periods are supplied to the Directors at the end of the previous year; it may be consulted at any time on the Group's website, is included regularly in the Chairman and Chief Executive Officer's quarterly letter to shareholders and is available on request from the Group's Financial Communication Department.

Furthermore, the Group's policy prohibits the executive corporate officers from making any leveraged transactions or speculative transactions in Imerys securities. To comply with the recommendation of the AFEP-MEDEF Code, Gilles Michel reiterated his commitment in front of the Board on May 3, 2017 not to resort to the use of any risk hedging transactions in respect of his conditional stock options and performance shares granted or to be granted to him during his term of office as Chairman and Chief Executive Officer.

Pursuant to the provisions of article 223-26 of AMF's General Regulations, the summary table below presents the transactions made on Imerys securities during 2017 by corporate officers and, as the case may be, any individuals connected to them, that are covered by the obligation of declaration to AMF in accordance with the provisions of article L. 621-18-2 of the French Monetary and Financial Code. These declarations are available on AMF's website ([www.amf-france.org](http://www.amf-france.org)).

Declaring	Capacity	Financial instrument	Number	Nature of operation	Number of operations	Gross amount <sup>(1)</sup> of operations
Blue Crest Holding SA	Person related to Ulysses Kyriacopoulos, Director	Shares	54,831	Transfer <sup>(2)</sup>	1	€4,000,004
		Shares	60,000	Sale	6	€4,602,099
		Others	105,189	Swap <sup>(3)</sup>	8	€8,026,288
		Others	44,800	Swap settlement	5	€3,445,478
Gilles Michel	Chairman and Chief Executive Director	Stock options	82,000	Exercise	1	€3,623,580
		Shares	82,000	Sale	1	€6,232,000
Colin Hall	Director	Shares	600	Acquisition	1	€46,014

(1) Before taxes, charges and costs.

(2) Transfer of shares from Imerys to Blue Crest Holding SA with respect to the second additional payment for the acquisition of the S&B group (to find out more, see paragraph 7.2.4 and 7.3.3 of chapter 7 of the Registration Document).

(3) Total return equity swap (TRS).



## 3.8 APPLICATION OF THE CORPORATE GOVERNANCE CODE

The Company refers to the AFEP-MEDEF Code, in particular for the purpose of drawing up the report provided for by article L. 225-37 of the French Code of Commerce (this Code is available on the Company's website: [www.imerys.com](http://www.imerys.com), in the "The Group/Corporate Governance" section).

The Company complies with all of the recommendations resulting from this Code, except for those for which explanation is given in the following table.

Recommendations of the AFEP-MEDEF Code	Justification
<p><b>Paragraph 8.5.6 Independent status criteria</b>  <i>"Not having been a Director of the Company for more than 12 years; the loss of independent Director status occurs on the date the 12 years are reached."</i></p>	<p>The Board of Directors decided to maintain the independent status to Aldo Cardoso, whose term of office as Director exceeds 12 years, as it considers that:</p> <ul style="list-style-type: none"> <li>■ the duration of his term of office does not affect his critical judgment with respect to the Group's executive management;</li> <li>■ his expertise and authority are acknowledged in the financial, control, management and Corporate Governance areas, including by market authorities and regulators.</li> </ul>
<p><b>Paragraph 17.1 Chairmanship of the Compensation Committee</b>  <i>"It is recommended that the Chairman of the [Compensation] Committee be independent and that one of its members be an employee Director."</i></p>	<p>The Board considers that it is legitimate in a controlled company for the Chairman of this Committee to represent a controlling shareholder, it being specified that:</p> <ul style="list-style-type: none"> <li>■ no representative or individual connected to the controlling shareholders has any executive responsibility in the Group;</li> <li>■ the Compensation Committee is comprised of six members, of whom three are independent directors and one is an employee representative Director.</li> </ul>

All the information included in this chapter forms an integral part of the Corporate Governance Report provided for in Article L. 225-37 of the French Code of Commerce.



# 7 INFORMATION ABOUT THE COMPANY AND ITS SHARE CAPITAL

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### 7.1 INFORMATION ABOUT IMERYS

#### ■ CORPORATE NAME

Imerys.

#### ■ REGISTERED OFFICE

43 quai de Grenelle, 75015 Paris (France).

Phone number: +33 (0) 1 49 55 63 00.

#### ■ DATE OF REGISTRATION AND DURATION

Imerys was incorporated on April 22, 1880.

The Company's term was extended by decision of the Shareholders' General Meeting of May 3, 2017 until May 3, 2116 (article 5 of the by-laws).

#### ■ REGISTRATION

The Company is registered with the Commercial Register of Paris under number 562 008 151. Its N.A.F code (code of main activity) is 7010Z.

#### ■ LEGAL STATUS AND LAW OF INCORPORATION

Imerys is a French Limited Liability Company (*Société Anonyme*) with Board of Directors (*Conseil d'Administration*) governed by French law.

#### ■ HISTORIC AND KEY DATES

The Group has its origins in mining and metallurgy. When created the Company's core business was the extraction and processing of non-ferrous metals. Numerous acquisitions led to the Group's reorganization with the withdrawal from non-ferrous metallurgy to industrial minerals activities.

**In the early 1970s**, federated under the name Imetal, the Group acquired the French company Huguenot Fenal, an event which marked its entry into the clay roof tiles market. It then purchased Copperweld Corporation (United States), a company specialized in steel production and metals processing.

**In 1985**, the first significant investment in refractory minerals and ceramics was made with the acquisition of Damrec (France). The Group then structured its business around three sectors: Building Materials, Industrial Minerals and Metals Processing. This reorganization is part of the Group's future withdrawal from non-ferrous metallurgy activities.

**From 1990 onwards**, the Group placed significant emphasis on the development of industrial minerals<sup>(1)</sup>. It acquired major positions in the kaolin sector (Dry Branch Kaolin Company, United States), calcium carbonate (Georgia Marble, United States), refractory minerals (C-E Minerals, United States), monolithic refractories (Plibrico, Luxembourg), ball clays (Ceratera, France), ceramic bodies (KPCL, France), graphite (Stratmin Graphite, Canada and Timcal, Switzerland) and technical ceramics markets (Imerys Kiln Furniture, France). Through its subsidiary Timcal (North America,

Europe, Asia), acquired in 1994, Imerys has become the world leader in technical applications of high performance graphite.

**In 1999**, with the acquisition of English China Clays plc (ECC, United Kingdom), one of the foremost specialists in industrial minerals, the Group became a global leader<sup>(2)</sup> in white pigments. The Group continued to increase its kaolin resources by acquiring Rio Capim Caulim S.A. (Brazil) and pursued its industrial base expansion in refractory minerals with Transtech and Napco (United States) and Rhino Minerals (South Africa). Through the acquisition of ECC and the related divestment of Copperweld (United States) and ECC's specialty chemicals business (Calgon, United States), the Group focused on industrial minerals processing. To reflect this development, Imetal changed its name to Imerys.

Since then, Imerys has been pursuing its development by continuously expanding its product line, extending its geographic network into high growth areas and entering new markets.

**From 2000 to 2002**, new minerals were added to the Group's portfolio: halloysite (New Zealand China Clays, New Zealand) and clays and feldspar (K-T Clay, United States and Mexico). The Group increased its carbonates resources in South America (Quimbarra, Brazil), in Asia (Honaik, Malaysia) and in France (AGS-BMP's carbonates activity). The takeover of the world's leading producer of corundum (fused alumina and bauxite), Treibacher Schleifmittel (Austria), is followed by more acquisitions in this sector in the Czech Republic, Germany, Brazil and China. The Group increased its Asian market presence for applications that mainly serve the sanitaryware industry with the acquisition of MRD-ECC (Thailand), a local kaolin producer.

**Early 2005**, the acquisition of Lafarge Réfractaires Monolithiques enabled Imerys to become the European leader in monolithic refractories. The merger of these activities with Plibrico, acquired a few years earlier, led to the creation of a new entity, Calderys. In July, Imerys acquired World Minerals (United States), world leader in filtration and performance minerals, bringing in new minerals: diatomite and perlite. The year ended with the acquisition of Denain Anzin Minerals adding feldspar, mica, quartz and kaolin deposits in Europe.

**From 2006 to 2008**, the Group continued to grow: calcined clays with specialists AGS (France) and Vatutinsky (Ukraine), extensive reserves of high quality white marble in Malaysia, China and Vietnam as well as Europe, and feldspar mines in India (Jumbo Mining), the United States (The Feldspar Corporation) and Turkey. The acquisition of ACE, the Indian leader in monolithic refractories, gave Calderys a new dimension, reinforced by B&B (South Africa) and Svenska Silika Verken AB (Sweden). Imerys added fused zircon, a mineral for the refractory, technical ceramics and automotive markets to its portfolio, becoming the world leader with the successive acquisitions of UCM Group Plc (United Kingdom) and Astron China. Perlite activities were bolstered in South America with the acquisition of Perfiltra in Argentina. The acquisitions of Kings Mountain Minerals, Inc. (North Carolina, United States) and Suzorite Mining, Inc. (Quebec, Canada) added high quality mica to the Group's mineral portfolio.

(1) Industrial minerals: non-metallic and non-combustible rocks or minerals, mined and transformed for industrial purposes.

(2) Throughout the Registration Document, information on market positions corresponds to evaluations made by Imerys on the basis of its market knowledge, or is derived from trade publications such as Roskill and Industrial Minerals, or from reports drawn up by Kline & Company, Inc.

**In 2010**, the commissioning of a new plant increased andalusite production capacity in China. The acquisition of Pará Pigmentos S.A. increased the Group's kaolin resources in Brazil.

**In 2011**, Imerys acquired the Luzenac Group and became the world leader in talc processing. A production unit was inaugurated in Andersonville (Georgia, United States) to provide ceramic proppant, used to keep fractures open in non-conventional oil and gas exploration. Through the joint venture "The Quartz Corp SAS" created with the Norwegian group Norsk Mineral AS, the Group can serve the increasing demand of high purity quartz in semiconductor and photovoltaic markets. In Malaysia, the production capacity of the calcium carbonate plant was extended and in Japan, the Miyagi plant, rebuilt after the Tsunami, also increased its production capacity to meet higher demand from its main customer.

**In 2012**, the Group enhanced product offering in Brazil for the paint, polymer and rubber markets with the acquisition of Itatex and refractory activities with a refractory bauxite deposit from the Vale Group.

**In 2013**, several acquisitions are made throughout the Group's businesses: PyraMax Ceramics LLC (United States), an industrial complex for manufacturing ceramic proppants, Goonvean kaolin activities (United Kingdom), Ceraminas (Thailand) a local feldspar producing company. To support growing demand from mobile energy segments, the Group doubled the capacity of the Willebroek carbon black plant (Belgium). The construction of the lime production plant in Deresopolis (Brazil) was completed and the plant went into production. Arefcon B.V (Netherlands), Indoporlen (Indonesia) and Tokai (Japan) were integrated in the Group's Monolithic Refractories division. The sale of Imerys Structure (brick walls and partitions, and flues) to Bouyer Leroux group (France) is finalized.

**In 2014**, the acquisition of Termorak strengthened the Group's position in the design and installation of refractory materials for the petrochemical and thermal industries. The Group expanded its geographical footprint in natural calcium carbonate with the integration of Kinta Powdertec Sdn Bhd (Malaysia). An applied R&D center opened in Japan to support the Graphite and Carbone's major local customers. The fused alumina production plant in Bahrain, whose construction was initiated in 2012, went into production. This joint-venture with Al Zayani Investments group, Imerys' first industrial base in the Middle East, enabled the Group to enlarge its business activities in this region. At the same time the Group disposed of four calcium carbonate paper plants in Europe and the United States as well as a production plant in Tunisia, and closed down the Ardoisières d'Angers site (France).

**In 2015**, Imerys acquired the S&B Group, world leader in steel casting fluxes, wollastonite, perlite-based solutions and European leader in bentonite. The Group also completed the acquisition of the activity of precipitated Calcium Carbonate (Austria, France,

Germany and United Kingdom) of the Solvay Group, the European leader in fine and ultra thin PCC, used as a functional additive in specialty applications (polymers, paints, hygiene, health and beauty), as well as the Matisco Development Group (France), a company specialized in the manufacture of metal profiles.

**In 2016**, Imerys took a further step in its development strategy with the signing of an agreement for the acquisition of the Kerneos Group, the world leader in calcium aluminate-based high-performance binders. The Group has also acquired a specialty alumina business from the Alteo group (France, Germany), and enhanced its geographic positioning by acquiring the SPAR industrial production unit (United States), a producer of monolithic refractories in North America on one hand, and on the other hand, by enlarging its service offer with the acquisition of Fagersta Eldfasta (Sweden).

The operations conducted in 2017 are detailed in [chapter 1, paragraph 1.4.2 and chapter 2 paragraph 2.1.1 of the Registration Document](#).

### ■ CORPORATE PURPOSE (ARTICLE 3 OF THE BY-LAWS)

Imerys is the parent company of an industrial and commercial group, which is the world leader in mineral-based specialty solutions for industry.

Under the terms of article 3 of the by-laws, "The Company's purpose, in France and abroad, is:

- the research, acquisition, farm-out, sale and operation of any mines and quarries, of any kind whatsoever;
- the processing and transformation of, and trading in any minerals, metals, organic or non-organic materials and mineral substances, as well as their by-products and alloys;
- the manufacturing of any finished products in which minerals, metals, organic or non-organic materials and mineral substances are used;
- the purchase, obtaining, operation, concession and sale, in whole or in part, on a temporary or permanent basis, of any patents, certificates or licenses pertaining to the above-mentioned purposes;
- the creation, sale, concession of any buildings and plants, of any means of transportation and energy sources;
- the participation in any country, in any mining, quarrying, commercial, industrial and maritime operations aimed at favoring or developing the Company's own industries and businesses, through the creation of new companies, alliances, holding companies or otherwise; and, generally, any mining, quarrying, commercial, industrial, maritime, real estate, personal property and financial operations relating directly or indirectly, in whole or in part, to any of the above-specified purposes or any other similar or related purposes."

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### ■ FINANCIAL YEAR (ARTICLE 28 OF THE BY-LAWS)

The financial year is 12 months. It begins on January 1 and ends on December 31 of each year.

### ■ BOARD OF DIRECTORS (ARTICLES 12 AND 13 OF THE BY-LAWS)

The Company is managed by a Board of Directors comprised of at least three members and no more than eighteen members, except for any dispensation provided by law.

Directors are appointed or renewed by the Ordinary General Meeting of the Shareholders, which may remove them at any time. The term of office of the Directors is three years. The term of office of a Director shall expire at the close of the Ordinary General Meeting of the Shareholders that rules on the financial statements for the previous financial year and which is held in the year during which the term of office expires. No person aged seventy (70) or over may be appointed a Director. If one of the Directors reaches said age, he or she shall be deemed to have automatically resigned on the date of the first General Meeting of the Shareholders after his or her 70<sup>th</sup> birthday.

The Board of Directors shall also comprise one Director representing employees who is designated by the European Works Council. When the number of Directors appointed by the Shareholders' General Meeting is higher than 12, second Director representing employees shall be designated by the France Group Committee.

√ For more details regarding the composition, powers and functioning of the Board of Directors, please *see chapter 3, section 3.1 of the Registration Document*.

Moreover, it will be proposed to the Shareholders' General Meeting of May 4, 2018 to amend the provisions of the Company's bylaws relating to, on one hand, the age limit for holding the office of Director and, on the other hand, the functioning of the Board of Directors in order to offer the latter the possibility of appointing censors (for more information, *see chapter 8, paragraph 8.1.10 and section 8.4 of chapter 8 of the Registration Document*).

### ■ SHAREHOLDERS' GENERAL MEETINGS (ARTICLES 21 AND 22 OF THE BY-LAWS)

#### Convening

Shareholders' General Meetings are convened under the terms and conditions provided by current legal provisions and are held either at the registered office or in any other place specified in the notice of meeting.

#### Conditions for admission

Any shareholder has the right to take part in Shareholders' General Meetings – whether in person, *via* a proxy or by correspondence – simply by providing proof of identity and share ownership by means of, either a nominative registration, or by transmission of a certificate of holding proving the registration of bearer shares. Registration or deposit formalities must be completed no later than two business days prior to the meeting. Any shareholder may also, by decision of the Board of Directors as notified in the notice of meeting, take part in General Meetings and vote by data transmission and/or any other means of telecommunication, under the conditions provided by current legal provisions.

#### Conditions for the exercise of voting rights

All documents specified by articles R. 225-81 and R. 225-83 of the French Code of Commerce, including a postal or proxy voting form, are sent to shareholders on request. This form can only be validly taken into account if it is completed in accordance with current legislation and returned to the registered office or to the address given on the notice of meeting. Moreover, any shareholder may, by decision of the Board of Directors as notified in the notice of meeting, obtain and return the voting form by post or proxy, by data transmission or any other means of telecommunication, under the terms and conditions provided by current legal provisions.

#### Double voting rights

Shares registered in the name of the same shareholder for at least two years benefit from a double voting right. This right is authorized by law and provided by article 22 of the by-laws, and is intended to reward the Company's shareholders for their loyalty. The double voting right is also granted to new free shares granted to shareholders under a capital increase operation, on the basis of the old shares which benefited from this right. The double voting right ceases *ipso jure* when a registered share is converted to a bearer share or is transferred, except in cases of collateral assignment or transfer as life interest or by inheritance or family bequest. Finally, the double voting right may be cancelled by decision of an Extraordinary Shareholders' General Meeting with prior authorization of the Special General Meeting of the holders of this right.

#### Restriction of voting rights

None.

### ■ ALLOCATION OF PROFITS (ARTICLE 30 OF THE BY-LAWS)

Income for each financial year is determined in accordance with the legal and regulatory provisions in force, as follows:

- at least 5% of net earnings for the financial year, less any prior losses, where applicable, are withheld to make up the legal reserve. This withholding ceases to be obligatory when the reserve reaches 10% of the share capital;
- earnings for the financial year, less any prior losses and increased by any earnings carried over, subject to deduction of any retained earnings carried forward by the Shareholders' General Meeting or assigned by it to one or more reserves, are allocated among shares, without distinction;
- the Shareholders' General Meeting may grant to each shareholder, for all or part of the dividend being distributed, or for advances on dividends, an option between payment of the dividend in cash or in shares.

### ■ IDENTIFIABLE BEARER SHARES (ARTICLE 9 OF THE BY-LAWS)

The Company is authorized, under the terms and conditions provided by current legal provisions, to ask Euroclear France for the information needed to identify the owners of bearer shares that grant, whether immediately or at a later date, voting rights in its Shareholders' Meetings, as well as the quantity of shares or other securities held by each of them and, as the case may be, any restrictions that may apply to these securities.

### ■ DISCLOSURE OF THRESHOLD CROSSINGS

Imerys' by-laws do not contain any clause imposing disclosure requirements in the case of holdings that cross certain thresholds, other than those set down by law.

Any shareholder, whether acting alone or with others, whose holding rises above or passes below one of the holding thresholds for the

Company's capital and/or voting rights provided by the legislation in force must comply with the provisions of articles L. 233-7 *et seq.* of the French Code of Commerce and, more specifically, notify the Company (or, as the case may be, any person that the Company may have been designated for that purpose) and the Autorité des marchés financiers (AMF), within four trading days of their holding crossing the threshold in question, in line with article 223-14 of the AMF's General Regulations. In the event of failure to comply with this obligation, the provisions of article L. 233-14 of the French Code of Commerce shall apply.

### ■ PUBLICLY ACCESSIBLE DOCUMENTS

The by-laws, minutes of Shareholders' General Meetings, statutory and consolidated financial statements, Statutory Auditors' Reports and all documents made available to the shareholders may be read at the Company's registered office or on the Company's website ([www.imerys.com](http://www.imerys.com) – Media Center – regulated information & publications section).

## 7.2 INFORMATION ABOUT THE SHARE CAPITAL

### 7.2.1 SHARE CAPITAL AMOUNT

On December 13, 2017, as part of the share buy-back programs authorized by the Shareholders' General Meetings of May 4, 2016 and May 3, 2017, and according to the authorization granted by the Shareholders' General Meeting of May 3, 2017, the Board of Directors cancelled 400,000 treasury shares acquired on the market through an investment services provider (for more details, please see [paragraph 7.2.4 of the present chapter](#)). This cancellation of shares led to a share capital decrease of the Company by a nominal amount of €800,000.

On January 5, 2018, the Chairman and Chief Executive Officer, under the powers conferred to him by the Board of Directors on December 13, 2017, acknowledged that, on December 31, 2017, the share capital had been increased by a nominal amount of €872,822 as a result of the exercise between January 1 and December 31, 2017 of 436,411 stock options and consequently the creation of an equivalent number of new Imerys shares.

As a result of those operations, Imerys' fully-paid up share capital as of December 31, 2017 totaled €159,208,570; it was made up of 79,604,285 shares with a €2 par value among which 47,415,689 benefited from double voting rights pursuant to article 22 of Imerys' by-laws. Finally, the total number of theoretical voting rights attached to existing shares was 127,019,974. Considering the 632,227 treasury shares held by the Company as on December 31, 2017 (see [paragraph 7.2.4 of this chapter](#)), the total number of net voting rights attached to existing shares was 126,387,747 at that date.

Taking into account the 406,037 stock options and 1,046,108 free shares granted to certain employees and executive corporate officers and not yet exercised or acquired at December 31, 2017, the maximum potential dilution of the Company's share capital was 1.79% as on this date (*i.e.* a nominal amount of €162,112,860). The share capital has not changed since that date.

No directly registered shares have been pledged by the Company.



## 7.2.2 CHANGES IN SHARE CAPITAL OVER THE PAST FIVE YEARS

Changes in the number of shares and in the Company's share capital over the past five years are as follows:

Year	Operation	Nominal amount of change in capital (€)	Issue premium (€)	Number of shares created	Per value of shares (€)	Successive amounts of the Company's capital (€)	Number of shares that make up capital
2013	Cancellation of shares	(87,448)	(1,963,193)	(43,724)	2	150,649,644	75,324,822
	Exercise of stock options	1,826,884	38,078,652	913,442	2	152,476,528	76,238,264*
2014	Cancellation of shares	(1,836,630)	(54,236,971)	(918,315)	2	150,639,898	75,319,949
	Exercise of stock options	1,131,284	26,244,140	565,642	2	151,771,182	75,885,591*
2015	Exercise of stock options	626,748	15,747,996	313,374	2	152,397,930	76,198,965
	Share capital increase in compensation of a contribution in kind	7,456,616	206,943,483	3,728,308	2	159,854,546	79,927,273
	Cancellation of shares	(2,000,000)	(60,381,827)	(1,000,000)	2	157,854,546	78,927,273
	Exercise of stock options	1,290,436	34,552,929	645,218	2	159,144,982	79,572,491*
2016	Cancellation of shares	(600,000)	(16,046,322)	(300,000)	2	158,544,982	79,272,491
	Exercise of stock options	590,766	15,582,577	295,383	2	159,135,748	79,567,874*
2017	Cancellation of shares	(800,000)	(23,841,188)	(400,000)	2	158,335,748	79,167,874
	Exercise of stock options	872,822	22,418,675	436,411	2	159,208,570	79,604,285*

\* As at December 31.

### 7.2.3 FINANCIAL AUTHORIZATIONS

In accordance with the new provisions of articles L. 225-37 and L. 225-37-2 of the French Code of Commerce introduced by the Ordinance of July 12, 2017, the authorizations and delegations of authority granted to the Board of Directors by the Shareholders' General Meeting, in force on the date of this Registration Document and presented in the table below, form an integral part of the Corporate Governance Report, appearing in *chapter 2, section 2.2 of the Registration Document*.

#### ■ SUMMARY OF THE FINANCIAL AUTHORIZATIONS AND DELEGATIONS OF AUTHORITY IN FORCE

Type of authorizations	Expiry and duration of the authorization	Maximum nominal authorized amount	Use in 2017
<b>Issue of shares and debt securities</b>			
Issue of shares or debt securities giving access to the share capital with preemptive subscription rights <sup>(1)</sup> (Shareholders' General Meeting of May 3, 2017, 13 <sup>th</sup> resolution)	July 2, 2019 (26 months)	Capital: €75 million Debt securities: €1 billion	None
Issue of shares or debt securities giving access to the share capital without preemptive subscription rights, and, as the case maybe, a priority period granted by the Board of Directors <sup>(2)</sup> (Shareholders' General Meeting of May 3, 2017, 14 <sup>th</sup> resolution)	July 2, 2019 (26 months)	Capital: €15 million Debt securities: €1 billion	None
Issue of shares or securities giving access to the share capital, by private investments with cancellation of preemptive subscription rights in favor of qualified investors or a limited circle of investors <sup>(3)</sup> (Shareholders' General Meeting of May 3, 2017, 15 <sup>th</sup> resolution)	July 2, 2019 (26 months)	10% of the capital on the issue day, the issued amount being charged to the ceiling of the 14 <sup>th</sup> resolution of the Shareholders' General Meeting of May 3, 2017	None
Authorization to increase the number of shares in the event of excess demand of shares to be issued with or without preemptive subscription rights <sup>(4)</sup> (Shareholders' General Meeting of May 3, 2017, 16 <sup>th</sup> resolution)	July 2, 2019 (26 months)	10% of the initial issue, the issued amount being charged to the ceiling of the 13 <sup>th</sup> , 14 <sup>th</sup> and 15 <sup>th</sup> resolutions of the Shareholders' General Meeting of May 3, 2017	None
Authorization to set the issue price of shares or securities giving access to the share capital in the event of cancellation of preemptive subscription rights <sup>(5)</sup> (Shareholders' General Meeting of May 3, 2017, 17 <sup>th</sup> resolution)	July 2, 2019 (26 months)	10% of the capital per year, the issued amount being charged to the ceiling of the 14 <sup>th</sup> and 15 <sup>th</sup> resolutions of the Shareholders' General Meeting of May 3, 2017	None
Issue of shares or securities giving access to the share capital in compensation for contributions in kind made of shares or securities giving access to the share capital <sup>(6)</sup> (Shareholders' General Meeting of May 3, 2017, 18 <sup>th</sup> resolution)	July 2, 2019 (26 months)	10% of the capital per year, the issued amount being charged to the ceiling of the 14 <sup>th</sup> resolution of the Shareholders' General Meeting of May 3, 2017	None
Increase of share capital by capitalization of reserves, earnings and issue or share premiums <sup>(7)</sup> (Shareholders' General Meeting of May 3, 2017, 19 <sup>th</sup> resolution)	July 2, 2019 (26 months)	€75 million, the issued amount being charged to the ceiling of the 13 <sup>th</sup> resolution of the Shareholders' General Meeting of May 3, 2017	None
Overall ceilings of the share capital increases with or without preemptive subscription right (Shareholders' General Meeting of May 3, 2017, 20 <sup>th</sup> resolution)	July 2, 2019 (26 months)	Capital: €75 million Debt securities: €1 billion	None

(1) In accordance with the provisions of articles L. 225-129 et seq. and L. 228-91 et seq. of the French Code of Commerce.

(2) In accordance with the provisions of articles L. 225-129 et seq., L. 225-135 et seq., L. 225-136 and L. 228-91 et seq. of the French Code of Commerce.

(3) In accordance with the provisions of articles L. 225-129-2, L. 225-135, L. 225-136, L. 228-91 et seq. of the French Code of Commerce and L. 411-2 of the French Monetary and Financial Code.

(4) In accordance with the provisions of article L. 225-135-1 of the French Code of Commerce.

(5) In accordance with the provisions of articles L. 225-129-2 and L. 225-136-1°, paragraph 2 of the French Code of Commerce.

(6) In accordance with the provisions of articles L. 225-147 and L. 228-91 et seq. of the French Code of Commerce.

(7) In accordance with the provisions of articles L. 225-129, L. 225-129-2 et seq. and L. 225-130 of the French Code of Commerce.



# 7 INFORMATION ABOUT THE COMPANY AND ITS SHARE CAPITAL

## INFORMATION ABOUT THE SHARE CAPITAL

Type of authorizations	Expiry and duration of the authorization	Maximum nominal authorized amount	Use in 2017
<b>Share buyback and cancellation of shares</b>			
Purchase by the Company of treasury shares <sup>(8)</sup> (Shareholders' General Meeting of May 3, 2017, 12 <sup>th</sup> resolution)	November 2, 2018 (18 months)	10% of the existing shares as of January 1, 2017	1,019,372 acquired shares
Share capital decrease by cancellation of treasury shares (Shareholders' General Meeting of May 3, 2017, 22 <sup>nd</sup> resolution)	May 2, 2019 (24 months)	10% of the capital per 24-month period	400,000 cancelled shares
<b>Issues in favor of employees and corporate officers</b>			
Issue of shares or securities giving access to the share capital reserved for Group employees that joined a company or Group savings plan <sup>(9)</sup> (Shareholders' General Meeting of May 3, 2017, 21 <sup>st</sup> resolution)	July 2, 2019 (26 months)	€1.6 million	None
Grant of Imerys stock options to employees and corporate officers, or certain categories of them <sup>(10)</sup> (Shareholders' General Meeting of May 3, 2017, 23 <sup>rd</sup> resolution)	July 2, 2020 (38 months)		None <sup>(11)</sup>
Grant of Imerys conditional free shares to employees and corporate officers, or certain categories of them <sup>(12)</sup> (Shareholders' General Meeting of May 3, 2017, 24 <sup>th</sup> resolution)	July 2, 2020 (36 months due to the fact that the authorization came into force on July 3, 2017)	Common ceiling: 3% of the share capital on the day of the Board's decision to grant share subscription and/or acquisition options or free shares or to issue share subscription and/or acquisition  Sub-ceiling of grant of stock options and conditional free shares to executive officers: 0.5% of share capital on the day of the Board's decision to grant	293,400 conditional free shares were allotted in 2017 under the previous authorization granted by the Shareholders' General Meeting of May 4, 2016 i.e. 0.37% of the capital <sup>(13)</sup>

(8) In accordance with the provisions of articles L. 225-209 et seq. of the French Code of Commerce and 241-1 to 241-6 of the AMF's General Regulations.

(9) In accordance with the provisions of articles L. 225-129 et seq. and L. 225-138 of the French Code of Commerce and L. 3332-1 et seq. of the French Labor Code.

(10) In accordance with the provisions of articles L. 225-177 et seq. of the French Code of Commerce.

(11) For more details regarding stock options grants, see chapter 3, section 3.4 of the Registration Document.

(12) In accordance with the provisions of articles L. 225-197-1 et seq. of the French Code of Commerce.

(13) For more details regarding allotments of conditional free shares, see chapter 3, section 3.5 of the Registration Document.

# INFORMATION ABOUT THE COMPANY AND ITS SHARE CAPITAL

## INFORMATION ABOUT THE SHARE CAPITAL

The table below sets out the financial authorizations of which the renewal will be proposed to the Shareholders' General Meeting of May 4, 2018.

√ For more details, *see chapter 8, paragraphs 8.1.8 and 8.1.9 and section 8.4 of the Registration Document.*

### ■ SUMMARY OF THE FINANCIAL AUTHORIZATIONS FOR WHICH THE RENEWAL WILL BE PROPOSED TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' GENERAL MEETING OF MAY 4, 2018

Type of authorizations	Expiry and duration of the authorization	Maximum nominal authorized amount
<b>Share buyback and cancellation of shares</b>		
Purchase by the Company of treasury shares <sup>(1)</sup> (Shareholders' General Meeting of May 4, 2018, 13 <sup>th</sup> resolution)	November 3, 2019 (18 months)	5% of the existing shares as of January 1, 2018 (i.e. 3,980,214 shares)
<b>Issues in favor of employees and corporate officers</b>		
Grant of Imerys conditional free shares to employees and corporate officers, or certain categories of them <sup>(2)</sup> (Shareholders' General Meeting of May 4, 2018, 14 <sup>th</sup> resolution)	July 2, 2020 (26 months due to the alignment of the duration of this authorization with the one relating to the authorization to grant stock options or share purchase options approved by the Shareholders' General Meeting of May 3, 2017)	Common ceiling with the authorization to grant stock option given by the Shareholders' General Meeting of May 3, 2017 (23 <sup>rd</sup> resolution): 3% of the share capital on the day of the Board's decision to grant share subscription and/or acquisition options or free shares or to issue share subscription and/or acquisition  Sub-ceiling of grant of stock options and conditional free shares to executive officers: 0.5% of share capital on the day of the Board's decision to grant

(1) *In accordance with the provisions of articles L. 225-209 et seq. of the French Code of Commerce and 241-1 to 241-6 of the AMF's General Regulations.*

(2) *In accordance with the provisions of articles L. 225-197-1 et seq. of the French Code of Commerce.*

### ■ OTHER SECURITIES

As the decision to issue ordinary bonds is within the competence of the Board of Directors in accordance with article L. 228-40 of the French Code of Commerce, the Board of Directors delegated on May 3, 2017 full powers to the Chairman and Chief Executive Officer for the purposes of carrying out such issues and deciding their conditions, within the period of one year and an initial limit of a maximum annual nominal amount of €1.5 billion and a maximum nominal amount per operation of €350 million.

Pursuant to the specific authorization given by the Board of Directors on December 15, 2016, the Company completed on January 10, 2017 under the Euro Medium Term Notes program (EMTN), a bond issue for the amount of €600 million with a 10-year maturity and a 1.50% annual coupon corresponding to a spread of mid- swap +92 bps (*see the press release dated January 10, 2017*).

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### 7.2.4 SHARE BUYBACK PROGRAMS

#### ■ LEGAL FRAMEWORK OF SHARE BUYBACK PROGRAMS IMPLEMENTED IN 2017

The Ordinary and Extraordinary Shareholders' General Meeting of May 3, 2017 renewed in favor of the Board of Directors and for a period of 18 months, *i.e.* until November 2, 2018, the authorization previously granted by the Ordinary and Extraordinary Shareholders' General Meeting held on May 4, 2016 for the Company to buy back its own shares, in accordance with articles L. 225-209 *et seq.* of the French Code of Commerce, within the limit of 10% of the shares existing and outstanding as of January 1, 2017, *i.e.* 7,956,787 and within the limit of a global investment amount of €716 million. This Shareholders' General Meeting also decided that the number of shares likely to be held, directly or indirectly, at all times, shall not exceed 10% of the shares making up the share capital. Lastly, the maximum acquisition price was set at €90 per share.

In accordance with provisions of article L. 225-209 paragraph 3 of the French Code of Commerce, the Board of Directors delegated to the Chairman and Chief Executive Officer on May 3, 2017 all powers for the purposes of purchasing the Company's shares, under the conditions and within the limits set by the Shareholders' General Meeting.

#### ■ OPERATIONS CARRIED OUT IN 2017<sup>(1)</sup>

In accordance with article L. 225-211 of the French Code of Commerce, the following operations were carried out with respect to the Company's share buyback programs in force in 2017.

#### **Transactions completed between January 1 and May 2, 2017 within the framework of the share buyback program approved by the Shareholders' General Meeting of May 4, 2016**

Under the liquidity contract that complies with the AMAFI Code of conduct approved by the Autorité des marchés financiers on March 21, 2011, concluded by the Company with Rothschild & Cie Banque on February 16, 2017:

- 307,479 shares were acquired on the market at an average weighted price of €77.76; and
- 307,479 shares were sold on the market at an average weighted price of €77.87.

#### **Transactions completed between May 3 and December 31, 2017 within the framework of the current share buyback program approved by the Shareholders' General Meeting of May 3, 2017**

Further to the renewal on June 1, 2017 of the share purchase mandate entered into by the Company on June 1, 2016 with an investment services provider (ISP), in accordance with the provisions of European regulation (EU) 2273/2003, articles 241-1 *et seq.* and 631-5 *et seq.* of AMF's General Regulations and AMF's position on the implementation of the share buyback framework, 350,000 shares were acquired on the market at an average weighted price of €76.57.

Among these shares, 192,658 were allocated for the purposes of conditional free share grants to certain employees and corporate officers and 157,342 shares were allocated for the purposes of subsequent cancellation. Moreover, 5,888 that were initially allocated for the purposes of conditional free share grants to certain employees and corporate officers, were re-allocated for the purposes of subsequent cancellation in 2017.

Finally, under the liquidity contract mentioned above 695,563 shares were acquired and sold at a respective average weighted price of €76.88 and €76.99.

It being stipulated that the conclusion of the share purchase mandates and the liquidity contract was released on the Company's website on June 1, 2016, February 16, 2017 and June 2, 2017.

#### **Number of treasury shares held as at December 31, 2017**

Taking into account:

- the remaining number of treasury shares as on January 1, 2017, *i.e.* 932,821;
- the number of shares acquired on the market in 2017 through the share purchase mandate concluded by the Company with an investment services provider *i.e.* 350,000;
- the delivery in 2017 of 54,831 shares as payment of the second share performance amount for the S&B group acquisition and the delivery of 195,763 vested shares to the beneficiaries of conditional Free Share Plans (for further details, *see chapter 3, paragraph 3.5.1 of the Registration Document*); and
- the cancellation of 400,000 treasury shares decided by the Board of Directors of December 13, 2017,

632,227 treasury shares with a par value of €2 and acquired on the market at an average price of €70.17 were self-held by the Company on December 31, 2017, representing 0,79% of share capital at that date.

It is noted that:

- all transactions conducted in 2017 by the Company with respect to its share buyback programs were made on a spot basis without any open purchasing or selling position being taken;
- the Company does not use derivatives with respect to its share buyback programs;
- the bank fees relating to the buyback transactions made directly on the market by the Company in 2017 amounted to €13,399. The French tax on financial transactions ("TTF") amounted to €80,398.

(1) All prices and amounts are given excluding fees and commissions.



### RENEWAL OF THE SHARE BUYBACK PROGRAM

As the authorization granted by the Ordinary and Extraordinary Shareholders' General Meeting of May 3, 2017 expires on November 2, 2018, its renewal in favor of the Board of Directors, will be proposed at the Ordinary and Extraordinary Shareholders' General Meeting of May 4, 2018 for a further period of 18 months, *i.e.* until November 3, 2019 (see chapter 8, paragraph 8.1.8 and section 8.4 of the Registration Document).

The description of this new program, drawn up in accordance with the provisions of articles 241-1 to 242-6 of the AMF's General Regulations, will be available on the Company's website ([www.imerys.com](http://www.imerys.com) – Media Center section – Regulated Information) and sent to the AMF. A copy of this description can also be obtained by simple request from the Company's head office.

## 7.2.5 EMPLOYEE SHAREHOLDING

As at December 31, 2017, 0.76% of the share capital and 0.84% of the voting rights in the Company were held, either directly or through the Imerys Actions mutual fund, by Group employees under the Group Savings Plan.

## 7.3 SHAREHOLDING

### 7.3.1 DISTRIBUTION OF SHARE CAPITAL AND VOTING RIGHTS OVER THE PAST THREE YEARS

The changes in the share capital and voting rights structure over the past three years are as follows:

	As of December 31, 2015				As of December 31, 2016				As of December 31, 2017			
	Number of shares held	% of share capital	Voting rights attached <sup>(1)</sup>	% of voting rights <sup>(2)</sup>	Number of shares held	% of share capital	Voting rights attached <sup>(1)</sup>	% of voting rights <sup>(2)</sup>	Number of shares held	% of share capital	Voting rights attached <sup>(1)</sup>	% of voting rights <sup>(2)</sup>
Belgian Securities BV	42,851,473	53.85	85,602,946	69.70	42,851,473	53.86	85,602,946	69.67	42,851,473	53.83	85,702,946	67.47
Blue Crest Holding SA	4,052,784	5.09	4,052,784	3.30	4,122,150	5.18	4,122,150	3.35	4,116,981	5.17	8,089,765	6.37
Group employees	146,238	0.18	292,158	0.24	390,457	0.49	686,619	0.56	604,757	0.76	1,068,091	0.84
Treasury shares	229,423	0.29	229,423 <sup>(3)</sup>	0.19	932,821	1.17	932,821 <sup>(3)</sup>	0.76	632,227	0.79	632,227 <sup>(3)</sup>	0.50
Public	32,292,573	40.59	32,634,727	26.57	31,270,973	39.30	31,530,689	25.66	31,398,847	39.44	31,526,945	24.82
<b>Total</b>	<b>79,572,491</b>	<b>100</b>	<b>122,812,038</b>	<b>100</b>	<b>79,567,874</b>	<b>100</b>	<b>122,875,225</b>	<b>100</b>	<b>79,604,285</b>	<b>100</b>	<b>127,019,974</b>	<b>100</b>

(1) In compliance with article 22 of the by-laws, nominal shares registered for at least two years carry a double voting rights.

(2) The percentages are calculated on the basis of the theoretical voting rights existing as of December 31 of each year.

(3) These are theoretical voting rights, as treasury shares do not benefit from voting rights at the Shareholders' General Meetings.

### 7.3.2 CROSSING OF THRESHOLDS

On March 3, 2017, Blue Crest Holding SA declared to AMF for regularization that it exceeded on February 26, 2017 the 5% threshold in the Company's voting rights and held 4,102,150 shares representing 6,630,458 voting rights, *i.e.* 5.15% of capital and 5.28% of voting rights in Imerys as of that date (AMF decision and information No. 217C0590 dated March 3, 2017).

No other threshold crossing was brought to the attention of the Company during the 2017 financial year and up to the date of the Registration Document.

To the best of Imerys' knowledge, no shareholder other than those mentioned in paragraph 7.3.1 of this chapter directly or indirectly holds more than 5% of the share capital and voting rights of the Company as of the date of the Registration Document.

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### 7.3.3 CONTROL OF THE COMPANY AND SHAREHOLDERS' AGREEMENT

#### ■ CONTROL OF THE COMPANY

Due to the number of voting rights held by Belgian Securities BV which is directly controlled by Groupe Bruxelles Lambert and indirectly by Pargesa Holding SA (for further details, [see the organizational chart in paragraph 7.3.5 of this chapter](#)), the Pargesa-GBL concert has controlling rights over the Company. Nevertheless, the Company considers that there is no risk that such control be exercised abusively. The Company and its Board of Directors have always been extremely attentive to the respect of all shareholders' interests and have always striven to comply with the best Corporate Governance rules and practices in this field, as evidenced, in particular, by the number of independent members of the Board of Directors and its Audit Committee, Appointment Committee and Compensation Committee (for further information on the composition of the Board of Directors and its Committees, [see chapter 3, paragraph 3.1.2 of the Registration Document](#)).

#### ■ SHAREHOLDERS' AGREEMENT

On November 5, 2014, Groupe Bruxelles Lambert, Belgian Securities B.V., Blue Crest Holding S.A. and S&B Minerals S.A entered into a shareholders' agreement with respect to their direct or indirect shareholding in the Company. This agreement, governed by Luxembourg law, came into force on February 26, 2015 for a renewable period of seven years and provides for the following:

- a lock-up agreement to hold for three years<sup>(1)</sup> the 3,728,308 shares created as compensation for the contribution of shares by S&B Minerals S.A. for the benefit of Imerys, held since February 26, 2015 by Blue Crest Holding SA (as well as the Imerys shares that the latter would receive in consideration of the performance amount by virtue of the share purchase agreement concluded on November 5, 2014);
- a joint tag-along right granted for three years to Blue Crest Holding SA by Groupe Bruxelles Lambert, in the event of a

transfer of Imerys shares by Groupe Bruxelles Lambert to a third party with the effect of reducing Groupe Bruxelles Lambert's interest to less than 40% of Imerys' capital;

- a pre-emptive right for the benefit of Groupe Bruxelles Lambert, with Blue Crest Holding SA having pledged, after the expiry of its holding commitment, to grant Groupe Bruxelles Lambert a pre-emptive right on any Imerys shares that Blue Crest Holding SA may wish to sell;
- a right of representation for Blue Crest Holding SA on the Board of Directors and on the Strategic Committee, for as long as Blue Crest Holding SA holds at least 3% of Imerys shares;

This shareholders' agreement also provides for its early termination if any of the following events occur:

- in the event that Blue Crest Holding SA comes to directly or indirectly hold a number of Imerys shares that is less than 50% of the 3,728,308 shares newly created as compensation for the contribution of shares implemented on February 26, 2015;
- in the event that the agreement is terminated by Groupe Bruxelles Lambert, which it would be authorized to do if Blue Crest Holding SA's current shareholders were to no longer control Blue Crest Holding SA or no longer directly or indirectly hold 100% of Blue Crest Holding SA's capital;
- if Groupe Bruxelles Lambert's direct or indirect interest was to fall below 40% of Imerys' capital.

It is specified that this shareholders' agreement does not form a concert as defined in article L. 233-10 of the French Code of Commerce. It was disclosed to the AMF and the Company on March 5, 2015 (AMF decision and information No. 215C0360 dated March 27, 2015 available on the AMF website: [www.amf-france.org](http://www.amf-france.org)).

As of the date of this Registration Document, the Company has not been informed of any other agreement between the Company's shareholders, nor of any agreement that, if implemented, could lead to a change of control.

### 7.3.4 IDENTIFICATION OF BEARER SHAREHOLDERS

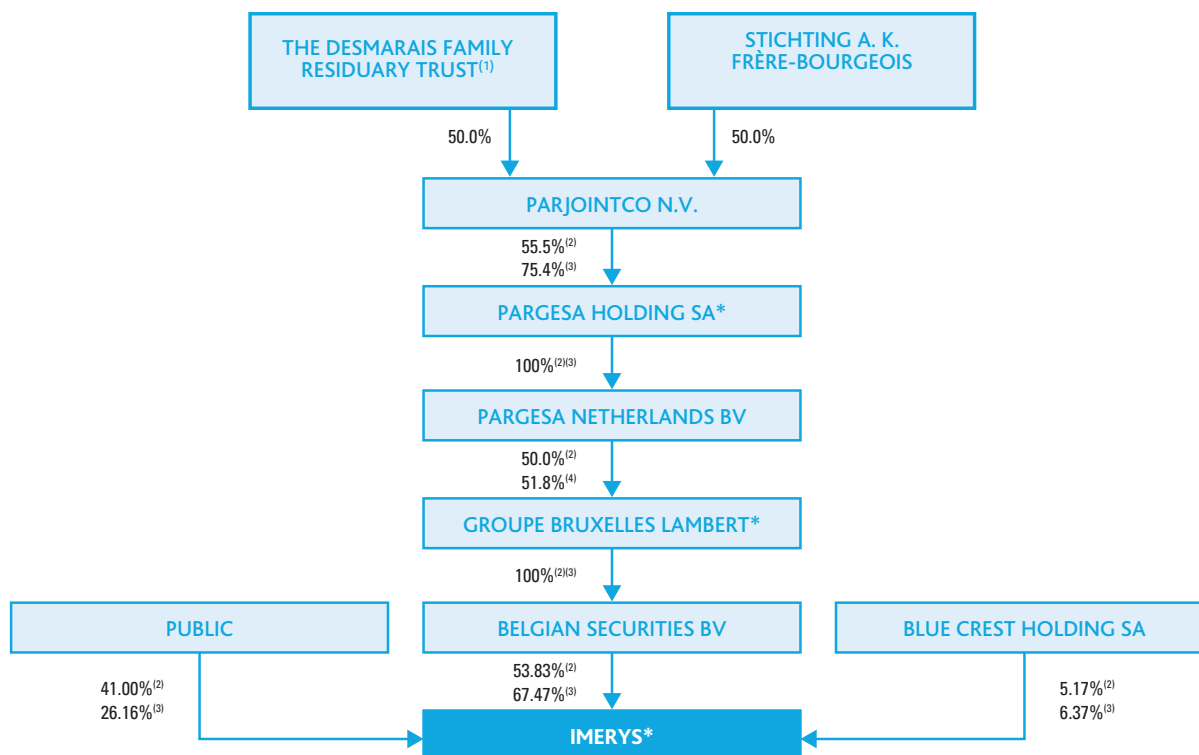
Imerys asked Euroclear France to conduct a survey of identifiable bearer shares in the Company among financial intermediaries with holding thresholds over 30,000 shares. Except for the controlling shareholder (Belgian Securities BV), this survey identified

3,392 bearer shareholders with over 200 shares that together represented 38.3% of share capital as of December 31, 2017 (of which 352 institutional investors holding 35.67% of share capital).

(1) This three-year term having expired on February 26, 2018.

### 7.3.5 GROUP SHAREHOLDING STRUCTURE

The organizational chart showing the relationships between Imerys shareholders as regards share capital and voting rights as of December 31, 2017 may be presented as follows:



\* Listed company.

(1) i.e. Jacqueline Desmarais (†), Paul Desmarais Jr. and André Desmarais.

(2) Participation of share capital.

(3) Participation of voting rights.

(4) Given the suspended voting rights of treasury shares.

Parjointco is a company governed by Dutch law, with registered offices located at Veerkade 5, 3016 DE-Rotterdam (Netherlands). It is held equally and jointly controlled by both The Desmarais Family Residuary Trust held by the Desmarais family (Canada) and by Stichting A.K. Frère Boureois controlled by Albert Frère (Belgium).

Pargesa Holding SA is a company governed by Swiss law with registered offices located at 11, Grand-Rue, CH-1204 Geneva (Switzerland). Pargesa Netherlands BV is a company governed by Dutch law, with registered offices located at Herengracht 483, 1017 BT Amsterdam (Netherlands).

Groupe Bruxelles Lambert (GBL) is a company governed by Belgian law, with registered offices located at Avenue Marnix 24, 1000 Brussels (Belgium). Belgian Securities BV is a company governed by Dutch law, with registered offices located at Herengracht 555, 1017 BW Amsterdam (Netherlands).

The direct tie-up of Imerys to the Pargesa-GBL group results from the merger of Parfinance with the Company, completed on June 30, 1998. Parfinance was then the Company's controlling shareholder, and had already been so for several years.

Blue Crest Holding SA is a company governed by Luxembourg law with registered offices located at 19, rue Eugène Ruppert, L-2453 Luxembourg (Luxembourg). It is held and controlled by the Kyriacopoulos family (Greece).

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## 7.4 ELEMENTS WHICH COULD HAVE AN IMPACT IN THE EVENT OF A TAKEOVER BID

In accordance with the new provisions of articles L. 225-37 and L. 225-37-2 of the French Code of Commerce introduced by the Ordinance of July 12, 2017, the elements which could have an impact in the event of a takeover bid for the securities of the Company presented below, form an integral part of the Corporate Governance Report, appearing in [chapter 2, section 2.2 of the Registration Document](#). It being stipulated that no specific mechanism has been set up by the Company.

### Structure of the share capital – direct or indirect investments in the share capital – Shareholders' agreements

Information regarding the company's shareholding (structure of the share capital, thresholds crossings and control of the Company) appear in [section 7.3 of this chapter](#).

### Restrictions to the exercise of voting rights and to the transfer of shares or agreements known by the Company

[See paragraph 7.3.3 of this chapter](#).

### Holders of securities granting specific control rights

The Company's by-laws specify that shares registered in the name of the same shareholder for at least two years carry double voting rights ([see section 7.1 of this chapter](#)).

### Control mechanisms under employee shareholding schemes

None.

### Agreements between shareholders known by the Company that could lead to restrictions of share transfers and exercise of voting rights

[See paragraph 7.3.3 of this chapter](#).

### Specific rules governing the appointment or replacement of Directors and amendments of the Company's by-laws

None.

### Powers of the Board of Directors including issues of shares or share buybacks

The terms and conditions for the buyback of the Company's shares are set out in [paragraphs 7.2.3 and 7.2.4 of this chapter](#).

It is noted that, when renewing the financial authorizations that were expiring, the Ordinary and Extraordinary Shareholders' General Meeting held on May 3, 2017 excluded the possibility for the Board of Directors to make share buybacks or to use the delegations of authority granted to it, during periods of public offer on the Company's shares.

### Agreements that may be amended or terminated in the event of a change of control of the Company

Among the Company's main financing agreements ([see note 24.5 to the consolidated financial statements](#)) some of them contain a clause which provides for their early reimbursement, under certain conditions and on the Company's initiative, in the event of a change of control.

Joint venture agreements entered into by the Company's subsidiaries generally provide for an exit clause in the event of a change of control of the said subsidiaries.

### Agreements providing indemnities to be paid to members of the Board of Directors or employees if they resign or are dismissed without genuine and serious cause or if their employment ends because of a takeover bid

Terms and conditions payment of the indemnity that may be owed to Executive Corporate Officers in the event their duties end are detailed in [chapter 3, paragraph 3.3.2 of the Registration Document](#).

## 7.5 IMERYS STOCK EXCHANGE INFORMATION

Imerys shares are listed on Euronext Paris and are eligible for the deferred settlement system ("Système à Règlement Différé" – SRD) (ISIN code FR 0000120859-Mnemo NK). Imerys is part of the CAC MD (mid 60) index within the SBF 120 which represents the 120 largest stocks listed on Euronext Paris (in terms of market capitalization, free float and trading volumes), as well as of the CAC Basic Materials index. Imerys shares are also part of the "Dow Jones Euro Stoxx", the benchmark index for the euro zone. Within the SBF 120 and the Dow Jones Euro Stoxx 600,

Imerys shares have been listed, since November 2, 2009, under the general mining sector ("1775 General Mining Activities" according to ICB classification) and they also belong to more than 60 international indexes.

The Group remains attentive to the ratings of non-financial rating agencies ([see chapter 5, section 5.2 of the Registration Document](#)).

No securities of any Imerys subsidiary are listed on a stock exchange.

## 7.5.1 HIGHEST AND LOWEST MARKET PRICES BETWEEN 2013 AND 2017

Year	Highest market price* (€)	Lowest market price* (€)	Final market closing price of the year* (€)
2013	64.00	45.31	63.21
2014	68.10	50.45	61.01
2015	73.93	56.85	64.42
2016	72.24	50.38	72.07
2017	81.54	71.40	78.54

\* Market prices observed during trading (sources: Bloomberg and Euronext).

## 7.5.2 TRADING SINCE JANUARY 2016

	Highest price* (€)	Lowest price* (€)	Total monthly trading volume		Average daily trading		
			Number of shares	Capital (€M)	Number of shares	Capital (€M)	Number of trades
<b>2016</b>							
January	63.24	55.30	1,818,197	105.60	90,910	5.28	1,351
February	58.00	50.38	2,417,562	131.52	115,122	6.26	1,764
March	61.80	55.61	1,948,675	114.56	92,794	5.46	1,596
April	64.95	59.26	1,869,899	116.98	89,043	5.57	1,503
May	65.00	59.99	1,545,870	96.37	70,267	4.38	1,137
June	65.00	54.86	1,867,363	112.54	84,880	5.12	1,341
July	64.29	55.12	1,288,995	75.97	61,381	3.62	1,056
August	64.91	61.86	980,698	62.20	42,639	2.70	773
September	65.55	61.91	1,007,150	64.17	45,780	2.92	793
October	68.75	56.75	1,546,424	100.94	73,639	4.81	1,402
November	68.00	61.72	1,417,830	91.69	64,447	4.17	1,278
December	72.24	64.88	1,609,548	112.99	76,645	5.38	1,395
<b>Total 2016</b>			<b>19,318,211</b>	<b>1,185.53</b>			
<b>2017</b>							
January	77.30	71.40	1,720,370	127.03	78,199	5.77	1,420
February	78.66	72.66	1,887,300	142.43	94,365	7.12	1,776
March	80.11	73.65	2,201,228	167.03	95,706	7.26	1,635
April	81.54	76.70	1,697,489	134.30	94,305	7.46	1,835
May	79.43	75.43	2,015,028	156.19	91,592	7.10	1,712
June	79.44	75.46	2,337,091	181.38	106,231	8.24	1,551
July	81.48	72.52	2,257,272	174.71	107,489	8.32	2,036
August	74.62	71.75	1,629,444	119.79	70,845	5.21	1,492
September	78.10	73.15	1,713,352	129.65	81,588	6.17	1,455
October	79.63	75.47	1,587,711	122.07	72,169	5.55	1,413
November	80.96	74.54	1,587,674	123.37	72,167	5.61	1,433
December	79.81	75.60	1,251,465	97.54	65,867	5.13	1,177
<b>Total 2017</b>			<b>21,885,424</b>	<b>1,675.51</b>			

\* Market prices observed during trading (sources: Bloomberg and Euronext).



## 7.6 DIVIDENDS

Imerys' policy with regard to the distribution of dividends is based on the net income from current operations recorded for the considered financial year. Imerys historical payout ratio is approximately 37% of such income.

In accordance with the provisions of article 243 bis of the French General Tax Code, the dividends distributed with respect to the last three financial years were as follows:

	2016	2015	2014
Net income per share	€4.60	€4.31	€4.15
Net dividend per share	€1.87	€1.75	€1.65
Gross dividend per share	€1.87	€1.75	€1.65
Number of shares entitled to dividend	79,265,238	78,557,578	80,298,521
<b>Total net distribution</b>	<b>€148.2 million</b>	<b>€137.5 million</b>	<b>€132.5 million</b>

Imerys does not usually make interim distributions. Dividends are paid once a year following the Shareholders' General Meeting called upon to approve the management and financial statements for the financial year just ended.

The right to claim dividends lapses five years from the date of payment. Unclaimed amounts are deposited with the French State in the first 20 days of January of the year following the expiry of the limitation period.

## 7.7 RELATIONS WITH SHAREHOLDERS

Imerys pays special attention to its shareholders by keeping them up to date with its activities, strategy, capital expenditure, results and prospects. This objective is reflected in the various communication tools that involve shareholders in the Group's life:

- the website [www.imerys.com](http://www.imerys.com) enable to monitor in real time the news of the Group's activities and share prices, with a specific section dedicated to individual shareholders which provides access to the "Individual Shareholder's Guide";
- a Letter to Shareholders published several times a year, presenting the Group's news, results and outlook;
- an Annual Report;
- a Registration Document including the Annual Financial Report, plus a Half-year Financial Report;
- a Sustainable Development Report;
- a dedicated phone line and e-mail address.

All these documents are published in English and French and are sent to each registered shareholder and to the bearer shareholders who wish to receive them regularly.

The financial community and individual shareholders are also informed on the Company's business through financial announcements published in the press (paper and web format) whenever results are published and when annual Shareholders' General Meeting is convened.

Imerys, through the intermediary of GACEIS Corporate Trust which is in charge of its registry services, provides shareholders who opt to register their shares in their own name with an online service for consulting their securities account through the secure Internet site [www.nomi.olisnet.com](http://www.nomi.olisnet.com). This site gives shareholders access in particular to the prices and characteristics of the securities in their portfolio, their latest security transactions and the availability of their stocks and the attached voting rights. It also contains all documentation concerning the annual Shareholders' General Meeting and enables them to vote on line.

Imerys keeps up ongoing, open and transparent relations with the whole financial, institutional and socially responsible community through individual meetings, sector conferences and conference calls. More than 400 meetings organized throughout 2017 enabled the Executive Management and the Investor Relations team to dialog with financial analysts, institutional investors and international fund managers in the United States, France and United Kingdom as well as in Belgium, Germany, Italy and Switzerland. The number of road shows in second rank financial places has notably increased in 2017 in countries such as Finland, Ireland and Luxembourg to develop and diversify Imerys' shareholder base.

Financial Communication is part of the Group Finance Function:

- Telephone: +33 (0) 1 49 55 64 01
- Fax: +33 (0) 1 49 55 63 16
- e-mail address: [finance@imerys.com](mailto:finance@imerys.com)

Registry services for Imerys shares are provided by the following bank:

- CACEIS Corporate Trust  
14, rue Rouget-de-Lisle  
92862 Issy-les-Moulineaux Cedex 9 (France)
  - Telephone: +33 (0) 1 57 78 34 44
  - Fax: +33 (0) 1 49 08 05 80
  - e-mail address: [ct-contact@caceis.com](mailto:ct-contact@caceis.com)

CACEIS Corporate Trust is more specifically at the service of registered shareholders for the management of their Imerys shares.

## 7.8 PARENT COMPANY/SUBSIDIARIES ORGANIZATION

As of December 31, 2017, the Group was made up of 371 companies in 59 countries (the main consolidated entities of the Group are listed in [note 25 to the consolidated financial statements](#)). The Group operational structure is based on four business groups details of which are set out in [chapter 1, paragraph 1.2.6 of the Registration Document](#).

Imerys is the Group's holding company. In that respect it does not directly carry out any industrial or commercial activity. The Company's assets are mainly comprised of the investments it directly holds in some Group subsidiaries. For further information about the subsidiaries held directly by the Company, [see note 35 to the statutory financial statements](#).

Imerys as well as some of its local holding companies (Belgium, Brazil, China, Singapore, United Kingdom and United States) provide all its subsidiaries with general assistance and expertise in particular in the following areas:

- Accounting & Financial Control;
- Audit;
- Communication;
- Environment, Health & Safety;
- Human Resources;
- Information Technology;
- Innovation, Research & Development;
- Insurance;

- Intellectual Property;
- Legal;
- Purchasing;
- Strategy;
- Tax;
- Treasury.

These services include, notably: assistance and advice in response to case-by-case requests from its subsidiaries, as well as more general studies and analyses or even recommendations or proposed actions as preventive measures.

Compensation for these services is determined on the basis of the related costs incurred by Imerys and its local holding companies. These costs are allocated among the subsidiaries that benefit from the services, either in proportion to their revenues compared to the total revenues of the activity they belong to or in proportion to the number of their employees. In addition, external costs incurred specifically on behalf of a subsidiary and the costs of employees seconded to a subsidiary are allocated separately to that subsidiary. The Company invoiced a net total amount of €47.3 million in 2017 for services provided to its subsidiaries. Imerys is also the parent company of the tax consolidation group for the Group's French companies with more than 95% of their share capital being held by Imerys ([see note 8 to the statutory financial statements](#)).

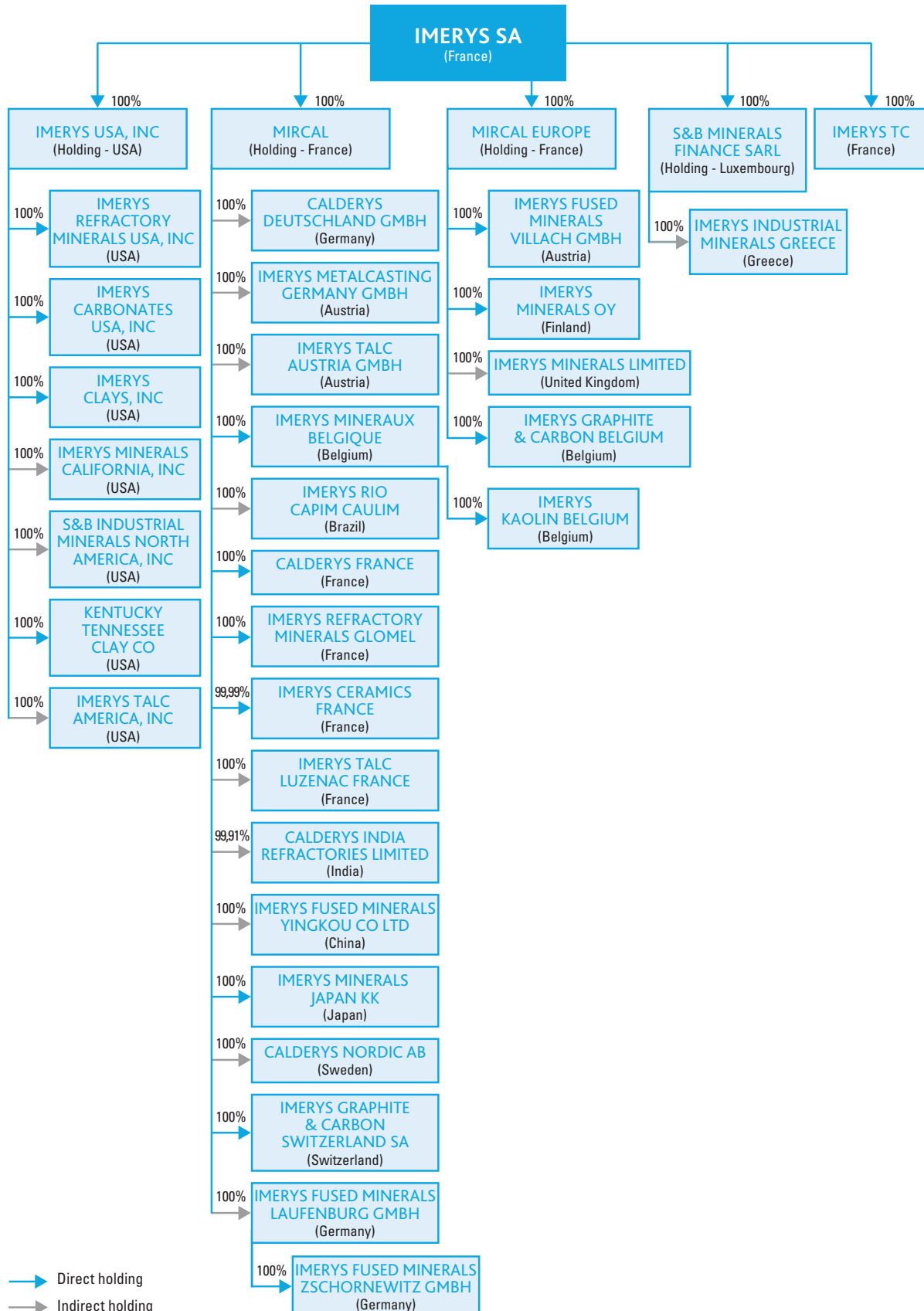
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# 7 INFORMATION ABOUT THE COMPANY AND ITS SHARE CAPITAL

## PARENT COMPANY/SUBSIDIARIES ORGANIZATION

The simplified organization chart presented below shows the main operating entities of the Group whose turnover exceeded €50.0 million as of December 31, 2017.





# 8

# ORDINARY AND EXTRAORDINARY SHAREHOLDERS' GENERAL MEETING OF MAY 4, 2018

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## 8.1 PRESENTATION OF THE RESOLUTIONS BY THE BOARD OF DIRECTORS

The resolutions that the Board of Directors drew up at its meeting of March 8, 2018 and submit for your approval, fall within the scope of the ordinary part of the Shareholders' General Meeting for resolutions 1 to 13 and 16 and within the scope of the extraordinary part of the Shareholders' General Meeting for resolutions 14 and 15.

Pursuant to the new provisions of articles L. 225-37, L. 225-37-2 and L. 225-100 of the Code of Commerce, introduced by the Ordinance of July 12, 2017, *paragraphs 8.1.3 and 8.1.4 and section 8.4 of the present chapter* are an integral part of the Corporate Governance report referred to in *chapter 2, section 2.2 of the Registration Document*.

### 8.1.1 FINANCIAL YEAR 2017 – ANNUAL FINANCIAL STATEMENTS AND ALLOCATION OF EARNINGS

*(Three resolutions falling within the scope of the Ordinary Shareholders' General Meeting)*

We first submit for your approval the Company's financial statements (**first resolution**) and the Group's consolidated financial statements (**second resolution**) for the 2017 financial year.

The presentation of these financial statements and the description of the financial situation, business and results of the Group and the Company for the financial year just ended, as well as the various items of information required by current legal and regulatory provisions, appear in *chapters 2 and 6 of the Registration Document*.

You are then called upon to decide on the allocation of the Company's 2017 earnings (**third resolution**). The Company's net income in 2017 totaled €373,430,724 to which the retained earnings appearing in the balance sheet of €187,806,849 be added in order to give a total distributable amount of €561,237,573. The Board of Directors proposes the payment of a dividend of €2.075 per share, *i.e.* a 11% increase compared with the dividend paid in 2017 with respect to the previous financial year.

It is specified that the total amount of dividend paid out would be adjusted according to the number of shares to be issued following the exercise of stock options as from January 1, 2018 and which would be entitled to the 2017 dividend as of the date of payment of that dividend. Consequently, the amount allocated to retained earnings would be determined on the basis of the total amount of the dividend actually paid. Finally, if the Company were to hold treasury shares on the date of payment of the dividend, the sums corresponding to the dividends that would be not paid out as a result would be allocated to retained earnings.

The dividend would be payable as from May 15, 2018.

Pursuant to the provisions of Article 243 bis of the French General Tax Code, the totality of the proposed dividend for the 2017 financial year will be eligible for the 40% tax allowance for individuals resident in France for tax purposes, as provided for in Article 158-3-2 ° of the General Tax Code, provided that the taxpayer has exercised the option for the taxation of dividends according to the scale of income tax provided for in Article 200 A 2. of said Code.

Dividends paid out with respect to the previous three financial years were as follows:

Financial year ending	12/31/2016	12/31/2015	12/31/2014
Net dividend per share	€1.87	€1.75	€1.65
Number of shares entitled to dividend	79,265,238	78,557,578	80,298,521
<b>Total net distribution</b>	<b>€148.2 M</b>	<b>€137.5 M</b>	<b>€132.5 M</b>

### 8.1.2 REGULATED AGREEMENTS AND COMMITMENTS

*(One resolution falling within the scope of the Ordinary Shareholders' General Meeting)*

Pursuant to the provisions of article L. 225-40 of the French Code of Commerce, you are asked to consider the Statutory Auditors' special report relating to the regulated agreements and commitments governed by the provisions of articles L. 225-38 *et seq.* of said Code (**fourth resolution**), as reproduced in *chapter 2, paragraph 2.3.3 of the Registration Document*.

#### Agreement with related party

At its meeting of December 13, 2017, the Board of Directors examined the terms of an amendment to the contract for the acquisition of the S&B group, entered into on November 5, 2014 by the Company and the companies S&B Minerals S.A.,

S&B Minerals Finance GP S.à r.l., S&B Minerals Holdings S.à r.l. and Blue Crest Holding S.A., concerning the revision of the practical terms for calculating the acquisition price provided for in said contract. Considering that this amendment would enable the Company to avoid any uncertainty and the cost of using third-party experts to determine the methodological calculation details to be applied and to rapidly reach an amicable, and balanced settlement between the parties, the Board authorised the signing of this amendment, which took place on December 22, 2017. As Ulysses Kyriacopoulos, a Director of your Company, also holds the office of Director at Blue Crest Holding S.A., you are asked, in accordance with the provisions of article L. 225-40 of the Code of Commerce relating to the procedure for regulated agreements, to approve the amendment thus entered into.

In 2017, no new agreement or commitment subject to the provisions of articles L. 225-38 *et seq.* of the Code of commerce was entered into, and the regulated agreements and commitments approved in previous years continued under the same conditions.

### Commitments made in favor of Gilles Michel

At its meeting of March 8, 2018, the Board of Directors, in accordance with legal provisions, reexamined all the other regulated agreements and commitments authorized and entered into by the Company in previous years in favor of Gilles Michel and that continued in 2017 (supplementary pension plans, possible severance indemnity and social guarantee for Company managers).

Given the intention indicated by Gilles Michel to claim retirement benefits following the expiry of his term of office as Chief Executive Officer (for more information, *see chapter 3, section 3.2 and paragraph 8.1.5 of the present chapter*), the Board of Directors considered that the commitments relating to the severance indemnity and social guarantee for Company managers will become irrelevant, Gilles Michel remaining eligible to the supplementary pension plans described in *chapter 3, paragraph 3.3.2 of the Registration Document*.

All these agreements and commitments are detailed in the Statutory Auditors' special report that appears in *chapter 2, paragraph 2.3.3 and chapter 3, paragraph 3.3.2 of the Registration Document*.

## 8.1.3 PRINCIPLES AND CRITERIA OF DETERMINATION OF COMPENSATION ITEMS OF THE EXECUTIVE CORPORATE OFFICERS

*(One resolution falling within the scope of the Ordinary Shareholders' General Meeting)*

Pursuant to the provisions of article L. 225-37-2 of the French Code of Commerce, you are asked to approve the principles and criteria for determining, allocating and granting the fixed, variable and extraordinary components of the total compensation and benefits of any kind that may be granted to Executive Corporate Officers (**fifth resolution**). For 2018, these components include those approved in 2017, which are presented in detail in *chapter 3, paragraph 3.3.2 and sections 3.5 and 3.6 of the Registration Document*, together with the following additional items that the Board of Directors decided to submit for your approval at its meeting of March 8, 2018, consisting of:

- a **multi-annual variable compensation** subject to the achievement of quantitative and/or qualitative criteria;

- an **extraordinary compensation** and a **signing bonus** if the circumstances warrant it;
- an **annual impatriation bonus**, equal to 30% of the fixed and variable compensation paid in respect of each financial year. Its payment shall give rise to a monthly down payment and an adjustment of its final amount upon the payment of the relevant annual variable compensation.

The payment of these variable and extraordinary components shall be subject to the approval of the Shareholders' General Meeting ("ex-post vote").

Moreover, the Board of Directors, upon the recommendations of the Compensation Committee, may agree with any Executive Corporate Officers On a non-competition obligation, with the payment of a severance indemnity, if any.

### 8.1.4 COMPENSATION PAID OR GRANTED TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER IN 2017

*(One resolution falling within the scope of the Ordinary Shareholders' General Meeting)*

Pursuant to the new provisions of article L. 225-100 of the Code of Commerce, you are asked to rule, this year for the first time, on the fixed, variable and extraordinary components of the total compensation and benefits of any kind paid or granted with respect to the year ending December 31, 2017 to Gilles Michel in his capacity as Chairman & Chief Executive Officer **(sixth resolution)**.

The items presented hereafter, in accordance with the provisions of article L. 225-37-3, are an integral part of the Corporate Governance report, referred to in *chapter 2, section 2 of the Registration Document* (to find out more information about executive corporate officer compensation policy and components, see *chapter 3, paragraph 3.3.2 and sections 3.5 and 3.6 of the Registration Document*). It is specified that the payment of variable compensation components owed to Gilles Michel with respect to 2017 is subject to your approval.

Compensation items due or awarded for the year ended	Amounts or accounting valuation submitted to the vote	Presentation
Fixed compensation	€800,000	Gross fixed compensation decided by the Board of Directors on February 15, 2017, unchanged since 2010.
Annual variable compensation	€996,864 to be paid in 2018 with respect to 2017	<p>At its meeting of March 8, 2018, the Board of Directors appraised, on the recommendations of the Compensation Committee, Gilles Michel's achievement of the quantitative and qualitative criteria that he had been set for 2017 in order to determine the amount of his variable compensation with respect to that year. The quantitative criteria for 2017 related to the achievement of goals for the Group's net income from current operations, free operating cash flow and return on capital employed of 50%, 30% and 20% respectively. These are identical to the 2016 goals. The qualitative criteria concerned, in particular, implementation of the Group's strategy, its organic and external growth, and its internal transformation programs. The confidential nature of these criteria prevents their full publication. For 2017, the Board set down a specific goal relating to workplace safety that is common to all the Group's top managers and accounts for 3% of the overall achievement of quantitative criteria.</p> <p>Consequently, Gilles Michel's variable compensation for 2017 amounts to €996,864, corresponding to a percentage of 124.61% of his fixed compensation with respect to 2017. This amount results from the fulfillment of 96.9% of the quantitative criteria and 100% of the qualitative criteria, which reflects the quality of achievement of the specific goals that were set for Gilles Michel, given the removal of 3% with respect to the specific goal on workplace safety.</p> <p>This amount will be paid to him in 2018 subject to the approval of the General Meeting of May 4, 2018.</p> <p>For more details, see <i>chapter 3, paragraph 3.3.2 of the Registration Document</i>.</p>
Multi-annual variable compensation	NA	No multi-annual variable compensation was paid to the Chairman and Chief Executive Officer.
Extraordinary compensation	NA	No extraordinary compensation was paid to the Chairman and Chief Executive Officer.

# ORDINARY AND EXTRAORDINARY SHAREHOLDERS' GENERAL MEETING OF MAY 4, 2018

## PRESENTATION OF THE RESOLUTIONS BY THE BOARD OF DIRECTORS

Compensation items due or awarded for the year ended	Amounts or accounting valuation submitted to the vote	Presentation
<b>Stock options, performance shares and any other element of long-term compensation</b>	Stock options: NA	No stock options were granted to the Chairman and Chief Executive Officer in 2017.
	Performance shares Accounting valuation = €1,854,786	<p>At its meeting of May 3, 2017, the Board of Directors decided upon the recommendation of the Compensation Committee, to grant 35,000 performance shares to Gilles Michel, Chairman and Chief Executive Officer. This grant made pursuant to the Ordinary and Extraordinary Shareholders' General Meeting authorization of the same day (17<sup>th</sup> resolution) represents 0.04% of the Company's share capital.</p> <p>These performance shares were conditioned by and proportionate to the achievement of the same quantitative criteria as those provided for under the 2017 general performance share plan intended for the Group's main executives: growth of the Group's net current operating income per share and the Group's ROCE during the 2017-2019 period.</p> <p>Each of these quantitative criteria is given identical weight (50%). The grant of 35,000 performance shares to Gilles Michel comes under a valuation limit for performance shares that may be granted to the Chairman and CEO according to IFRS2 standards, which was set at one year of his gross annual compensation (fixed part + maximum variable part).</p> <p>For more details, <a href="#">see chapter 3, section 3.5 of the Registration Document</a></p>
<b>Attendance fees</b>	NA	No attendance fees are allotted to the Chairman and Chief Executive Officer.
<b>Valuation of any benefits</b>	€18,354 (accounting valuation)	The benefits allocated to the Chairman and Chief Executive Officer comprise a company car with driver and the contributions to the social guarantee for company managers (GSC).
<b>Indemnity due to end of duties</b>	€0	<p>A severance indemnity would be owed to Gilles Michel, Chairman and Chief Executive Officer, in the event of forced departure linked to a change of control, a change of strategy or a major disagreement over them; no indemnity would be owed in the event of Gilles Michel's voluntary departure or if he had the possibility of benefiting from his pension rights at short notice after he reaches the age of 63.</p> <p>The amount of the severance indemnity would be calculated on the basis of a maximum of two years' compensation (fixed + variable). Its payment would be subject and proportional to a performance condition appraised on the basis of the arithmetic average of the percentages of achievement of the sole economic and financial goals of the last three financial years, as set down by the Board of Directors for the determination of the variable compensation of the Chairman and Chief Executive Officer with respect to each of those financial years.</p> <p>For more details, <a href="#">see chapter 2, paragraph 2.3.3 and chapter 3, paragraph 3.3.2 of the Registration Document</a>.</p>
<b>Indemnity under a non-competition clause</b>	NA	There is no indemnity under a non-competition clause.





# ORDINARY AND EXTRAORDINARY SHAREHOLDERS' GENERAL MEETING OF MAY 4, 2018

PRESENTATION OF THE RESOLUTIONS BY THE BOARD OF DIRECTORS

Compensation items due or awarded for the year ended	Amounts or accounting valuation submitted to the vote	Presentation
Supplementary pension plans	€0	<p>Since April 28, 2011 The Chairman and Chief Executive Officer has been among the potential beneficiaries of the collective supplementary pension plan with defined benefits for the principal managers of Imerys who meet the restrictive and objective eligibility criteria. The maximum amount of the life annuity that may be paid to the beneficiaries of the plan as from the liquidation of their pension rights is calculated in order to guarantee them:</p> <ul style="list-style-type: none"><li>■ a total annual gross amount (after allowing for pensions from obligatory and other supplementary plans, including the defined contribution supplementary pension plan described below) of 60% of their reference salary (average of the last two years of the beneficiary's fixed plus variable compensation); said salary is limited to 30 times the annual French social security ceiling (PASS);</li><li>■ subject to a pay-in ceiling equal to 25% of said reference salary.</li></ul> <p>The seniority requirement for benefiting from the collective supplementary pension plan with defined benefits (eighth years in the Group, of which four as an Executive Committee member) is appraised on January 1 of each year in the Group.</p> <p>Furthermore, the Company has set up a defined contribution supplementary pension plan for the benefit of some of Imerys' top managers, including the Chairman and Chief Executive Officer. Contributions to this scheme, set at 8% of the compensation of eligible employees with a ceiling of 8 PASS, are made jointly by the employee (for 3%) and the Company (for 5%).</p> <p>For more details, see <a href="#">chapter 2, paragraph 2.3.3</a> and <a href="#">chapter 3, paragraph 3.3.2 of the Registration Document</a>.</p>

## 8.1.5 COMPOSITION OF THE BOARD OF DIRECTORS

*(Four resolutions falling within the scope of the Ordinary Shareholders' General Meeting)*

The terms of office of Giovanna Kampouri Monnas, Katherine Taaffe Richard and Marie-Françoise Walbaum and those of Xavier Le Clef, Gilles Michel and Ulysses Kyriacopoulos will expire at the end of this Meeting.

After examination and upon recommendations of the Appointments Committee, the Board of Directors at its meeting of March 8, 2018:

- decided to propose to the Shareholders' General Meeting of May 4, 2018 to:
  - renew the term of office of Gilles Michel, Ulysses Kyriacopoulos and Marie-Françoise Walbaum (seventh to ninth resolutions), and
  - appoint for the same three-year period, Conrad Keijzer as a new Director (tenth resolution),

for a three-year period, i.e. until the close of the Shareholders' General Meeting that will be called in 2021 to rule on the management and financial statements for the 2020 financial year; and

- in the context of continuing the tightening in its composition, acknowledged that Giovanna Kampouri Monnas, Katherine Taaffe Richard, and Xavier Le Clef did not request the renewal of their expiring term of office and that Arnaud Vial has advised that he will leave the Board of Directors on 4<sup>th</sup> May 2018.

Moreover, following the wish expressed by Gilles Michel to devote for personal reasons more time to his close family, the Board of Directors, upon recommendations of the Appointments Committee, decided that, as from May 4, 2018:

- the role of Chairman of the Board and Chief Executive Officer will be separated;
- Gilles Michel will be re-elected as Chairman of the Board, subject to the renewal of his term of office as Director by the Shareholders' General Meeting;
- Conrad Keijzer, appointed as deputy Chief Executive Officer on March 8, 2018, will be designated as Chief Executive Officer of the Group.

Last, at the same meeting, the Board advised that it will decide at its meeting on May 4, 2018 to coopt a new independent female member who is currently being selected and propose that Mr. Laurent Raets continues to participate in Board meetings no longer as a Director but as an observer ("censeur"), in an advisory capacity subject to the approval by the Shareholders' General Meeting of the fifteenth resolution relating to the amendment of the by-laws.

Professional information regarding Gilles Michel, Ulysses Kyriacopoulos and Marie-Françoise Walbaum is included in [chapter 3, paragraph 3.1.3 of the Registration Document](#).



# ORDINARY AND EXTRAORDINARY SHAREHOLDERS' GENERAL MEETING OF MAY 4, 2018

## PRESENTATION OF THE RESOLUTIONS BY THE BOARD OF DIRECTORS

Information concerning Conrad Keijzer is provided below.

### Professional information concerning Conrad Keijzer (49, Dutch national)

Conrad Keijzer obtained a Master degree in Technical Management Science and industrial engineering from Twente University of Technology, Netherlands in 1993. He joined Akzo Nobel in 1994 as Market Development Manager for Industrial Chemicals. Since then, he has held a variety of management positions within Performance Coatings and Specialty Chemicals. These include being appointed Global Director for Automotive Plastic Coatings and serving as Managing Director for both the Packaging Coatings and Industrial Coatings businesses.

Mr. Conrad Keijzer served as a Member of the Management Board at Akzo Nobel NV until 2017 and was responsible for Performance Coatings. He has been Deputy Chief Executive Officer of Imerys since March 8, 2018.

In accordance with the principles used by the Company to determine the independent status of its Directors, and after examining their personal situation, the Board of Directors, upon proposal of the Appointments Committee, recognized the independent status of Marie-Françoise Walbaum and Independent status was not awarded to Gilles Michel, Ulysses Kyriacopoulos and Conrad Keijzer (for more details, [see chapter 3, paragraph 3.1.2 of the Registration Document](#)).

Following the Shareholders' General Meeting of May 4, 2018 and subject to its approval of the above proposals, the Board of Directors will be made up as follows:

Year of end of term of office	Name	Independent member
2019	Odile Desforges	Yes
	Ian Gallienne	No
	New female Director*	Yes
2020	Aldo Cardoso	Yes
	Paul Desmarais III	No
	Marion Guillou	Yes
	Colin Hall	No
	Martina Merz	Yes
	Eliane Augelet-Petit, Directors representing employees	N/A
2021	Eric d'Ortona, Directors representing employees	N/A
	Conrad Keijzer	No
	Ulysses Kyriacopoulos	No
	Gilles Michel	No
	Marie-Françoise Walbaum	Yes

\* Cooptation by the Board of Directors on May 4, 2018 of a new female director who is currently being selected as of the date of the Registration Document.

## 8.1.6 RATIFICATION OF THE TRANSFER OF THE REGISTERED OFFICE

*(One resolution falling within the scope of the Ordinary Shareholders' General Meeting)*

Because of the lack of space in the former premises to meet the needs arising from growth in the Group's size and headcount, the geographic dispersal of its teams and the run-down state of the premises, in particular, the Board of Directors decided to transfer the Company's registered office, previously located 154 rue de

l'Université, Paris 7 to 43 quai de Grenelle, Paris 15. This transfer was effective as of November 20, 2017.

Consequently, in accordance with statutory provisions, you are asked to kindly ratify this transfer of the Company's registered office (**eleventh resolution**).

## 8.1.7 ATTENDANCE FEES

*(One resolution falling within the scope of the Ordinary Shareholders' General Meeting)*

We remind you that the maximum amount of attendance fees that may be allotted with respect to one year to the members of the Board of Directors has been totaling €1,000,000 since 2014. On the occasion of its self-assessment at its meeting of February 14, 2018 the Board of Directors decided that the allotment scale for attendance fees would be reviewed at its meeting on May 4, 2018 and could be later amended, as the case may be. Consequently

and in order to give to the Board of Directors the widest flexibility, in particular to take into account the separation of the Chairman of the Board and Chief Executive Officer roles, it is proposed to raise the annual maximum amount of attendance fees to €1,200,000 (**twelfth resolution**). This new allotment would apply to attendance fees that would be due as from January 1, 2018 (for more details, [see chapter 3, paragraph 3.3.1 of the Registration Document](#)).



### 8.1.8 SHARE BUYBACK PROGRAM

*(One resolution falling within the scope of the Ordinary Shareholders' General Meeting)*

The authorization to buy back the Company's shares on the market, given to the Board of Directors for an 18-month period by the Ordinary and Extraordinary Shareholders' General Meeting of May 3, 2017 will expire on November 2, 2018; it is therefore proposed that you renew it now in accordance with the provisions of articles L. 225-209 *et seq.* of the French Code of Commerce and articles 241-1 to 241-6 of the AMF's General Regulations ("AMF") **(thirteenth resolution)**.

✓ For further information about the Company's implementation of its share buyback programs in 2017, see [chapter 7, paragraph 7.2.4 of the Registration Document](#).

This authorization is intended to enable the Board of Directors to purchase a maximum number of Company shares representing 5% of the outstanding shares at January 1, 2018 (*i.e.* 3,980,214 shares) mainly for the purpose of:

- their subsequent cancellation by reducing the Company's capital;
- covering the stock purchase option plans and/or free share grant plans, as well as any grant of shares under shareholding plans set up by the Company (or assimilated plans), or with respect to profit-sharing and/or any other forms of grant, award or transfer of shares to current employees, former employees and/or corporate officers of the Company and/or any related companies pursuant to articles L. 225-180 and L. 233-16 of the French Code of Commerce, within the frame of the regulations in force or *ad hoc* plans set up by the Company;

- awarding or exchanging shares purchased on the occasion, in particular, of rights exercises or issues of securities giving the right by redemption, conversion, swap, warrant or in any other manner to the grant of shares;
- ensuring the liquidity of the market through an investment services firm acting in the name and on behalf of the Company, under a liquidity contract in accordance with a Code of Conduct recognized by the AMF; and
- more generally, operating for any other purpose that is or may come to be authorized by law, and/or implementing any market practice that may come to be authorized by AMF.

The number of shares that may be held, whether directly or indirectly and at any time whatsoever, shall not exceed 5% of the shares making up the capital. Finally, the maximum purchase price would be €95 per share, representing a maximum total investment of €378 million.

Acquisitions will be carried out by any means, including the transfer of blocks and the use of derivatives except during periods of public offers for the Company's securities.

The description of this new program, drawn up in accordance with the provisions of articles 241-1 to 242-6 of AMF's General Regulations, will be available on the Company's website ([www.imerys.com](http://www.imerys.com) – Media Center – Regulated Information section) prior to the Shareholders' General Meeting of May 4, 2018. A copy of this description can also be obtained on request from the Company's head office.

### 8.1.9 AUTHORIZATION TO ALLOT COMPANY'S FREE SHARES IN FAVOR OF EMPLOYEES AND/OR CORPORATE OFFICERS OF THE GROUP

*(one resolution falling within the scope of the Extraordinary Shareholders' General Meeting)*

In accordance with the provisions of the French Finance law for 2018 and the French Social Security Financing law for 2018, promulgated on December 30, 2017, the methods of taxation of free shares granted by French companies to their employees and/or corporate officers have been simplified and reduced: employer contribution rate reduced to 20%, creation of a lump-sum levy on the gain on the sale of shares acquired and new purchase gain tax system.

In order to benefit from this new legislative framework while continuing the Group's policy for retaining high-potential managers as described in [chapter 3, section 3.5 of the Registration Document](#), it is proposed that you grant the Board of Directors a new authorization for the allotment of free shares to the Group's

employees and/or corporate officers **(fourteenth resolution)**. It would then replace the authorization previously approved by the Ordinary and Extraordinary Shareholders' General Meeting of May 3, 2017. The allotment conditions and mechanisms provided by this new authorization would be identical to the authorization currently in force, *i.e.*:

- in accordance with the Company grant policy, acquisition of free shares, in particular by executive corporate officers, shall be necessarily subject to the achievement of one or more performance criteria determined by the Board of Directors;
- the maximum number of conditional free shares that could be awarded to executive corporate officers pursuant to this authorization shall not be greater than 0.5% of the Company's capital on the day of the Board's granting decision;

- the total number of shares that may be the subject of free grants could not exceed an overall ceiling of 3% of the Company's capital on the day of the Board's granting decision;
- the sub-ceilings of 0.5% and 3% shall be common to those set up for grants of stock subscription or stock purchase options, specified in the twenty-third resolution approved by the Ordinary and Extraordinary Shareholders' General Meeting of May 3, 2017;
- the minimum vesting period as well as the minimum holding period for that shares would be determined by the Board of Directors in accordance with the regulations in force on the day of their grant;
- last, with a view to homogenization between specific authorizations granted to the Board of Directors in favor of employees and/or corporate officers of the Group, this authorization shall be granted for a period of 26 months, *i.e.* until July 2, 2020 and shall replace the previous one which shall thus be rendered null and void for the unused part.

### 8.1.10 AMENDMENTS OF THE COMPANY'S BY-LAWS

*(One resolution falling within the scope of the Ordinary Shareholders' General Meeting)*

Under the Company's current by-laws, "no one may hold the office of Director after reaching the age of 70". In order to have more flexibility in the composition of the Board of Directors, it is proposed that the Company's by-laws be amended so that, on one hand, they strictly reflect French regulations with respect to the age limit for holding an office of Director and, on the other hand, increase the maximum age for being appointed Chairman or Vice-Chairman of the Board to 80.

Furthermore, we propose adding to the Company's current by-laws the possibility for the Board of Directors to appoint one or more observers to assist the Board in carrying out its missions and to participate to its debates. Upon decision of the Board, they could be part of one of the Specialised Committees formed within the Board and could receive a compensation, the amount of which would be taken from the annual envelope of attendance fees put to the Meeting's vote under the twelfth resolution.

Subject to your approval, we therefore propose, under the **fifteenth resolution**, to amend the Company's by-laws as follows:

- The seventh paragraph of **article 12**, "Composition of the Board of Directors", would henceforth be worded as follows:  
*"In accordance with legal provisions, the number of Directors over the age of seventy (70) may not be greater than one-third of all Directors in office. In the event that this limit should be exceeded, the oldest Director shall automatically be deemed to have resigned."*
- The second paragraph of **article 14**, "Organisation of the Board of Directors", would henceforth be worded as follows:  
*"No one may be appointed Chairman or Vice-Chairman if he or she is more than eighty (80) years old."*

- The fifth paragraph of **article 14**, "Organisation of the Board of Directors", would henceforth be worded as follows:

*"For however long they are assigned, the positions of Chairman and of any Vice-Chairmen of the Board of Directors shall ipso jure end following the General Meeting called to rule on the financial statements for the year in which he, she or they reached the age of eighty (80)."*

- A new paragraph would be added at the end of **article 14**, "Organisation of the Board of Directors," and would be worded as follows:

*"The Board of Directors may appoint one or more observer(s), who may or may not be shareholders and who may not exceed two (2) in number. Any observer is appointed for a renewable period of three (3) years; he/she may be dismissed at any time by the Board of Directors. Any observer reaching the age of eighty (80) is automatically deemed to have resigned.*

*The observers attend(s) the meetings of the Board of Directors and take(s) part in debates on an advisory basis. The Board of Directors may also appoint them as members of Specialized Committees.*

*The Board of Directors sets down the arrangements for the compensation of the observer(s), to be taken from the amount of attendance fees granted by the Shareholders' General Meeting."*

The remainder of articles 12 and 14 would remain unchanged.

### 8.1.11 POWERS

*(One resolution falling within the scope of the Ordinary Shareholders' General Meeting)*

The **sixteenth resolution**, and the **last one**, confers, as usual, all necessary powers to complete legal formalities arising from the Shareholders' General Meeting.



## 8.2 STATUTORY AUDITORS' REPORT

**ERNST & YOUNG et Autres**

1/2, place des Saisons  
92400 Courbevoie – Paris-La Défense 1

S.A.S. with variable capital  
Statutory Auditors

Member of the compagnie régionale de Versailles

**Deloitte & Associés**

185, avenue Charles-de-Gaulle  
92524 Neuilly-sur-Seine Cedex

S.A. with a share capital of €1,723,040  
Statutory Auditors

Member of the compagnie régionale de Versailles

### STATUTORY AUDITORS' REPORT ON THE FREE ALLOCATION OF EXISTING SHARES OR SHARES TO BE ISSUED

#### Combined General Meeting of May 4, 2018

#### Fourteenth resolution

*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 standards applicable in France.*

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with Article L. 225-197-1 of the French Commercial Code (*Code de commerce*), we hereby report on the proposed free allocation of existing shares or shares to be issued, reserved for employees and corporate officers of your Company and, where applicable, of the companies and Economic Interest Groupings affiliated with it under the conditions set out in Article L. 225-197-2 of the French Commercial Code (*Code de commerce*), or certain categories of them, an transaction upon which you are called to vote.

The number of existing shares or shares to be issued which may be granted pursuant to this authorization may represent no more than 3% of the share capital of the Company at the date of the allocation decision by the Board of Directors; furthermore, the number of existing shares or shares to be issued which may be granted to corporate officers pursuant to this authorization may not give entitlement to subscribe or purchase a total number of shares greater than 0.5% of the share capital at the date of the allocation decision by the Board of Directors. These caps are common to this resolution and to the 23<sup>rd</sup> resolution approved by the Combined General Meeting of May 3, 2017.

Your Board of Directors proposes that, on the basis of its report, it be authorized for a period of twenty-six months as of the date of the present Meeting of Shareholders, to allocate, for free, existing shares or shares to be issued.

It is the responsibility of the Board of Directors to prepare a report on the proposed transaction. Our role is to report on any matters relating to the information regarding the proposed transaction.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted in verifying that the proposed methods described in the Board of Directors' report comply with the legal provisions governing such operations. We have no matters to report as to the information provided in the Board of Directors' report relating to the proposed free allocation of shares.

Paris-La Défense and Neuilly-sur-Seine, March 19, 2018

The Statutory Auditors  
*French original signed by*

ERNST & YOUNG et Autres

Sébastien HUET

Deloitte & Associés

Frédéric GOURD

## 8.3 AGENDA

### ORDINARY PART

1. Approval of the Company's management and annual financial statements for the financial year ended on December 31, 2017;
2. Approval of the Group's consolidated financial statements for the financial year ended on December 31, 2017;
3. Allocation of earnings and determining of dividend with respect to the financial year ended on December 31, 2017;
4. Statutory Auditors' special report referred to in article L. 225-40 of the French Code of Commerce and approval, pursuant to article L. 225-38 of the French Code of Commerce, of a new regulated agreement;
5. Approval of the principles and criteria for determining, allocating and granting the fixed, variable and extraordinary components of the total compensation and benefits of all kinds that may be allotted to Executive Corporate Officers;
6. Approval of the fixed, variable and extraordinary components of the total compensation and benefits of any kind of Mr. Gilles Michel, Chairman & Chief Executive Officer, paid or granted with respect to the financial year ending December 31, 2017;
7. Renewal of the term of office as Director of Mr. Gilles Michel;
8. Renewal of the term of office as Director of Mr. Ulysses Kyriacopoulos;
9. Renewal of the term of office as Director of Mrs. Marie-Françoise Walbaum;
10. Appointment of Mr. Conrad Keijzer as a new Director;
11. Ratification of the transfer of the registered office;
12. Determination of the global amount of the attendance fees;
13. Repurchase by the Company of its own shares.

### EXTRAORDINARY PART

14. Authorization to make allotments of free Company's shares to employees or officers of the Company and its subsidiaries, or to certain categories of them;
15. Amendments of the Company's by-laws;
16. Powers.

## 8.4 DRAFT RESOLUTIONS

### ORDINARY PART

#### ■ FIRST RESOLUTION

**Approval of the Company's management and annual financial statements for the financial year ended on December 31, 2017**

The Shareholders' General Meeting, ruling under the quorum and majority conditions required for ordinary shareholders' general meetings, having considered the Board of Directors' report and the Auditors' Report relating to the Company's financial statements for the financial year ended on December 31, 2017 approves, as presented, such financial statements, as well as the transactions evidenced by such financial statements and summarized in such reports.

#### ■ THIRD RESOLUTION

**Allocation of earnings and determining of dividend with respect to the financial year ended on December 31, 2017**

The Shareholders' General Meeting, ruling under the quorum and majority conditions required for ordinary shareholders' general meetings, having considered the Board of Directors' report:

• acknowledges that the Company's profit for the past financial year is:	€373,430,724.39
• increased by the retained earnings amounting to:	€187,806,848.87
• representing a total distributable amount of:	€561,237,573.26
• resolves to pay in respect of financial 2017 a dividend of €2.075 to each of the 79,604,285 shares that make up the share capital as on December 31, 2017, which represents a distribution of:	€(165,178,891.375)
• and allocates the remaining amount to retained earnings which now amount to:	€396,058,681.885

The Shareholders' General Meeting decides that the total amount of the dividend paid out shall be adjusted according to the exercise as from January 1, 2018 of subscription options for shares entitled to the dividend with respect to financial year 2017 as on the payment date of that dividend. The amount allocated to retained earnings shall be determined on the basis of the total amount of dividend effectively paid out. Moreover, if the Company were to be holding some of its own shares on the date of payment of the dividend, the sums corresponding to the dividends that would not have been paid out as a result would be allocated to retained earnings.

#### ■ SECOND RESOLUTION

**Approval of the Group's consolidated financial statements for the financial year ended on December 31, 2017**

The Shareholders' General Meeting, ruling under the quorum and majority conditions required for ordinary shareholders' general meetings, having considered the Board of Directors' report and the Auditors' Report relating to the Group's consolidated financial statements for the financial year ended on December 31, 2017 approves, as presented, such financial statements as well as the transactions evidenced by such financial statements and summarized in such reports.

The Shareholders' General Meeting decides that the dividend will be paid as from May 15, 2018.

In accordance with article 243 *bis* of the French General Tax Code, the proposed dividend is eligible for the 40% allowance provided for by article 158-3-2° of the French General Tax Code, from which private individuals domiciled in France for tax purposes may benefit, provided that the taxpayer has exercised the option for the taxation of dividends according to the scale of income tax, provided for in Article 200 A 2. of said Code.

The Shareholders' General Meeting acknowledges that the sums paid out as dividends with respect to the previous three financial years were as follows:

Financial year ending	12/31/2016	12/31/2015	12/31/2014
Net dividend per share	€1.87	€1.75	€1.65
Number of shares that received the dividend	79,265,238	78,557,578	80,298,521
<b>Total net distribution</b>	<b>€148.2 M</b>	<b>€137.5 M</b>	<b>€132.5 M</b>



#### ■ FOURTH RESOLUTION

***Statutory Auditors' special report referred to in article L. 225-40 of the French Code of Commerce and approval, pursuant to article L. 225-38 of the French Code of Commerce, of a new regulated agreement***

The Shareholders' General Meeting, ruling in the quorum and majority conditions required for ordinary shareholders' general meetings, having considered the Board of Directors' report and the Statutory Auditors' special report drawn up pursuant to the provisions of article L. 225-40 of the Code of Commerce, and ruling on that report, approves, in accordance with the provisions of article L. 225-38 of the said code, the new regulated agreement concluded by the Company during the financial year ended on December 31, 2017. The Shareholders' General Meeting acknowledges that all the other regulated agreements or commitments concluded and approved during previous years continued without modification.

#### ■ FIFTH RESOLUTION

***Approval of the principles and criteria for determining, allocating and granting the fixed, variable and extraordinary components of the total compensation and benefits of all kinds that may be allotted to Executive Corporate Officers***

The Shareholders' General Meeting, ruling under the quorum and majority conditions required for ordinary shareholders' general meetings, having considered the Corporate Governance report provided for in article L. 225-37 of the Code of Commerce, approves, in accordance with the provisions of article L. 225-37-2 of the said code, the principles and criteria for determining, allocating and granting the fixed, variable and extraordinary components of the total compensation and benefits of all kinds presented in the above-mentioned report that may be allotted to any Executive Corporate Officer of the Company.

#### ■ SIXTH RESOLUTION

***Approval of the fixed, variable and extraordinary components of the total compensation and benefits of any kind of Mr. Gilles Michel, Chairman & Chief Executive Officer, paid or granted with respect to the financial year ending December 31, 2017***

The Shareholders' Meeting, ruling in the quorum and majority conditions required for ordinary general meetings, having considered the report provided for by article L. 225-37 of the Code of Commerce, approves, pursuant to the provisions of articles L. 225-37-2 and L. 225-100 of the Code of Commerce, the fixed, variable and extraordinary components of the total compensation and benefits of any kind paid or granted with respect to the financial year ending December 31, 2017 to Mr. Gilles Michel, in his capacity as Chairman & Chief Executive Officer, as given in the presentation of the resolutions by the Board of Directors appearing in chapter 8 of the 2017 Registration Document of the Company and forming an integral part of the Corporate Governance report provided for in article L. 225-37 of the Code of Commerce.

#### ■ SEVENTH RESOLUTION

***Renewal of the term of office as Director of Mr. Gilles Michel***

The Shareholders' General Meeting, ruling under the quorum and majority conditions required for ordinary shareholders' general meetings, having considered the Board of Directors' report, acknowledging that Mr. Gilles Michel's term of office as Director expires following the present General Meeting, resolves to renew such term for a period that, pursuant to statutory provisions, will expire at the end of the Shareholders' General Meeting called upon in 2021 to rule on the management and financial statements for financial year 2020.

#### ■ EIGHTH RESOLUTION

***Renewal of the term of office as Director of Mr. Ulysses Kyriacopoulos***

The Shareholders' General Meeting, ruling under the quorum and majority conditions required for ordinary shareholders' general meetings, having considered the Board of Directors' report, acknowledging that Mr. Ulysses Kyriacopoulos's term of office as Director expires following the present General Meeting, resolves to renew such term for a period that, pursuant to statutory provisions, will expire at the end of the Shareholders' General Meeting called upon in 2021 to rule on the management and financial statements for financial year 2020.

#### ■ NINTH RESOLUTION

***Renewal of the term of office as Director of Mrs. Marie-Françoise Walbaum***

The Shareholders' General Meeting, ruling under the quorum and majority conditions required for ordinary shareholders' general meetings, having considered the Board of Directors' report, acknowledging that Mrs. Marie-Françoise Walbaum's term of office as Director expires following the present General Meeting, resolves to renew such term for a period that, pursuant to statutory provisions, will expire at the end of the Shareholders' General Meeting called upon in 2021 to rule on the management and financial statements for financial year 2020.

#### ■ TENTH RESOLUTION

***Appointment of Mr. Conrad Keijzer as a new Director***

The Shareholders' General Meeting, ruling under the quorum and majority conditions required for ordinary shareholders' general meetings, having considered the Board of Directors' report, resolves to appoint as a new Director Mr. Conrad Keijzer for a period that, pursuant to statutory provisions, will expire at the end of the Shareholders' General Meeting called upon in 2021 to rule on the management and financial statements for financial year 2020.

#### ■ ELEVENTH RESOLUTION

***Ratification of the transfer of the registered office***

The Shareholders' General Meeting ruling under the quorum and majority conditions required for ordinary shareholders' general meetings, having considered the Board of Directors' report, in accordance with article 4 of the Company's by-laws, ratifies the decision made by the Board of Directors at its meeting on July 26, 2017 to transfer the Company's registered office and notes that said article now states "the registered office is located 43 quai de Grenelle, Paris 15, France."





## ■ TWELFTH RESOLUTION

### **Determination of the global amount of the attendance fees**

The Shareholders' General Meeting, ruling in the quorum and majority conditions required for ordinary Shareholders' General Meetings, having considered the Board of Directors' report, resolves to set the maximum overall amount of attendance fees that may be paid every year as from January 1, 2018 to the Directors at €1,200,000 (one million two hundred thousand euros).

## ■ THIRTEENTH RESOLUTION

### **Repurchase by the Company of its own shares**

The Shareholders' General Meeting, ruling under the quorum and majority conditions required for ordinary shareholders' general meetings, having considered the Board of Directors' report pursuant to the provisions of articles L. 225-209 *et seq.* of the French Code of Commerce and articles 241-1 to 241-6 of the General Regulations of Autorité des marchés financiers (AMF):

- 1) authorizes the Board of Directors, with the possibility of sub-delegating under the conditions provided by law, to make purchases of the Company's own shares for:
  - the subsequent cancellation of the shares acquired by reducing the Company's capital,
  - covering the stock purchase option plans and/or free share award plans, as well as any grant of shares under shareholding plans set up by the Company (or assimilated plans), or with respect to profit-sharing and/or any other forms of grant, award or transfer of shares to current employees, former employees and/or corporate officers of the Company and/or any related companies pursuant to articles L. 225-180 and L. 233-16 of the French Code of Commerce, under the legal frameworks in force or any ad hoc plans set up by the Company;
  - awarding or exchanging shares purchased on the occasion, in particular, of rights exercises or issues of securities giving the right by redemption, conversion, swap, warrant or in any other manner to the grant of shares,
  - ensuring the liquidity of the market through an investment services firm acting in the name and on behalf of the Company, under a liquidity contract in accordance with a Code of Conduct recognized by the AMF, and
- more generally, operating for any other purpose that is or may come to be authorized by law, and/or implementing any market practice that may come to be authorized by AMF.

The acquisition, sale, transfer or exchange of the shares may be carried out at any time, except during any periods of public offer for the Company's securities, in compliance with the regulations in force, on the market or by mutual agreement and by any means, including the transfer of blocks of shares and the use or exercise of any financial instrument or derivative;
- 2) sets the following limits for the use of the present authorization by the Board of Directors:
  - the maximum number of shares that may be purchased shall not exceed 5% of the total number of shares issued and outstanding as of January 1, 2018, that is 3,980,214 shares,
  - the number of shares that the Company may hold, whether directly or indirectly and at any time whatsoever, shall not exceed 5% of the shares that make up the Company's capital,
  - the maximum purchase price of the shares shall not be greater than €95,
  - consequently, the maximum amount that the Company is liable to use for such repurchases shall not be greater than €378 million;
- 3) resolves that, in the event that the par value of the stock is modified, the capital is increased by the capitalization of reserves or free shares are granted, or in the event of a stock split or consolidation, the above-stated maximum amount devoted to these buybacks and the maximum number of shares to be repurchased will be adjusted accordingly by a multiplier equal to the ratio between the number of shares that made up the capital before the operation and the resulting number after the operation;
- 4) sets at eighteen months from the date of this General Meeting the term of this authorization, which renders null and void, for the unused part, any previous authorizations granted to the Board of Directors with regard to the Company's repurchase of its shares;
- 5) grants full powers to the Board of Directors, with the authority to delegate such powers under the conditions provided by law, to implement this authorization and, in particular, to sign any stock purchase, sale, exchange or transfer agreements, file any statements with Autorité des marchés financiers or any other agency, proceed with the adjustments set forth above, complete any formalities and, generally, do what is necessary.

## EXTRAORDINARY PART

### ■ FOURTEENTH RESOLUTION

**Authorization to make allotments of free Company's shares to employees or corporate officers of the Company and its subsidiaries, or certain categories of them**

The Shareholders' General Meeting, ruling in the quorum and majority conditions required for extraordinary shareholders' general meetings, having considered the Board of Directors' report and the Auditors' special report, pursuant to the provisions of articles L. 225-197-1 *et seq.* of the French Code of Commerce:

- 1) authorizes the Board of Directors to make, as it judges appropriate, in one or more times, free allotments of existing shares or shares to be issued in the Company to the employees and corporate officers of the Company and, as the case may be, companies and groups that are affiliated to it in the conditions provided in article L. 225-197-2 of the French Code of Commerce, or certain categories of them;
- 2) resolves that the shares, whether in existence or to be issued, that may be granted pursuant to this authorization shall not represent more than 3% of the Company's capital on the date of the Board's decision to grant the shares, it being specified that this ceiling is common to the present resolution and the twenty-third resolution approved by the Shareholders' General Meeting of May 3, 2017 and that it is set without taking into account the number of shares to be issued, as the case may be, to maintain, in accordance with the law and applicable contractual stipulations, the rights of the bearers of securities or rights giving access to capital;
- 3) resolves that any shares, whether existing or to be issued, that may be granted pursuant to the present authorization to executive corporate officers shall not represent more than 0.5% of the Company's capital on the day of the Board's decision to grant the shares, it being specified that this sub-ceiling is common to both the present resolution and the twenty-third resolution approved by the Shareholders' General Meeting of May 3, 2017;
- 4) resolves that the granting of free shares may, except for grants under employee shareholder operations implemented by the Company, be subject to the fulfilment of one or more performance criteria determined by the Board of Directors on the day of granting, and shall be, whatever the case, for any grants made to executive corporate officers;
- 5) resolves that the shares shall be definitively granted to their beneficiaries at the end of the vesting period set by the Board of Directors, while such period may not be less than that provided by the regulations in force on the grant date;
- 6) resolves that the minimum period for which the beneficiaries must hold the shares shall be that set by the Board of Directors, while such period may not be less than that provided by the regulations in force on the grant date;
- 7) notes that, in the event of granting free shares to be issued, this decision constitutes, in favor of the beneficiaries, a waiver ipso jure by the shareholders of any right to the new shares freely granted and the portion of the reserves, profits or premiums that will be incorporated into capital if new shares are issued;
- 8) states that the existing shares that may be granted pursuant to the present resolution must be acquired by the Company, either under article L. 225-208 of the French Code of Commerce, or, as the case may be, under the share buyback program authorized by the thirteenth resolution put to the present Meeting with regard to article L. 225-209 of the French Code of Commerce or any share buyback program implemented before or after the passing of the present resolution;
- 9) delegates full powers to the Board of Directors, with the option of subdelegating in the conditions provided by law, to implement the present authorization, in particular in order to:
  - determine the categories of the beneficiaries of the allotments and the terms and conditions and, as the case may be, the criteria for granting the shares,
  - set the vesting and holding periods for the shares in accordance with the minimum periods provided for by the applicable law,
  - set and define the issue conditions for the shares that may be issued under this authorization,
  - adjust, as the case may be, during the acquisition period, the number of shares pertaining to any operations on the Company's share capital in order to protect the rights of the beneficiaries,
  - acknowledge, as the case maybe, the capital increase or capital increases that may be carried out pursuant to this authorization, modify the by-laws accordingly, and carry out or have carried out any acts and formalities in order to make such capital increases definitive,
  - and, in general, do whatever is necessary;
- 10) sets at 26 months the term of validity of the present authorization, which renders null and void any previous delegation granted to the Board of Directors for the same purposes.

## ■ FIFTEENTH RESOLUTION

### **Amendments of the Company's by-laws**

The Shareholders' General Meeting, ruling in the quorum and majority conditions required for extraordinary shareholders' general meetings, having considered the Board of Directors' report:

- 1) resolves to modify the statutory provisions relating to the age limit to serve as a Director of the Company and to amend accordingly:
  - the 7<sup>th</sup> paragraph of article 12 of the by-laws "composition of the Board of Directors" which is henceforth worded as follows:
 

*"In accordance with legal provisions, the number of Directors over the age of seventy may not be greater than one-third of all Directors in office. In the event that this limit should be exceeded, the oldest Director shall automatically be deemed to have resigned."*
  - the 2<sup>nd</sup> paragraph of article 14 of the by-laws "organisation of the Board of Directors" which is henceforth worded as follows:
 

*"No person aged eighty (80) or over may be appointed Chairman or Vice-Chairman".*
  - the 5<sup>th</sup> paragraph of article 14 of the by-laws "organisation of the Board of Directors" which is henceforth worded as follows:
 

*"Regardless of the period for which they are assigned, the offices of the Chairman and those of the Vice-Chairman or Vice-Chairmen of the Board of Directors shall end ipso jure following the Shareholders' General Meeting called to rule on the financial statements for the financial year during he, she or they reach the age of eighty (80)".*

- 2) approves the possibility for the Board of Directors to appoint censors and therefore decides to add a new paragraph to article 14 of the by-laws "organisation of the Board of Directors" which is henceforth worded as follows:

*"The Board of Directors may appoint one or more observer(s), who may or may not be shareholders and who may not exceed two (2) in number. Any observer is appointed for a renewable period of three (3) years; he/she may be dismissed at any time by the Board of Directors. Any observer reaching the age of eighty (80) is automatically deemed to have resigned.*

*The observer(s) attend(s) the meetings of the Board of Directors and take(s) part in debates on an advisory basis. The Board of Directors may also appoint them as members of Specialized Committees.*

*The Board of Directors sets down the arrangements for the compensation of the observer(s), to be taken from the amount of attendance fees granted by the Shareholders' General Meeting."*

The remainder of articles 12 and 14 would remain unchanged.

## ■ SIXTEENTH RESOLUTION

### **Powers**

The Shareholders' General Meeting, ruling in the quorum and majority conditions required for ordinary shareholders' general meetings, fully empowers the bearer of a duplicate or an extract of the minutes of the present Meeting to carry out any formalities with respect to registration or publication.