

# ORDINARY AND EXTRAORDINARY SHAREHOLDERS' GENERAL MEETING OF MAY 10, 2019

## NOTICE OF MEETING



**IMERYS**  
TRANSFORM TO PERFORM



**Ladies and Gentlemen, Dear Shareholders,**

We are pleased to invite you at the **Ordinary and Extraordinary Shareholders' General Meeting of Imerys** which will be held:

**on Friday, May 10, 2019 at 11 a.m.**  
**at NEW CAP Event Center**  
3, quai de Grenelle - 75015 Paris (France)

Kindly find enclosed the practical details to attend the General Meeting, its agenda, the Auditors' reports, the drafts of resolution that will be submitted to the shareholders' vote, a summarized presentation of the Company's situation over the past financial year and a form that may be used to request the documents and information provided for by article R. 225-83 of the French Code of Commerce.

**The Board of Directors**

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# HOW TO ATTEND THE SHAREHOLDERS' GENERAL MEETING?

## THE DIFFERENT WAYS TO ATTEND THE SHAREHOLDERS' GENERAL MEETING

Regardless of the number of shares you hold, you are entitled as a shareholder to take part in and vote at the Meeting by choosing one of the following ways of participation:

- 1) attend in person
- 2) vote by mail
- 3) give proxy to the Chairman of the Meeting
- 4) be represented by any person of your choice
- 5) vote via internet.

## REQUIREMENTS FOR PARTICIPATING IN THE SHAREHOLDERS' GENERAL MEETING

The right to participate in the Shareholders' General Meeting is subject to the record of your shares **at the latest on May 8, 2019, at 0:00 a.m** (Paris time).

- If your shares are **registered shares**, they are automatically recorded and you have nothing to do; recording of your shares in the Company's registers is sufficient.
- If your shares are **bearer shares**, you may obtain from your usual financial intermediary (bank, financial institution, broker) that manages your account, a **certificate of participation** that gives evidence of the recording of your shares in a bearer security account.

## YOU WISH TO ATTEND THE MEETING

You shall request beforehand an **admission card**. To do so, please check box **A** on the **Form** that is enclosed to this notice.

## YOU WISH TO VOTE BY MAIL OR TO BE REPRESENTED AT THE MEETING

Please check box **B** on the **Form** as well as the appropriate box corresponding to your choice among the three following options:

- **vote by mail**, by checking **box 1**, as well as the boxes of the resolutions on which you wish to vote against, if any;
- **give proxy to the Chairman** of the Meeting, by checking **box 2**; in that case, the Chairman of the Meeting will vote in favor of the adoption of draft resolutions submitted or approved by the Board of Directors and vote against the adoption of all other draft resolutions.
- **give proxy to another person of your choice**, by checking **box 3**; please enter the name and address of the person you wish to designate. Moreover and in accordance with the law, you may also designate (and as the case maybe, revoke) your proxy by way of electronic means. To do so, you must send a copy of the Form, duly completed and signed, by e-mail to [actionnaires@imerys.com](mailto:actionnaires@imerys.com), on **May 7, 2019** at the latest. If your shares are bearer shares, the certificate of participation mentioned above must be necessarily attached to the Form. Please note that the person you will have designated shall come to the Meeting with a copy of the Form duly completed and signed, his/her identity card and a copy of yours. The revocation, if any, of such proxy shall be made in the same conditions of his/her designation: by letter sent by e-mail to [actionnaires@imerys.com](mailto:actionnaires@imerys.com), on **May 7, 2019** at the latest.

### RETURN OF THE FORM

- If your shares are **registered shares**, the completed, signed and dated **Form** shall be returned par mail exclusively to CACEIS CT to the address below.
- If your shares are **bearer shares**, the completed, signed and dated **Form** shall be sent to your usual financial intermediary which will forward it to CACEIS CT along with the **certificate of participation** mentioned above.

In any case, the **Form** shall reach CACEIS CT **on May 7, 2019** at the latest to be taken into account. CACEIS CT details are as follows: **Crédit Agricole Caisse d'Épargne Investor Services Corporate Trust (CACEIS CT)** – Service Assemblées - 14 rue Rouget de Lisle, 92862 Issy Les Moulineaux Cedex 09 (France).

phone number: +33 (0) 1 57 78 32 32 / fax number: + 33 (0) 1 49 08 05 82.

Please do not send the Form directly to Imerys.

## YOU WISH TO VOTE VIA INTERNET

You may also take part in the vote before the Meeting via Internet, by accessing **OLIS-Actionnaire** website via [www.nomi.olisnet.com](http://www.nomi.olisnet.com).

- If your shares are **registered shares**:

you must sign in on the website using the login mentioned on the Form and follow the instructions given on the screen.

- If your shares are **bearer shares**:

you must request a certificate of participation to your financial intermediary mentioning "vote by Internet". Your financial intermediary will have to return this certificate to CACEIS CT (with the mention "vote by Internet" and your e-mail address). Upon reception of the certificate of participation, CACEIS CT will send you an e-mail with the login needed to your connection to the site. You will then be able to vote.

This secure website dedicated to prior voting to the Shareholders' General Meeting will be open **from April 19, 2019 to 3:00 p.m. (Paris time) on May 9, 2019**, the day before the Meeting.

Any shareholder who has voted by mail or Internet, given a proxy or requested an admission card, will not be able to choose another way to vote in the Meeting; nevertheless, any shareholder who has voted by mail or Internet, or given a proxy, will be able to attend the Meeting, without taking part in the vote.

## TRANSFER OF YOUR SHARES

In accordance with article R. 225-85 of the French Code of Commerce, any shareholder who has carried out one of the above formalities may nevertheless transfer all or part of his or her shares. However, if the disposal takes place before the second business day prior to the Meeting, i.e **May 8, 2019, 00:00 a.m** (Paris time), the Company shall, as the case may be, invalidate or amend accordingly the mail vote, the proxy, the admission card or the certificate of participation. For that purpose, the authorized financial intermediary shall notify the Company or CACEIS CT of the transfer and provide the necessary information. However, no disposal or any other transaction made after **May 8, 2019, 00:00 a.m** (Paris time), shall be notified by the financial intermediary or taken into consideration by the Company.

## INFORMATION AND DOCUMENTS AT SHAREHOLDERS' DISPOSAL

Documents and information to be put at Shareholders' disposal according to the law will be available at the Company's registered office, on its website or obtained on simple request to CACEIS CT. Please kindly note that documents provided for by article R. 225-73-1 of the French Code of Commerce were published on [www.imerys.com](http://www.imerys.com) (section Individual Shareholders/General Meeting) within the time limits required by law.

You can also obtain the financial statements of the Company, the Group consolidated financial statements and the management report of the Board of Directors for the year 2018, information and professional information concerning the Directors of the Company in function on December 31, 2018, by consulting and downloading on [www.imerys.com](http://www.imerys.com) the 2018 Registration Document of Imerys filed with the Autorité des marchés financiers on March 20, 2019.

# AGENDA

## ORDINARY RESOLUTIONS

1. Approval of the Company's management and statutory financial statements for the year ended December 31, 2018;
2. Approval of the consolidated financial statements for the year ended December 31, 2018;
3. Appropriation of profit and setting the dividend with respect to the year ended December 31, 2018;
4. Statutory Auditors' special report governed by article L. 225-40 of the French Commercial Code and approval of the commitments given by the Company to Conrad Keijzer in 2018, in accordance with article L. 225-42-1 of the French Commercial Code;
5. Statutory Auditors' special report governed by article L. 225-40 of the French Commercial Code and approval of the exceptional compensation awarded to Gilles Michel in 2018, in accordance with article L. 225-46 of the French Commercial Code;
6. Approval of the principles and criteria used to determine, allocate and grant the fixed, variable and exceptional components of the total compensation and benefits payable to executive corporate officers;
7. Approval of the fixed, variable and exceptional components of the total compensation and benefits paid or granted with respect to the year ended December 31, 2018 to Conrad Kiejzer in his capacity as Deputy Chief Executive Officer, then Chief Executive Officer;
8. Approval of the fixed, variable and exceptional components of the total compensation and benefits paid or granted with respect to the year ended December 31, 2018 to Gilles Michel in his capacity as Chairman and Chief Executive Officer, then Chairman of the Board;
9. Renewal of the term of office of Odile Desforges as a director;
10. Renewal of the term of office of Ian Gallienne as a director;
11. Renewal of the term of office of Lucile Ribot as a director;
12. Purchase by the Company of its own shares.

## EXTRAORDINARY RESOLUTIONS

13. Delegation of authority granted to the Board of Directors to increase the share capital by issuing shares or securities carrying rights to shares of the Company, immediately or at a later date, with pre-emptive subscription rights;
14. Delegation of authority granted to the Board of Directors to increase the share capital by issuing shares or securities carrying rights to shares of the Company, immediately or at a later date, without pre-emptive subscription rights open to the public;
15. Delegation of authority granted to the Board of Directors to increase the share capital by issuing shares or securities carrying rights to shares of the Company, immediately or at a later date, without pre-emptive subscription rights, through private placements as stipulated by article L. 411-2-II of the French Monetary and Financial Code;
16. Delegation of authority granted to the Board of Directors to increase the number of shares to be issued in a capital increase with or without pre-emptive subscription rights;
17. Authorization granted to the Board of Directors to set the issue price of shares or securities carrying rights to shares of the Company for issues without pre-emptive subscription rights, up to 10% of capital per year;
18. Delegation of power granted to the Board of Directors to increase the share capital in consideration for contributions in kind made up of shares or securities carrying rights to shares, immediately or at a later date, up to 10% of capital per year;
19. Delegation of authority granted to the Board of Directors to increase the share capital by capitalizing retained earnings, profits, additional paid-in capital, issue premiums or other items;
20. Blanket ceiling for the nominal amount of share capital increases and issues of debt securities resulting from previous delegations and authorizations;
21. Delegation of authority granted to the Board of Directors to increase the share capital by issuing shares or securities carrying rights to shares of the Company reserved for members of a Company or Group savings plan without pre-emptive subscription rights;
22. Authorization granted to the Board of Directors to reduce the Company's share capital by canceling treasury shares;
23. Amendment to article 20 of the Company's by-laws concerning the Statutory Auditors;
24. Powers.

# AUDITORS' REPORTS

<p><b>Deloitte &amp; Associés</b></p> <p>6, place de la Pyramide 92908 Paris-La Défense Cedex – France with a share capital S.A. of €1,723,040</p> <p><b>Statutory Auditors</b> <b>Member of the compagnie régionale de Versailles</b></p>	<p><b>Ernst &amp; Young et Autres</b> Tour First TSA 14444 92037 Paris-La Défense Cedex S.A.S. à capital variable 438 476 913 R.C.S. Nanterre</p> <p><b>Statutory Auditors</b> <b>Member of the compagnie régionale de Versailles</b></p>
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*This is a free translation into English of the statutory auditors' reports issued in French and it is provided solely for the convenience of English speaking users.*

*This report includes information specifically required by European regulation or French law, such as information about the appointment of the statutory auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

## Statutory Auditors' Report on the Consolidated Financial Statements

For the year ended December 31, 2018

To the Imerys Shareholders' Meeting,

### OPINION

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

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

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

### BASIS FOR OPINION

#### Audit framework

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

Our responsibilities under those standards are further described in the "Statutory Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

#### Independence

We conducted our audit in compliance with independence rules applicable to us, for the period from January 1, 2018 to the issue date of our report and in particular we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) no. 537/2014 or in the French Code of ethics for statutory auditors (*Code de déontologie*).

### JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

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

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

#### Valuation of the provision related to Talc litigations in the US-Notes 23.2 and 30

##### Risk identified

As described in Notes 23.2 and 30 to the consolidated financial statements, certain subsidiaries of the Group, which operate its Talc business in North America, are among the defendants in the claims based on the alleged hazards related to the use of talc in certain products. Most of this litigation relates to sales made prior to Imerys' 2011 acquisition of its Talc business. Over the fourth quarter 2018, these entities faced a growing increase in the number and intensity of claims.

As a result, the Group and these subsidiaries have requested their respective external legal advisors, assisted by independent consultants, to analyze possible strategic options to mitigate their exposure to this situation and related risks. At December 31, 2018, an additional provision of around €250.0 million was recorded in the consolidated financial statements, corresponding to Management's most reasonable estimate of the amounts necessary to settle such historical liabilities and the possible future outlook for the entities and the Group.

In February 2019, the North American subsidiaries exposed in such litigation sought protection under Chapter 11 of the US Bankruptcy Act. As part of these specific proceedings, the Group legally remains the owner of the entities. However, the analysis of their placement under the legal control of the court of the State of Delaware (United States) mandated to negotiate a reorganization plan resulted in their removal from the Group's consolidation scope as from February 13, 2019, since the Group had effectively lost the control that it had previously exercised over them (Note 30 – Subsequent events).



The decision to recognize a provision involves certain assumptions to be made by Management with respect to the outcome of the litigation and its resolution under Chapter 11 and the estimate of the amounts to be provided in this respect.

Based on the magnitude of the potential financial impact of the litigation and its resolution as part of the proceedings initiated by the Management of the North American entities and supported by the Group, and in accordance with the decisions of their respective governing bodies, we consider the valuation of the provision related to Talc litigations in the US to be a key audit matter.

*Response as part of our audit*

We have assessed the reasonableness of the provision recorded with respect to:

- Internal analyses prepared by local management of the exposed entities, including the acceleration of events in 2018 justifying the recognition of such provisions;
- Reports on the litigation and assessment of current and future claims of the relevant entities and their possible resolution under Chapter 11, prepared by external legal advisors, assisted by independent consultants, for the attention of the Group's management;
- Extracts of the minutes of different meetings of the Company's Board of Directors and Audit Committee, transcribing the discussions relating to this situation.

We obtained confirmation from external legal advisors representing the Group in the Chapter 11 proceedings to assess the reasonableness of the provision recognized in the Group's consolidated financial statements with regard to estimates of exposure determined by external advisors.

We have also assessed the disclosures in the notes to the consolidated financial statements related to these litigations.

### **Impairment of assets - Note 19**

*Risk identified*

The carrying value of non-current assets on the balance sheet amounts to €4,908.3 million as of December 31, 2018 and includes goodwill for an amount of €2,143.3 million. Such goodwill is allocated to 13 Cash-Generating Units (CGU).

An impairment test is carried out every 12 months at the end of the period in all 13 CGUs. During the year, Management reviews any indicators of impairment for CGUs or non-current individual assets. As soon as facts indicating that a CGU or an individual non-current asset may be impaired, Management performs an impairment test at an interim date.

An impairment test consists in comparing the carrying value of the CGUs tested, including the goodwill which is allocated to them, or an individual non-current asset in the scope of IAS 36 with its recoverable amount, corresponding to the highest amount between its value in use, estimated based on discounted future cash flows and its fair value less cost to sell.

We consider impairment of assets to be a key audit matter for the following reasons:

- The determination of the parameters used to perform impairment tests requires Management to make important judgments and estimates, such as expected levels of organic growth, perpetual growth rates and discount rates which are by their very nature dependent on the economic environment;  
The amount of goodwill is material in the consolidated financial statements;
- The amount of impairment losses recognized on individual non-current assets in compliance with IAS 36 as of December 31, 2018 is material.

*Response as part of our audit*

We held meetings with Management to identify possible indications of impairment loss and have, if necessary, analyzed their compliance with IAS 36 – Impairment of Assets.

We have analyzed the compliance with IAS 36 and the method used by Management to determine the recoverable amount of the CGUs and the individual non-current assets within the CGUs showing an impairment loss.

We have also, with the assistance of our valuation experts, carried out a critical review of the implementation terms of this methodology and analyzed in particular:

- The reasonableness of the cash flow projections relating to each CGU compared to the economic and financial context in which they operate;
- The consistency of these cash flow projections with the most recent Management estimates that were presented to the Board of Directors as part of the budget process;  
The consistency of the growth rate adopted for the projected cash flows with market analysis and the consensus of the main players;
- The calculation of the discount rates applied to future cash flows.

We have also:

- Verified the sensitivity calculations performed by Management, in particular, for forecast cash flows, discount rates and perpetual growth rates, in order to determine the amount from which an impairment loss should be recognized;
- Verified arithmetical calculations.

### **Valuation of the provisions for mining sites restoration and dismantling - Note 23.2**

*Risk identified*

Imerys is subject to different regulatory requirements relating to the restoration and dismantling, at the end of their operations, of the mining and industrial sites that the Group operates.

Provisions have been recognized on the balance sheet for this purpose, for an amount of €242.5 million as of December 31, 2018 (€137.3 million for mining sites restoration and €105.2 million for dismantling).



The calculation of these provisions requires Management to make assumptions to estimate the useful life of the mining sites and industrial sites as well as to determine the costs related to these requirements and the implementation timetable with regard to the specificities of each site, the time frame considered and local regulatory requirements. The determination of the discount rates for forecast costs is also an important assumption.

Management relies on in-house experts to determine the main assumptions, by taking into account the expected impacts, where applicable, of regulatory changes.

The valuation of provisions for restoration of mining sites and dismantling are therefore considered to be a key audit matter.

#### *Response as part of our audit*

We familiarized ourselves with the procedures set up by Management to determine these provisions and have performed certain specific tests on a sampling of operating entities. As part of our tests:

- We have examined the competence and objectivity of the in-house experts contacted by the Group;
- We have assessed the pertinence of the method adopted and analyzed the reasonableness of the cost estimates with respect to applicable legal or contractual requirements;
- We have analyzed the method for determining discount rates and reconciled the component parameters with market data.

For the other entities, we have analyzed the changes in provisions to identify any possible inconsistencies with respect to our understanding of the relevant mining site restoration or dismantling programs.

### **Accounting for the acquisition of Kerneos Group - Note 16**

#### *Risk identified*

On July 17, 2017, Imerys acquired 100% of Kerneos.

This transaction resulted in the recognition of a goodwill of €463 million after recognition of the acquired assets and liabilities assumed of the target. The purchase price allocation was finalized within 12 months following the takeover date.

Recognition of the Kerneos acquisition is considered to be a key audit matter with respect to the materiality of this acquisition and because Management exercised a certain number of judgments and estimates that lead to the identification and valuation of assets acquired and liabilities assumed.

#### *Response as part of our audit*

Our procedures primarily consisted in:

- Familiarizing ourselves with the process implemented by Management to recognize this transaction;
- Analyzing the acquisition agreements;
- Analyzing the work carried out by Management as part of the purchase price allocation;
- Assessing, with the support of our valuation experts, the pertinence of the main assumptions adopted and conclusions reached by Imerys in terms of allocation of the purchase price to assets and liabilities;

### **SPECIFIC VERIFICATIONS**

As required by French law, we have also verified in accordance with professional standards applicable in France the information concerning the Group presented in the Board of Directors' management report.

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

We attest that the consolidated non-financial performance statement provided for in Article L. 225-102-1 of the French Commercial Code is included in the disclosures relating to the Group presented in the management report, it being specified that, in accordance with Article L. 823-10 of the Code, we have not verified the fairness of the information contained in this declaration or its consistency with the consolidated financial statements that must be verified in a report by an independent third party.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

#### **Appointment of the Statutory Auditors**

We were appointed statutory auditors of Imerys by the Shareholders' Meeting of May 5, 2003 for DELOITTE & ASSOCIÉS and April 29, 2009 for ERNST & YOUNG et Autres.

As of December 31, 2018, DELOITTE & ASSOCIÉS was in its 16th year of uninterrupted engagement and ERNST & YOUNG et Autres in its 9th year.

Previously, ERNST & YOUNG Audit had been the statutory auditor of Imerys since 1986.

### **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

The consolidated financial statements have been approved by the Board of Directors.

## STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Objective and audit approach

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

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

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

### Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings.

We also bring to its attention any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

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

We also provide the Audit Committee with the declaration referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of ethics for statutory auditors (*Code de déontologie*). Where appropriate, we will discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-la-Défense, March 19, 2019

The Statutory Auditors

Deloitte & Associés

ERNST & YOUNG et Autres

Frédéric GOURD

Sébastien HUET

# Statutory Auditors' Report on the financial statements

Year ended December 31, 2018

To the Imerys Shareholders' Meeting,

## OPINION

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Imerys for the year ended December 31, 2018.

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

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

## BASIS FOR OPINION

### Audit framework

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

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

### Independence

We conducted our audit in compliance with independence rules applicable to us, for the period from January 1, 2017 to the issue date of our report and in particular we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics for statutory auditors (*Code de déontologie*).

## JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

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

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

### Valuation of equity interests - Note 2

#### *Risk identified*

Equity interests, appearing on the balance sheet as of December 31, 2018 for a net amount of €4,520 million, represent one of the most significant balance sheet items. They are recorded as of their entry date at acquisition cost and impaired, if necessary, based on their value in use. As indicated in Note 2 to the financial statements, the value in use is estimated by Management based on the value of equity at the year end of the entities concerned, their level of profitability and their business forecasts. The estimate of the value in use of these securities requires Management to exercise its judgment in its choice of items to consider according to the type of equity interests concerned. Such items may correspond to historical items such as equity, and for others, (earnings outlooks and economic situation).

Competition and the economic environment confronted by certain subsidiaries as well as the geographical location of some of them, can lead to a decrease in their activity and a deterioration in their operating income. In this context and because of uncertainties inherent to certain items and specifically the probability of attaining forecasts, we considered the valuation of equity interests, related receivables and provisions for contingencies to be a key audit matter.

#### *Our response*

To assess the reasonableness of the estimate of value in use of equity interests, based on the information communicated to us, our work mainly consisted in verifying that the estimate of these values, as determined by Management, is based on an appropriate justification of the valuation method and the figures used.

For the valuations based on historical items, our work consisted in verifying that the equity retained is consistent with the accounts of the entities that were the subject of an audit or analytical procedures and that any equity adjustments are based on probative documentation.

For the valuations based on forecast items, our work consisted in:

- Obtaining the cash flow forecasts of the entities concerned prepared by Management and assessing their consistency with budget forecasts;
- Analyzing the consistency of the assumptions adopted with the economic environment on the dates the accounts were prepared and closed;
- Verifying that the value resulting from cash flow forecasts was adjusted for the debt of the entity considered.

In addition to assessing the value in use of equity interests, our work also consisted in:

- Assessing the recoverability of related receivables with respect to the equity interest analyses.
- Verifying the recognition of a provision for contingencies when the Company has committed to bearing the losses of a subsidiary which has negative equity.

## SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

## **Information given in the Management Report and in the Other Documents Addressed to Shareholders on the Financial Position and the Financial Statements**

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

We attest that the Board of Directors' report on corporate governance contains the information required by Articles D.441-4 of the French Commercial Code (*Code de commerce*).

### **Report on corporate governance**

We attest that the Supervisory Board's report on corporate governance contains the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information presented in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we have the following comment on the accuracy and fair presentation of this information: as indicated in the management report, information representing the remunerations and benefits paid by the Imerys Group and the companies controlling it to directors concerned with respect to their mandates, functions or duties carried out within or on behalf of the Imerys Group. This information does not include amounts paid with respect to other mandates, functions or duties.

Concerning the information relating to the elements that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 225-37-5 of the French Commercial Code (*Code de commerce*), we have verified their compliance with the documents on which they are based and which have been provided to us. Based on our work, we have no comment to make on this information.

### **Other information**

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

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **Appointment of the Statutory Auditors**

We were appointed statutory auditors of Imerys by the Shareholders' Meeting of May 5, 2003 for Deloitte & Associés and April 29, 2009 for ERNST & YOUNG et Autres.

As of December 31, 2018, Deloitte & Associés was in its 16th year of uninterrupted engagement and ERNST & YOUNG et Autres in its 9th year.

Previously, ERNST & YOUNG Audit had been the statutory auditor of Imerys since 1986.

### **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS**

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

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

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures. The financial statements have been approved by the Board of Directors.

### **STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Objective and audit approach**

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

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

As part of an audit in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

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

concern. If we conclude that a material uncertainty exists, we draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, we modify our opinion;

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

#### **Report to the Audit Committee**

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

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

We also provide the Audit Committee with the declaration referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we will discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-la-Défense, March 19, 2019

The Statutory Auditors

DELOITTE & ASSOCIES

ERNST & YOUNG et AUTRES

Frédéric GOURD

Sébastien HUET

## Statutory auditors' report on related party agreements and commitments

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2018

To the Shareholders of Imerys,

In our capacity as statutory auditors of your Company, we hereby present to you our report on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such commitments and agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the relevance of these agreements and commitments prior to their approval.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements and commitments previously approved by the Shareholders' Meeting, if any. We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

### Agreements and commitments submitted for approval to the Shareholders' Meeting

#### ■ Agreements and commitments authorized and concluded during the year

In accordance with Article L. 225-40 of the French Commercial Code, we have been notified of the following agreements and commitments concluded during the year that were previously authorized by your Board of Directors.

#### ► With Mr. Gilles Michel, Chairman and Chief Executive Officer of the Company until May 4, 2018, and Chairman of the Board of Directors from May 4, 2018

##### ***Nature and purpose***

On May 4, 2018, your Board of Directors assigned Mr. Gilles Michel to assist Mr. Conrad Keijzer to ensure a smooth transition within the Group's Executive Management.

##### ***Terms and conditions***

In consideration for this assignment, Mr. Gilles Michel will receive an exceptional compensation totaling €150,000, the initially agreed amount. This final amount was determined, according to the assessed level of achievement for this assignment, by your Board of Directors on February 13, 2019 using qualitative criteria defined by independent consultants and upon recommendation of the Compensation Committee. Payment will subject to the approval of the Shareholders' Meeting.

##### ***Reasons justifying why the Company benefits from this agreement***

Your Board justified this agreement by the fact that it ensures a smooth transition between Messrs. Gilles Michel and Conrad Keijzer within the Group's Executive Management.

#### ► With Mr. Conrad Keijzer, Deputy Chief Executive Officer of the Company from March 8 to May 4, 2018, and Chief Executive Officer from May 4, 2018

On March 8, 2018, upon the recommendation of the Compensation Committee, your Board of Directors authorized the following agreements and benefits granted to Mr. Conrad Keijzer, under his terms of office as Deputy Chief Executive Officer and Chief Executive Officer of the Company.

Pursuant to French law, we hereby inform you that the Board's prior authorization did not include the reasons justifying that the commitments and benefits granted to Mr. Conrad Keijzer, as stipulated in Article L. 225-38 of the French Commercial Code, are in the Company's interest.

#### 1. Commitment relating to the severance compensation for the terms of office of Deputy Chief Executive Officer and Chief Executive Officer

Your Board of Directors may grant Mr. Conrad Keijzer severance compensation, in the event of forced departure resulting from a change in control or strategy or a major disagreement on such changes. No compensation shall be paid in the event of Mr. Conrad Keijzer's voluntary departure, if he could claim his pension in the near future or in the event of gross or willful misconduct on his part.

The maximum amount of compensation would be calculated on two years of compensation (fixed and variable) for a term of office of more than two years. The payment of this compensation would be subject and proportional to a performance condition assessed using the mathematical average percentage of fulfillment of quantitative criteria over the last three fiscal years, as determined to calculate variable compensation for each fiscal year, as follows:

- Should the average percentage (calculated over the last 3 fiscal years) of fulfillment of these objectives be less than 40%, no compensation would be payable;
- Should the percentage exceed 80%, the maximum compensation would be payable.

It should be noted that Mr. Conrad Keijzer must observe a 2-year non-compete clause applicable as from the cessation of his duties as Chief Executive Officer, with no consideration other than the aforementioned severance compensation.

## **2. Commitment relating to the defined-contribution supplementary pension plan**

Your Board of Directors granted Mr. Conrad Keijzer rights to the defined-contribution pension plan, set up as from October 1, 2009 for certain Imerys Group executives.

This plan, which is managed by an external insurance company, provides for a contribution of 8% of the eligible beneficiaries' compensation, capped at 8 PASS (8 times the amount of the Social Security Annual Limit), paid into jointly by the beneficiary for 3%, and 5% by your company. Beneficiaries may make optional voluntary contributions to this plan.

Your company paid contributions to this plan amounting to €12,979.

## **3. Unemployment insurance plan for corporate officers**

Your Board of Directors granted Mr. Conrad Keijzer, as an in-kind benefit, rights to the unemployment insurance plan for corporate officers, subscribed to by your Company.

This plan involves voluntary insurance subscribed to by your Company for corporate officers, enabling them to receive compensation in proportion to their previous income in the event of an involuntary loss of employment. The plan is subscribed with Association GSC, the insurance broker and managed by Groupama. The Group is currently subscribed to the 70 contract over a period of 12 months.

For fiscal year 2018, the projected amount of contributions payable by your Company into this plan is €10,651.

## **Agreements and commitments previously approved by the Shareholders' Meeting**

### **■ Agreements and commitments approved in prior years**

On March 8, 2018, your Board of Directors had, in accordance with the legal rules, reviewed all the regulated agreements and commitments, authorized and concluded by your company in previous years and which had continuing effect in 2017 undertaken for Mr. Gilles Michel, as detailed below. Following the wish of Mr. Gilles Michel to claim his pension following the cessation of his duties as Chief Executive Officer at the end of the Shareholders' Meeting of May 4, 2018, your Board of Directors had noted that the commitments relating to the severance compensation for the term of office and the unemployment insurance plan for corporate officers would be no longer justified on such date, Mr. Gilles Michel still being eligible until May 4, 2018 for the defined-contribution and defined-benefit supplementary pension plans, the rights to which have not yet been asserted as of the date of this report.

#### **a) with continuing effect during the year**

In accordance with Article R. 225-30 of the French Commercial Code, we have been notified that the following agreements and commitments, already approved by the Shareholders' Meeting in prior years, had continuing effect during the year.

#### **► With Mr. Gilles Michel, Chairman and Chief Executive Officer of the Company until May 4, 2018, and Chairman of the Board of Directors from May 4, 2018**

##### Group defined-contribution pension plan

Mr. Gilles Michel benefited from a group defined-contribution pension plan, whose features are presented in the first part of this report.

For fiscal year 2018, the contributions paid by your Company under this plan amounted to €5,474.

##### Unemployment insurance plan for corporate officers

In his capacity as corporate officer, Mr. Gilles Michel benefited from the unemployment insurance plan for corporate officers subscribed to by your Company.

For fiscal year 2018, the contributions payable by your Company under this plan amounted to € 2,224.

#### **► With Blue Crest Holding, shareholder of your Company**

Person concerned: Ulysses Kyriacopoulos (common director)

##### ***Nature, purpose and terms and conditions:***

Second amendment of December 22, 2017 to the share purchase agreement dated November 5, 2014, concluded between S&B Minerals S.A., S&B Minerals Finance GP S.à r.l., S&B Minerals Holdings S.à r.l., Imerys S.A. and Blue Crest Holding S.A.

The commitments undertaken by the Company regarding the revision of the practical methods of calculating the earn-out as stipulated in the purchase agreement that set the final amount at €11.5 million were no longer justified following the full payment of the earn-out by your Company in February 2018.

#### **b) with no continuing effect during the year**

In addition, we have been notified that the following agreements and commitments, already approved by the Shareholders' Meeting in prior years, had no continuing effect during the year.



► **With Mr. Gilles Michel, Chairman and Chief Executive Officer of the Company until May 4, 2018, and Chairman of the Board of Directors from May 4, 2018**

Group defined-benefit pension plan

This plan, which is managed by an external insurance company, provides the payment of a life annuity for the principal managers of the group, including the former Chairman and Chief Executive Officer, who fulfill restrictive and objective eligibility criteria (at least eight years of seniority in the group, assessed annually on January 1, including four years as a member of the Executive Committee).

The maximum amount of the life annuity that may be paid to the beneficiaries of this plan as from the payment of their pension entitlements is calculated to guarantee:

- a total annual gross amount (after taking into account pension benefits from mandatory and supplementary pension plans, including the aforementioned defined-contribution pension plan) equal to 60% of their reference salary (the average of a beneficiary's last two years of fixed and variable compensation); this salary is limited to 30 times the French Social Security Annual Limit;
- subject to a maximum payment of 25% of said reference salary.

This plan also provides for the possibility of the payment of a surviving spouse's benefit corresponding to the life annuity prorated based on the duration of the couple's marriage.

On March 8, 2018, the Board of Directors noted that Mr. Gilles Michel already fulfilled the requisite seniority condition and that, as a result, the entitlement to the life annuity was already vested. Considering the reference salary adopted, the total amount of commitments for Mr. Gilles Michel under the group defined-benefit pension plan was €11.45 million.

On the date of this report, since procedures at the relevant departments are ongoing, Mr. Gilles Michel was still unable to claim his defined-benefit pension and your Company was unable to settle its obligations in this respect.

Severance compensation

Severance compensation would be payable in the event of forced departure resulting from a change in control or strategy or a major disagreement on such changes, except in the event of Mr. Gilles Michel's voluntary departure or if he can claim his pension in the near future, once he has turned 63.

Paris-La Défense, March 19, 2019

The Statutory Auditors

DELOITTE & ASSOCIES

Frédéric Gourd

ERNST & YOUNG et Autres

Sébastien Huet

## **Statutory Auditors' report on the issue of ordinary shares and/or securities with retention and/or cancellation of preferential subscription rights**

Combined Shareholders' Meeting of May 10, 2019  
13th, 14th, 15th, 16th, 17th and 18th resolutions

To the Imerys Shareholders' Meeting,

In our capacity as Statutory Auditors of your Company (the "Company") and pursuant to the procedures set forth in Articles L. 228-92, L. 225-135 *et seq.*, of the French Commercial Code (*Code de commerce*), we hereby present to you our report on the proposed delegations of authority to the Board of Directors to carry out various issues of shares and/or marketable securities, transactions on which you are being asked to vote.

Based on its report, your Board of Directors proposes:

- to delegate to it, for a period of 26 months starting from the date of this Meeting, the authority to decide the following transactions and to set the final terms and conditions of these issues and proposes, where appropriate, to cancel your preferential subscription rights:
  - issue, with retention of preferential subscription rights (13th resolution), of ordinary shares and/or all other marketable securities, whether or not debt securities, conferring entitlement to ordinary shares to be issued, of the Company or, in accordance with Article L.228-93 of the French Commercial Code, or of any company that owns, directly or indirectly more than half of the Company's share capital or in which the Company owns, directly or indirectly, more than half of the share capital,
  - issue, with waiver of preferential subscription rights, by a public offering (14th resolution), of ordinary shares and/or all other marketable securities, whether or not debt securities, conferring entitlement to ordinary shares to be issued, of the Company or, in accordance with Article L.228-93 of the French Commercial Code, or of any company that owns, directly or indirectly more than half of the Company's share capital or in which the Company owns, directly or indirectly, more than half of the share capital, it being specified that these shares may be transferred to the Company as part of a public exchange bid in accordance with the conditions set forth in Article L. 225-148 of the French Commercial Code,
  - issue, with waiver of preferential subscription rights, by an offering referred to in Article L. 411-2 II of the French Monetary and Financial Code (*Code monétaire et financier*) and up to a maximum of 10% of the share capital per year (15th resolution), of ordinary shares and/or all other marketable securities, whether or not debt securities, conferring entitlement to ordinary shares of the Company to be issued,
- that you authorize it, pursuant to the 17th resolution and in connection with the implementation of the delegation referred to in the 14th and 15th resolutions, to set the issue price for up to the annual legal maximum of 10% of the share capital existing as of the end of the month preceding the issuance date,
- that you delegate to it, for a period of 26 months as from the date of this Shareholders' Meeting, the authority to issue ordinary shares and/or all other marketable securities, whether or not debt securities, conferring entitlement to ordinary shares of the Company to be issued, in consideration of in-kind contributions made to the Company that are comprised of equity securities or marketable securities conferring entitlement to the share capital (18th resolution), for up to a maximum of 10% of the Company's share capital existing as of the utilization date of this delegation.

The total nominal amount of potential capital increases likely to be carried out, immediately or in the future, may not exceed, pursuant to the 20th resolution, €75 million pursuant to the 13th, 14th, 15th, 16th, 18th and 19th resolutions, it being specified that the total nominal amount of potential capital increases likely to be carried out immediately or in the future, may not exceed:

- €75 million pursuant to the 13th resolution;
- €15 million pursuant to the 14<sup>th</sup> resolution, this ceiling is a sub-ceiling applicable to all of the issues that could be carried out pursuant to the 14th, 15<sup>th</sup>, 17<sup>th</sup> and 18<sup>th</sup> resolutions, and
- 10% of the share capital of the Company on the issuance date, pursuant to the 15<sup>th</sup> and 18<sup>th</sup> resolutions.

The overall nominal amount of debt securities that may be issued pursuant to the 20th resolution, may not exceed €1 billion pursuant to the 13th, 14th, 15th, 16th and 18th resolutions, it being specified that this amount is a ceiling for the 13<sup>th</sup>, 14<sup>th</sup> and 15th resolutions.

These ceilings include the additional number of marketable securities to be created as part of the delegations of authority resulting from the 13th, 14th and 15th resolutions, under the conditions set forth in Article L. 225-135-1 of the French Commercial Code, should you adopt the 16th resolution.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 *et seq.*, of the French Commercial Code. Our role is to express an opinion on the fair presentation of the quantified financial information extracted from the accounts, on the proposal to cancel preferential subscription rights and on certain other information concerning these transactions, as set out in this report.

We performed the procedures that we deemed necessary in accordance with the professional guidelines of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this type of engagement. These procedures consisted in verifying the content of the Board of Directors' report in respect of these transactions and the terms and conditions governing the determination of the issue price of equity securities to be issued.

Subject to a subsequent review of the terms and conditions of proposed issues that may be decided, we have no comments on the terms and conditions governing the determination of the issue price of equity securities to be issued presented in the Board of Directors' report in connection with the 14th, 15th and 17th resolutions.

Furthermore, as the report does not include information on the terms and conditions governing the determination of the issue price of equity securities to be issued pursuant to the 13th and 18th resolutions, we cannot express an opinion on the issue price calculation inputs.

As the final terms and conditions under which the issues will be performed have not yet been decided, we do not express an opinion on the final terms and conditions under which the issues will be performed and, as such, on the proposed waiver of preferential subscription rights submitted for your approval in the 14th and 15th resolutions.

In accordance with Article R.225-116 of the French Commercial Code, we shall issue an additional report, if necessary, on the performance by your Board of Directors of any issues of marketable securities which are equity securities conferring entitlement to other equity securities or granting entitlement to debt securities, issues of marketable securities conferring entitlement to other equity securities to be issued and issues of shares with waiver of preferential subscription rights.

Paris La Défense, March 19, 2019

The Statutory Auditors

DELOITTE & ASSOCIES

ERNST & YOUNG et AUTRES

Frédéric GOURD

Sébastien HUET

**Statutory Auditors' report on the issue of ordinary shares and/or marketable securities conferring entitlement to share capital reserved for employees of a corporate savings plan of the Company or its Group**

Combined Shareholders' Meeting of May 10, 2019  
*Twenty-first resolution*

To the Imerys Shareholders' Meeting,

In our capacity as Statutory Auditors of your Company and in accordance with the procedures provided for in Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de Commerce*), we hereby report to you on the proposed delegation to the Board of Directors of the authority to decide on the issue of ordinary shares and/or more generally all marketable securities conferring entitlement to the share capital of the Company, with waiver of preferential subscription rights, reserved for employees who are members of a corporate savings plan of the Company or its Group and/or its affiliated French or foreign companies or groupings within the meaning set forth in Article L.225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code (*Code du travail*), a transaction on which you are being asked to vote.

The par value amount of capital increases that may be carried out, immediately or in the future, may not exceed €1.6 million. This transaction is submitted to you for your approval pursuant to Articles L. 225-129-6 of the French Commercial Code and L. 3332-18 *et seq.* of the French Labor Code.

Based on its report, your Board of Directors recommends that you confer on it, for a period of 26 months, the authority to decide on one or more issues and waive your preferential subscription rights to the marketable securities to be issued. If applicable, it will be responsible for determining the final issuance terms and conditions of this transaction.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified data extracted from the financial statements, on the proposed waiver of preferential subscription rights and on certain other information pertaining to the issuance as presented in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. Such procedures consisted in verifying the content of the Board of Directors' report as it relates to this transaction and the terms and conditions in which the issue price of the equity securities to be issued was determined.

Subject to our subsequent review of the terms and conditions of the proposed issues, we have no comments to make on the procedures for determining the issue price of the equity securities to be issued presented in the Board of Directors' report.

As the final terms and conditions under which the issues will be carried out have not yet been set, we express no opinion on them and, consequently, on the proposed waiver of the preferential subscription rights on which you are being asked to vote.

In accordance with Article R. 225-116 of the French Commercial Code, we will issue a supplementary report, where necessary, when this delegation of authority is utilized by your Board of Directors in the event of the issue of ordinary shares, in the event of the issue of marketable securities which are equity securities conferring entitlement to other equity securities and in the event of the issue of marketable securities conferring entitlement to equity securities to be issued.

Paris-la-Défense, March 19, 2019

The Statutory Auditors

DELOITTE & ASSOCIES

ERNST & YOUNG et AUTRES

Frédéric GOURD

Sébastien HUET

## Statutory Auditors' report on the share capital decrease

Combined Shareholders' Meeting of May 10, 2019  
*Twenty-second resolution*

To the Imerys Shareholders' Meeting,

As Statutory Auditors of your Company and pursuant to the assignment set forth in Article L. 225-209 of the French Commercial Code (*Code de commerce*) concerning share capital decreases by cancellation of shares purchased, we hereby present our report on our assessment of the reasons for and terms and conditions of the proposed share capital decrease.

Shareholders are requested to confer all necessary powers on the Board of Directors, during a period of 26 months commencing the date of this Shareholders' Meeting, to cancel, up to a maximum of 10 % of its share capital by 24-month period, the shares purchased by the Company pursuant to the authorization to purchase its own shares, as part of the provisions of the aforementioned article.

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 the fairness of the reasons for and the terms and conditions of the proposed share capital reduction, which does not undermine shareholder equality.

We have no comments to make on the reasons for and the terms and conditions of the proposed decrease in share capital.

Paris-La-Défense, March 19, 2019

The Statutory Auditors

DELOITTE & ASSOCIES

ERNST & YOUNG et AUTRES

Frédéric GOURD

Sébastien HUET

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# PRESENTATION OF THE RESOLUTIONS BY THE BOARD OF DIRECTORS

The resolutions agreed by the Board of Directors at its meeting of February 13, 2019 are submitted for shareholder approval. Resolutions 1 through 12, 19 and 24 will be put to the Ordinary Shareholders' General Meeting and resolutions 13 through 18 and 20 through 23 will be put to the Extraordinary Shareholders' General Meeting.

Please kindly note that the 2018 Registration Document you are asked to refer to in the presentation below was filed with the AMF (the French Securities Regulator) on March 20, 2019. It is available on the Company's website, [www.imerys.com](http://www.imerys.com) and on AMF's website, [www.amf-france.org](http://www.amf-france.org).

## 1. 2018 ANNUAL FINANCIAL STATEMENTS AND APPROPRIATION OF PROFIT

Shareholders are invited to approve the Company's annual financial statements (**first resolution**) and the Group's consolidated financial statements (**second resolution**) for the year ended December 31, 2018. These financial statements, along with the financial situation, business and results of the Group and the Company for the year ended December 31, 2018, as well as various items of information required by current laws and regulations, are published in *chapter 2 and chapter 6 of the Registration Document*.

Shareholders are then called upon to approve the allocation of the Company's distributable profit for 2018 (**third resolution**). The Company's net income for 2018 totaled €72,901,776.86 to which is added the amount of the retained earnings brought forward from the prior year for €396,662,784.94, representing a total distributable amount of €469,564,561.80. The Board of Directors recommends paying a per-share dividend of €2.15, *i.e.* a 3.6% increase on the dividend paid in 2018 with respect to the previous financial year.

The total dividend payout would be adjusted to take into account the number of shares issued following the exercise of stock options since January 1, 2019 and which are eligible for the 2018 dividend at the date of payment. Consequently, the amount allocated to retained earnings would be determined on the basis of the total actual dividend payout. Furthermore, if the Company holds any treasury shares on the date at which the dividend is paid, the corresponding unpaid dividends would also be allocated to retained earnings. The dividend would be payable from May 22, 2019. Pursuant to the provisions of article 243 *bis* of the French Tax Code (*Code général des impôts*), individual shareholders domiciled in France for tax purposes may benefit from a 40% tax allowance on the totality of the proposed dividend for 2018, as stipulated in article 158-3-2° of the French Tax Code, subject to the taxpayer opting to be taxed according to the standard income tax bands set out in article 200-A-2 of said Code.

Dividends paid for the past three financial years were as follows:

Financial year ending	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2015
Net dividend per share	€2.075*	€1.87*	€1.75*
Number of shares carrying dividend rights	79,313,151	79,265,238	78,557,578
<b>Total net payout</b>	<b>€164.6m</b>	<b>€148.2m</b>	<b>€137.5m</b>

\* Fully eligible for the 40% tax allowance for individual shareholders domiciled in France for tax purposes stipulated in article 158-3-2° of the French Tax Code

## 2. RELATED PARTY AGREEMENTS AND COMMITMENTS

Pursuant to the provisions of article L. 225-40 of the French Commercial Code, shareholders are asked to approve the Statutory Auditors' special report on related party agreements and commitments governed by articles L. 225-38 *et seq.* of said Code and published in *chapter 2, paragraph 2.3.3 of the Registration Document*. Shareholders are also asked to approve the agreements and commitments made during 2018 and referred to the aforementioned report.

## 2.1 COMMITMENTS GIVEN TO CONRAD KEIJZER IN 2018

Pursuant to the provisions of article L. 225-42-1 of the French Commercial Code, shareholders are invited to approve the commitments given by the Company to Conrad Keijzer in his capacity as Deputy Chief Executive Officer appointed on March 8, 2018 then Chief Executive Officer of the Company since May 4, 2018. Based on the recommendations of the Compensation Committee, these commitments were approved by the Board of Directors at its meeting held on March 8, 2018 (**fourth resolution**):

### Termination benefit

Conrad Keijzer's contract as executive corporate officer includes a severance package that would be due if he were forced to step down from his duties following a change of control or strategy or as a result of a major disagreement over such issues. No compensation would be due if Conrad Keijzer were to voluntarily step down and be eligible to claim retirement benefits in the short term or if he were to be dismissed for gross or serious misconduct.

If his term of office exceeds two years, the maximum amount of the severance package is calculated on the basis of two years' compensation (fixed and variable). Payment of the severance package is subject and proportionate to a performance condition assessed solely on the average extent in percentage terms to which the quantitative targets set over the last three financial years to determine variable compensation for each year were achieved.

The condition states that:

- if the average achievement percentage (calculated over the last three years) for such objectives is less than 40%, no severance pay would be due.
- If the average achievement percentage exceeds 80%, the maximum amount of severance pay would be due.

### Non-compete indemnity

Conrad Keijzer is subject to a non-compete period of two years following the date at which his duties as Chief Executive Officer are terminated. He is not eligible for any compensation other than his severance package, if applicable.

### Complementary pension plan

Conrad Keijzer benefits from a complementary defined contribution pension plan that the Company put in place on October 1, 2009 contributing 8% of the compensation of eligible employees and capped at eight times the annual French social security ceiling. Employee contributions are set at 3% and employer contributions at 5%.

### Unemployment insurance for corporate officers

Conrad Keijzer benefits from unemployment insurance for corporate officers ("GSC").

Beyond this measure, the Company has not given any other commitment, as defined by article L. 225-42-1 of the French Commercial Code, to Conrad Keijzer concerning him starting, terminating or changing his duties as Deputy Chief Executive Officer, or Chief Executive Officer.

## 2.2 COMMITMENTS GIVEN TO GILLES MICHEL IN 2018

Pursuant to the provisions of article L. 225-46 of the French Commercial Code, shareholders are invited to approve the exceptional compensation awarded to Gilles Michel in his capacity as Chairman of the Board, as agreed by the Board of Directors, based on the recommendations of the Compensation Committee, at its meeting held on May 4, 2018 (**fifth resolution**).

In order to ensure a seamless transition within the Group's Executive Management team, and based on the recommendations of the Compensation Committee, the Board of Directors entrusted Gilles Michel in his capacity as Chairman of the Board with the specific responsibility to support Conrad Keijzer in his position as Chief Executive Officer appointed on May 4, 2018. The compensation for this responsibility may not exceed €150,000 and is subject to a qualitative evaluation conducted by independent consultants. Furthermore, it constitutes a related party commitment as defined by article L. 225-46 of the French Commercial Code (for further details, *see Chapter 3, paragraphs 3.1.2 and 3.3.2.2 of the Registration Document*). The total amount payable for this responsibility was decided by the Board of Directors at its meeting held on February 13, 2019 and amounts to €150,000. Payment is subject to approval from the present Shareholders' General Meeting (*see Chapter 8, paragraph 8.1.4 and section 8.4 of the Registration Document*).



Shareholders are also informed that at its meeting held on February 13, 2019 and in accordance with legal requirements, the Board of Directors reviewed all the related party agreements and commitments that were authorized and concluded by the Company in previous years and remained in force in 2018.

The Board of Directors also noted that the commitments given to Gilles Michel in his capacity as Chairman and Chief Executive Officer remained valid until May 4, 2018, date at which he stepped down from the office of Chief Executive Officer it being specified that the commitment made by the Company under the complementary defined benefit pension plan for Gilles Michel continued as of 31 December 2018 pending the full liquidation of his rights (for further details of this plan, see *Chapter 3, paragraph 3.3.2 of the Registration Document*).

All related part agreements and commitments are detailed in the Statutory Auditors' special report published in *Chapter 2, paragraph 2.3.3 and Chapter 3, paragraph 3.3.2 of the Registration Document*.

### 3. PRINCIPLES AND CRITERIA USED TO DETERMINE THE VARIOUS COMPONENTS OF COMPENSATION PAID TO EXECUTIVE CORPORATE OFFICERS

Pursuant to the provisions of article L. 225-37-2 of the French Commercial Code, shareholders are asked to approve the principles and criteria used to determine, allocate and grant the fixed, variable and exceptional components of the total compensation and benefits payable to executive corporate officers (**sixth resolution**). For 2019, the components include those approved in 2018, plus the official accommodation provided to executive corporate officers, where necessary, as decided by the Board of Directors at its meeting held on February 13, 2019 and based on the recommendations of the Compensation Committee.

The compensation policy that applied to executive corporate officers in 2019 is set out in detail in *Chapter 3, paragraph 3.3.2.1 of the Registration Document*.

### 4. COMPENSATION OWED OR GRANTED TO EXECUTIVE CORPORATE OFFICERS IN 2018

Pursuant to the provisions of article L. 225-100 of the French Commercial Code, shareholders are asked to approve the fixed, variable and exceptional components of the total compensation and benefits paid or granted with respect to the year ending December 31, 2018 to executive corporate officers.

The following details, presented in accordance with the provisions of article L. 225-37-3, form an integral part of the Corporate Governance Report, published in *Chapter 2, section 2.2 of the Registration Document*. The payment of the components of variable and exceptional compensation owed to executive corporate officers with respect to 2018 is subject to shareholders' approval.

#### 4.1 COMPONENTS OF COMPENSATION PAID OR GRANTED WITH RESPECT TO THE YEAR ENDED DECEMBER 31, 2018 TO CONRAD KEIJZER, DEPUTY CHIEF EXECUTIVE OFFICER FROM MARCH 8 TO MAY 4, 2018, THEN CHIEF EXECUTIVE OFFICER FROM THAT DATE ONWARD (**seventh resolution**)

Component of compensation	Amount or accounting valuation	Details
<b>Fixed compensation</b>	Annual: €700,000  prorata temporis: €570,076	Annual gross compensation approved by the Board of Directors on March 8, 2018.

Component of compensation	Amount or accounting valuation	Details
<b>Annual variable compensation</b>	€500,347 granted in 2019 with respect to 2018	<p>At its meeting of February 13, 2019 and based on the recommendations of the Compensation Committee, the Board of Directors considered the extent to which Conrad Keijzer had achieved the quantitative and qualitative targets set for 2018 in order to determine the amount of variable compensation payable to him for the year. The quantitative criteria for 2018 were tied to targets for the Group's net income from current operations, free operating cash flow and return on capital employed, accounting for 50%, 30% and 20%, respectively. The qualitative criteria were based on achieving objectives linked to the effective implementation of Group strategy, sustained growth, deployment of certain talent management programs and the successful adoption of his role as Chief Executive Officer.</p> <p>After assessing the extent to which the quantitative criteria have been met, the resulting amount of annual variable compensation is calculated based on the reference compensation equal to 100% of annual fixed compensation, multiplied by a factor of between 0.8 and 1.2 depending on the fulfillment of the qualitative criteria. The overall percentage achievement for the qualitative criteria may be increased or decreased by 3% depending on whether or not the workplace health &amp; safety objective (applicable to all senior executives in the Group) was met.</p> <p>The maximum total variable compensation that may be granted is capped at 132% of annual fixed compensation.</p> <p>Consequently, the variable compensation payable to Conrad Keijzer for 2018 amounts to €500,347, representing 87.8% of his fixed compensation paid in 2018. This figure results from the achievement of 71.6% of the quantitative targets and 95.8% of the qualitative targets, and the application of a 3% reduction given the specific workplace health &amp; safety objective was not achieved.</p> <p>This sum will be paid to Conrad Keijzer, subject to the approval of the 7<sup>th</sup> resolution submitted to the Shareholders' General Meeting of May 10, 2019.</p> <p>For further details, see <i>Chapter 3, paragraph 3.3.2.2 of the Registration Document</i>.</p>
<b>Impatriation bonus</b>	€ 321,127	Conrad Keijzer benefits from an annual impatriation bonus, equal to 30% of his fixed and variable compensation paid in respect of each financial year. As an advance payment, Conrad Keijzer received € 342,047 in 2018, which will be regularized upon payment of the annual variable compensation.
<b>Multi-annual variable compensation in cash</b>	N/A	No multi-annual variable compensation is paid to the Chief Executive Officer.

Component of compensation	Amount or accounting valuation	Details
Exceptional compensation	N/A	No exceptional compensation is paid to the Chief Executive Officer.
Stock options, performance shares and any other component of long-term compensation	Stock options: N/A	No stock options were granted to the Chief Executive Officer in 2018.
	Performance shares €1,671,300 (accounting value)	<p>At its meeting held on May 4, 2018 and based on the recommendations of the Compensation Committee, the Board of Directors decided to grant Conrad Keijzer 30,000 performance shares, representing 0.04% of the Company's share capital at that date. This grant was made pursuant to the authorization granted by the Ordinary and Extraordinary Shareholders' General Meeting of May 4, 2018 (14<sup>th</sup> resolution).</p> <p>The shares are subject to the same financial performance conditions as those applicable to the 2018 general performance share plan offered to the Group's main executives. The objectives are equally weighted between the increase in net income from current operations per share and the Group's return on capital employed over the period 2018-2020.</p> <p>For further details, see <i>Chapter 3, paragraph 3.4.2 of the Registration Document</i>.</p>
Attendance fees	N/A	No attendance fees are paid to the Chief Executive Officer.
Benefits in kind	€46,012 (accounting value)	The benefits in kind awarded to the Chief Executive Officer include official accommodation, provided from September 1, 2018, a company car with driver and the contributions to an unemployment insurance scheme for corporate officers.
Sign-on bonus	N/A	Conrad Keijzer did not receive a sign-on bonus when he was appointed Deputy Chief Executive Officer on March 8, 2018, and Chief Executive Officer on May 4, 2018.
Severance indemnity	€0	<p>Conrad Keijzer would be owed a severance package if he were forced to step down from his duties following a change of control or strategy or as a result of a major disagreement over such issues. No compensation would be due if Conrad Keijzer were to voluntarily step down and be eligible to claim retirement benefits in the short term or if he were to be dismissed for gross or serious misconduct.</p> <p>If his term of office exceeds two years, the maximum amount of the severance package is calculated on the basis of two years' compensation (fixed and variable). Its payment would be subject and proportionate 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>

Component of compensation	Amount or accounting valuation	Details
		<p>The condition states that:</p> <ul style="list-style-type: none"> <li>- if the average achievement percentage (calculated over the last three years) for such objectives is less than 40%, no severance indemnity would be due;</li> <li>- if the average achievement percentage exceeds 80%, the maximum amount of severance indemnity would be due.</li> </ul> <p>For further details, see <i>chapter 3, paragraph 3.3.2.1 of the Registration Document</i></p>
<b>Non-compete indemnity</b>	N/A	Conrad Keijzer is subject to a non-compete period of two years following the date at which his duties as Chief Executive Officer are terminated. He is not eligible for any compensation other than his severance package, if applicable.
<b>Supplementary pension plan</b>	€0	<p>Conrad Keijzer benefits from a complementary defined contribution pension plan, which the Company put in place on October 1, 2009 contributing 8% of the compensation of eligible employees and capped at eight times the annual French social security ceiling. Employee contributions are set at 3% and employer contributions at 5%.</p> <p>For further details, see <i>Chapter 3, paragraph 3.3.2.1 of the Registration Document</i>.</p>

**4.2 COMPONENTS OF COMPENSATION PAID OR GRANTED WITH RESPECT TO THE YEAR ENDED DECEMBER 31, 2018 TO GILLES MICHEL, CHAIRMAN AND CHIEF EXECUTIVE OFFICER UNTIL MAY 4, 2018, THEN CHAIRMAN OF THE BOARD FROM THAT DATE ONWARD (eighth resolution)**

Component of compensation	Amount or accounting valuation	Details
<b>Fixed compensation</b>	Annual: €800,000 prorata temporis: €278,261	Annual gross compensation approved by the Board of Directors on March 8, 2018 and unchanged since 2010, applicable up to May 4, 2018.
<b>Annual variable compensation</b>	€246,635 granted in 2019 with respect to 2018	<p>At its meeting of February 13, 2019 and based on the recommendations of the Compensation Committee, the Board of Directors considered the extent to which Gilles Michel, in his capacity as Chairman and Chief Executive Officer until May 4, 2018, had achieved the quantitative and qualitative criteria set for 2018 in order to determine the amount of variable compensation payable to him for the year.</p> <p>The quantitative criteria for 2018 were tied to targets for the Group's net income from current operations, free operating cash flow and return on capital employed, accounting for 50%, 30% and 20%, respectively. The qualitative criteria were based on achieving objectives linked to the effective implementation of Group strategy, sustained growth and deployment of certain talent management programs.</p>

Component of compensation	Amount or accounting valuation	Details
		<p>After assessing the extent to which the quantitative criteria have been met, the resulting amount of annual variable compensation is calculated based on the reference compensation equal to 100% of annual fixed compensation, multiplied by a factor of between 0.8 and 1.2 depending on the fulfillment of the qualitative criteria. The overall percentage achievement for the qualitative criteria may be increased or decreased by 3% depending on whether or not the workplace health &amp; safety objective (applicable to all senior executives in the Group) was met.</p> <p>The maximum total variable compensation that may be granted is capped at 132% of annual fixed compensation</p> <p>Consequently, the variable compensation payable to Gilles Michel for 2018 amounts to €246,635, representing 88.6% of his fixed compensation for 2018. This amount results from the achievement of 71.6% of the quantitative targets and 100% of the qualitative targets and the application of a 3% reduction given the specific workplace health &amp; safety objective was not achieved.</p> <p>This sum will be paid to Gilles Michel, subject to the approval of the 8th resolution submitted to the Shareholders' General Meeting of May 10, 2019</p> <p>For further details, see Chapter 3, paragraph 3.3.2.2 of the Registration Document.</p>
<b>Multi-annual variable compensation in cash</b>	N/A	The maximum total variable compensation that may be granted is capped at 132% of annual fixed compensation.
<b>Exceptional compensation</b>	€150,000	<p>At its meeting held on February 13, 2019, the Board of Directors assessed the extent to which Gilles Michel had successfully fulfilled the special mission to support Conrad Keijzer with which he was entrusted by the Board on May 4, 2018.</p> <p>Based on the recommendations of the Compensation Committee, the Board of Directors decided to award Gilles Michel €150,000 in compensation.</p> <p>This sum will be paid to Gilles Michel, subject to the approval of the 5<sup>th</sup> and 8<sup>th</sup> resolutions submitted to the Shareholders' General Meeting of May 10, 2019.</p> <p>For further details, see Chapter 3, paragraph 3.3.2.2 and Chapter 8, paragraph 8.1.2.2 of the Registration Document.</p>

Component of compensation	Amount or accounting valuation	Details
Stock options, performance shares and any other component of long-term compensation	Stock options: N/A	No stock options were granted to Gilles Michel in 2018
	Performance shares: N/A	No performance shares were granted to Gilles Michel in 2018 under the Performance Share Plan agreed by the Board of Directors on May 4, 2018. Concerning the performance shares previously granted to Gilles Michel for which the conditions have not yet been met, the condition that he must still be working with the Group when the shares vest was exceptionally waived from May 4, 2018 onward. All other terms and conditions of the plans concerned, in particular those relating to performance and the vesting period, continue to apply. For further details, see <i>Chapter 3, paragraph 3.4.2 of the Registration Document</i> .
Attendance fees	€65,514 (net amount) / €93,591 (gross amount) prorata temporis	In accordance with the revised allocation scale for attendance fees awarded to members of the Board and its committees agreed by the Board of Directors on May 4, 2018, Gilles Michel in his capacity as Chairman of the Board since this date receives fixed annual compensation of €100,000, plus the same attendance fees awarded to other directors for their attendance at meetings of the Board and the Strategic Committee of which he is a member. For further details, see <i>Chapter 3, paragraph 3.3.1 of the Registration Document</i>
Benefits in kind	€6,315 (accounting value)	The benefits in kind awarded to Gilles Michel up to May 4, 2018 included a company car with driver and the contributions to an unemployment insurance scheme for corporate officers.
Termination benefit	N/A	Gilles Michel is not entitled to any termination benefit.
Non-compete indemnity	N/A	Gilles Michel is not subject to any non-compete clause.
Complementary pension plan	m€11.45	Gilles Michel remained eligible in 2018 for the complementary defined benefit pension plan put in place by the Company until he receives the full rights to which he is entitled and he exercised on June 1, 2018.

## 5. STRUCTURE OF THE BOARD OF DIRECTORS

The terms of office of Odile Desforges, Lucile Ribot and Ian Gallienne are due to expire at the close of the present Shareholders' General Meeting.

At its meeting of February 13, 2019 and based on the examination and recommendations of the Compensation Committee, the Board of Directors decided to submit for approval by Shareholders' General Meeting of May 10, 2019 the re-appointment of Odile Desforges, Lucile Ribot and Ian Gallienne as directors each for a three-year term of office, *i.e.* until the 2022 Shareholders' General Meeting held to approve the 2021 financial statements (**ninth to eleventh resolutions**).

Details of the career and mandates of the directors put forward for re-appointment are published in *Chapter 3, paragraph 3.1.3 of the Registration Document*.

In accordance with the principles applied by the Company to determine the independent status of its directors, and after assessing their individual situations, based on the recommendations of the Appointments Committee, the Board of Directors recognized the independent status of Odile Desforbes and Lucile Ribot, but not Ian Gallienne (for further details, see *Chapter 3, paragraph 3.1.2 of the Registration Document*).

At the close of the Shareholders' General Meeting of May 10, 2019 and subject to approval of the above proposals, the Board of Directors will be made up of the following 14 members:

Expiration of term of office	Name	independent
2019	Odile Desforbes	Yes
	Ian Gallienne	No
	Nouvelle Administratrice*	Yes
2020	Aldo Cardoso	Yes
	Paul Desmarais III	No
	Marion Guillou	Yes
	Colin Hall	No
	Martina Merz	Yes
	Eliane Augelet-Petit, employee representative Director	N/A
	Eric d'Ortona, employee representative Director	N/A
2021	Conrad Keijzer	No
	Ulysses Kyriacopoulos	No
	Gilles Michel	No
	Marie-Françoise Walbaum	Yes

## 6. SHARE BUY-BACK PROGRAM AND CANCELLATION OF TREASURY SHARES

### SHARE BUY-BACK PROGRAM

The authorization to buy back the Company's shares granted to the Board of Directors for an 18-month period by the Ordinary and Extraordinary Shareholders' General Meeting of May 4, 2018 is due to expire on November 3, 2019. Shareholders are therefore asked to renew the authorization as of now in accordance with the provisions of articles L. 225-209 *et seq.* of the French Commercial Code, articles 241-1 to 241-7 of the AMF's General Regulations and Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (**twelfth resolution**).

- ✓ For further details about the implementation by the Company of its share buy-back programs in 2018, see *Chapter 7, paragraph 7.2.4 of the Registration Document*.

This authorization enables the Board of Directors to purchase a maximum of 10% of Company shares outstanding at January 1, 2019 (*i.e.* 7,948,569 shares) mainly for the purpose of:

- canceling the shares at a later date to reduce the Company's share capital, subject to shareholders approving the 22<sup>nd</sup> resolution;
- covering the stock option plans and/or free share grants, as well as any grants under employee share ownership plans set up by the Company (or assimilated plans), or with respect to profit-sharing programs for current employees, former employees and/or corporate officers of the Company and/or any related companies as defined by articles L. 225-180 and L. 233-16 of the French Commercial Code, within the current legal framework or *ad hoc* plans set up by the Company;
- granting or exchanging shares purchased, in particular, on exercise of rights or issue of shares or securities redeemable, convertible, exchangeable or otherwise exercisable for shares of the Company;
- maintaining 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 the AMF.

The number of shares that may be held, directly or indirectly at any time, may not exceed 10% of the Company's share capital. Finally, the purchase price may not exceed €85 per share, representing a maximum total investment of €675.6 million.

Shares may be purchased by any means, including block transfers and the use of derivatives, at any time except during a public offer for the Company's shares.



Details of this new program, drawn up in accordance with the provisions of articles 241-1 to 242-7 of the AMF's General Regulations, will be available on the Company's website ([www.imerys.com](http://www.imerys.com) – Media Center – Regulated Information) prior to the Shareholders' General Meeting of May 10, 2019. A copy of this information can also be obtained on request from the Company's headquarters.

## **CANCELLATION OF TREASURY SHARES**

Shareholders are also invited in the **twenty-second resolution** to renew the authorization granted to the Board of Directors to cancel all or part of the treasury shares held due to a Company share buy-back program, representing up to 10% of its capital per 24-month period, reducing its share capital by an equal amount and allocating the difference between the purchase price of the canceled shares and their par value to issue premiums and retained earnings.

## **7. FINANCIAL AUTHORIZATIONS**

The Board of Directors has been granted a number of financial authorizations, renewed most recently at the Ordinary and Extraordinary Shareholders' Meeting held on May 3, 2017, which enable it to increase the Company's capital by issuing shares, debt securities or securities carrying rights to shares of the Company, either immediately or at a later date, with or without pre-emptive subscription rights, or by capitalizing retained earnings, profits, additional paid-in capital or any other means (the table summarizing the delegations and financial authorizations currently in force is published in *Chapter 7, paragraph 7.2.3 of the Registration Document*).

As in previous years, these financial authorizations are designed to give the Board of Directors the greatest scope and flexibility to decide the most effective and appropriate way of issuing shares to drive growth for the Company and the Group that are also the best suited to market conditions and the economic context at that time.

These delegations and authorizations will expire on July 2, 2019. Shareholders are therefore asked to approve their renewal under similar conditions as presented in the following tables (the table summarizing the delegations and financial authorizations submitted for renewal is published in *Chapter 7, paragraph 7.2.3 of the Registration Document*). The new delegations and authorizations will remain in force for a period of 26 months and will supersede those previously granted by the Ordinary and Extraordinary Shareholders' Meeting held on May 3, 2017, which would no longer be valid.

Furthermore, the Board of Directors cannot exercise these delegations or authorizations during a takeover bid for the Company's shares without prior approval from the shareholders.

### **7.1 ISSUE OF SHARES OR SECURITIES CARRYING RIGHTS TO SHARES OF THE COMPANY WITH PRE-EMPTIVE SUBSCRIPTION RIGHTS**

The **thirteenth resolution** seeks approval to renew the delegation of authority granted to the Board of Directors to issue ordinary shares and any other securities with pre-emptive subscription rights. The Board of Directors proposes to maintain the ceiling for capital increases of this kind at €75 million (representing approximately 47% of the Company's share capital at December 31, 2018). The total nominal amount of debt securities that may be issued under the present delegation may not exceed €1 billion. The nominal amount of such issues is included in the ceiling for issues of debt securities set in the twentieth resolution.

### **7.2 ISSUE OF SHARES OR SECURITIES CARRYING RIGHTS TO SHARES OF THE COMPANY WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS**

The **fourteenth resolution** proposes to renew the delegation of authority granted to the Board of Directors to issue ordinary shares or any other securities without pre-emptive subscription rights open to the public. The possibility to carry out such issues enables the Company to attract a wider pool of investors both in France and overseas as well as reduce the time it takes to implement share issues, making them easier to carry out. The Board of Directors may grant shareholders a priority subscription period, set up in accordance with the legal requirements in force.

The Board of Directors proposes to maintain the ceiling for capital increases of this kind at €15 million (representing approximately 9.4% of the Company's share capital at December 31, 2018). The amount would constitute a sub-ceiling in which all issues without pre-emptive subscription rights would be included.

The total nominal amount of debt securities that may be issued under the present delegation may not exceed €1 billion. The amount is included in the ceiling for issues of debt securities set in the twentieth resolution.

The subscription price for shares that may be issued under the present delegation is set by the Board of Directors in accordance with the provisions of articles L. 225-136 1° and R. 225-119 of the French Commercial Code. The price must be equal to at least the weighted average Imerys share price from the last three trading days preceding the date at which the price is set, which may be discounted by a maximum of 5%.

The **fourteenth resolution** proposes that ordinary shares or securities carrying rights to shares of the Company may be issued in consideration for securities tendered to the Company as part of a public share exchange offer that meets the conditions stipulated by article L. 225-148 of the French Commercial Code.

### 7.3 SHARE CAPITAL INCREASES THROUGH PRIVATE PLACEMENTS

Shareholders are asked to approve in the **fifteenth resolution** the renewal of the delegation granted to the Board of Directors to carry out share capital increases by issuing shares or securities carrying rights to shares of the Company through private placements. These capital increases would entail a waiver of shareholders' pre-emptive subscription rights in favor of qualified institutional buyers or a limited number of investors as defined by article L. 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*), offering the Company greater flexibility and faster access to the market. The Board of Directors proposes to set the ceiling for capital increases that may be carried out under the present delegation at 10% of the Company's share capital at the date of issue. This amount is included in the total nominal amount of €15 million for any capital increases carried out without pre-emptive subscription rights. The subscription price for shares that may be issued under the present delegation is set in accordance with the provisions of article R. 225-119 of the French Commercial Code. The price must be equal to at least the weighted average Imerys share price from the last three trading days preceding the date at which the price is set, which may be discounted by a maximum of 5%. The present delegation would make it possible to offer financial partners in particular the option of buying shares in the Company by reducing implementation time, and therefore offering faster access to the market.

### 7.4 INCREASE IN THE NUMBER OF SHARES TO BE ISSUED IN THE EVENT OF EXCESS DEMAND

In accordance with the provisions of article L. 225-135-1 of the French Commercial Code, the delegation of authority put forward in the **sixteenth resolution** enables the Board of Directors to increase the number of shares to be issued, within the conditions and deadlines stipulated by current regulations and within the ceilings of the thirteenth, fourteenth and fifteenth resolutions, if it recognizes that a share issue carried out under these resolutions is oversubscribed. The provisions of article R. 225-118 of the French Commercial Code set the currently applicable conditions and deadlines as follows: the increase in the number of shares must be announced within 30 days of the subscription closing, not exceed a maximum of 15% of the number of shares in the initial issue and be offered at the same price as that set for the initial issue.

### 7.5 SETTING THE ISSUE PRICE

In the **seventeenth resolution**, shareholders are invited to renew the authorization granted to the Board of Directors to overlook the conditions for setting the issue price of shares or securities carrying rights to shares of the Company, within the annual ceiling of 10% of the Company's share capital, for issues without pre-emptive subscription rights. This price can then be set:

- for ordinary share issues, at a price equal to at least the closing price from the last trading day of the Imerys share preceding the date at which the issue price is set, which may be discounted by a maximum of 10%; and
- for issues of securities carrying rights to shares of the Company, at a price equal to the amount immediately received by the Company, plus where applicable the amount that may be received by the Company at a later date. Therefore, for each ordinary share issued as a result of the securities issue, a price at least equal to the issue price of shares set in the previous paragraph.

This possibility, set out in the provisions of article L. 225-136, 1°, paragraph 2 of the French Commercial Code, makes it possible to carry out capital increases in the event of a downward trend on the Imerys share, which the fourteenth and fifteenth resolutions would not allow.

### 7.6 CAPITAL INCREASES IN CONSIDERATION FOR CONTRIBUTIONS IN KIND MADE UP OF SHARES OR SECURITIES

Shareholders are also invited to approve the **eighteenth resolution** to renew the delegation of power granted to the Board of Directors to carry out capital increases on one or several occasions in consideration for contributions in kind tendered to the Company not as part of a public exchange offer and made up of shares or securities carrying rights to shares of another company, within the limit of 10% of the Company's share capital and upon presentation of a report prepared by one or several auditors.

## 7.7 SHARE CAPITAL INCREASES PAID UP BY CAPITALIZING ISSUE PREMIUMS, RETAINED EARNINGS OR OTHERWISE

The **nineteenth resolution** seeks to renew the possibility to increase the Company's capital by capitalizing issue premiums, retained earnings, profits, or any other item that may be capitalized up to the maximum total nominal amount set in the thirteenth resolution, *i.e.* €75 million. A capital increase of this kind would lead to the creation and grant of free shares and/or an increase in the par value of existing shares.

## 7.8 ISSUE CEILINGS

The ceiling applicable to increases of the Company's share capital that may result from using the delegations and authorizations granted by the thirteenth, fourteenth, fifteenth, sixteenth, eighteenth and nineteenth resolutions is set at €75 million, representing approximately 47% of capital at December 31, 2018 (**twentieth resolution**). Furthermore, shareholders are reminded that the capital increases carried out without pre-emptive subscription rights under the fourteenth, fifteenth, sixteenth and eighteenth resolutions are included in a separate ceiling set in the fourteenth resolution of €15 million, representing approximately 9.4% of capital at December 31, 2018. Where necessary, the ceilings are increased by the par value of shares to be issued due to adjustments required to maintain the rights of bearers of securities or other shares carrying rights to shares that may exist at the date at which the issue in question is carried out.

The maximum nominal amount of debt securities that may to be issued under authorizations to issue securities carrying rights, immediately or at a later date, to a proportion of share capital granted by the thirteenth, fourteenth, fifteenth, sixteenth and eighteenth resolutions remains at €1 billion.

## 8. CAPITAL INCREASES RESERVED FOR MEMBERS OF A COMPANY OR GROUP SAVINGS PLAN

As the present Shareholders' General Meeting has been asked to approve the renewal of a number of delegations and financial authorizations granted to the Board of Directors that may lead to increases on one or several occasions in the Company's capital, shareholders are asked under the **twenty-first resolution** to renew the delegation of authority previously granted to the Board of Directors for a period of 26 months by the Shareholders' General Meeting held on May 3, 2017 to carry out capital increases reserved for employees and/or corporate officers who are members of a Company or Group savings plan. Subject to shareholders' approval, the present delegation will supersede the previous one, which would cease to be valid.

## 9. AMENDMENT TO THE COMPANY'S BY-LAWS

By virtue of current legal provisions, the Shareholders' General Meeting appoints the Company's Statutory Auditors and **Alternate Auditors**, in accordance with the law.

The new provisions of article L. 823-1, paragraph 2 of the French Commercial Code introduced by the Sapin II Act of December 9, 2016, stipulate that companies are only required to appoint one or more Alternate Auditors if their Statutory Auditor is an individual or a one-person company. In order to apply these new provisions, shareholders are asked in the **twenty-third resolution** to simplify the language in the first paragraph of article 20 of the Company's by-laws on Alternate Auditors as follows:

*"The Shareholders' General Meeting appoints the Auditors and Alternate Auditors in accordance with the law."*

All other paragraphs in article 20 remain unchanged.

## 10. POWERS

As in previous years, the **twenty-fourth and final resolution** grants all necessary powers to carry out legal formalities arising from the Shareholders' General Meeting.

# DRAFTS OF RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS

## ORDINARY PART

### FIRST RESOLUTION

***Approval of the Company's management and statutory financial statements for the year ended December 31, 2018***

Deliberating in accordance with the rules of quorum and majority applicable to ordinary shareholders' general meetings and having considered both the Management Report prepared by the Board of Directors and the Statutory Auditors' report on the annual financial statements, the shareholders approve the financial statements for the year ended December 31, 2018 as presented, as well as the transactions reflected in them and referred to in the reports.

### SECOND RESOLUTION

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

Deliberating in accordance with the rules of quorum and majority applicable to ordinary shareholders' general meetings and having considered both the Management Report prepared by the Board of Directors and the Statutory Auditors' report on the Group's consolidated financial statements, the shareholders approve the consolidated financial statements for the year ended December 31, 2018 as presented, as well as the transactions reflected in them and referred to in the reports.

### THIRD RESOLUTION

***Appropriation of profit and setting the dividend with respect to the year ended December 31, 2018***

Deliberating in accordance with the rules of quorum and majority applicable to ordinary shareholders' general meetings and having considered the Management Report prepared by the Board of Directors, the shareholders:

• acknowledge that the Company's profit for the past financial year is:	€72,901,776.86
• plus retained earnings of:	€396,662,784.94
• representing a total distributable amount of:	----- €469,564,561.80
• and therefore, decide to pay a dividend of €2.15 in respect of 2018 to each of the 79,485,694 shares that made up the share capital at December 31, 2018, representing a total payout of:	€(170,894,242.10)
• and allocate the balance to retained earnings which now amount to:	€298,670,319.70

The shareholders decide that the total dividend payout shall be adjusted to take into account the number of shares issued due to stock options that have been exercised since January 1, 2019 and are eligible for the 2018 dividend at the date of payment. The amount allocated to retained earnings will be determined on the basis of the total actual dividend payout. Furthermore, if the Company holds any treasury shares on the date at which the dividend is paid, the dividend corresponding to these shares will not be paid and will be allocated to retained earnings.

The shareholders decide that the dividend will be payable from May 22, 2019.

In accordance with article 243 *bis* of the French Tax Code, individual shareholders domiciled in France for tax purposes may benefit from a 40% tax allowance, as stipulated in article 158-3-2° of the French Tax Code, subject to the taxpayer opting to be taxed according to the standard income tax bands set out in article 200-A-2 of said Code.

The shareholders acknowledge that the dividends paid with respect to the previous three financial years were as follows:

Financial year ending	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2015
Net dividend per share	€2.075*	€1.87*	€1.75*
Number of shares carrying dividend rights	79,313,151	79,265,238	78,557,578
Total net payout	€164.6M	€148.2M	€137.5M

\* Fully eligible for the 40% tax allowance for individual shareholders domiciled in France for tax purposes stipulated in article 158-3-2° of the French Tax Code

#### **FOURTH RESOLUTION**

***Statutory Auditors' special report governed by article L. 225-40 of the French Commercial Code and approval of the commitments given by the Company to Conrad Keijzer in 2018, in accordance with article L. 225-42-1 of the French Commercial Code***

Deliberating in accordance with the rules of quorum and majority applicable to ordinary shareholders' general meetings and having considered both the Management Report prepared by the Board of Directors and the Statutory Auditors' special report prepared in accordance with the provisions of article L. 225-40 of the French Commercial Code, the shareholders approve all commitments given by the Company to Conrad Keijzer in his capacity as Deputy Chief Executive Officer then Chief Executive Officer in accordance with the provisions of article L. 225-42-1 of said Code and as approved by the Board of Directors at its meeting of March 8, 2018.

#### **FIFTH RESOLUTION**

***Statutory Auditors' special report governed by article L. 225-40 of the French Commercial Code and approval of the exceptional compensation awarded to Gilles Michel in 2018, in accordance with article L. 225-46 of the French Commercial Code***

Deliberating in accordance with the rules of quorum and majority applicable to ordinary shareholders' general meetings and having considered both the Management Report prepared by the Board of Directors and the Statutory Auditors' special report prepared in accordance with the provisions of article L. 225-40 of the French Commercial Code, the shareholders approve the exceptional compensation awarded to Gilles Michel in his capacity as Chairman of the Board in accordance with the provisions of article L. 225-46 of said Code and as approved by the Board of Directors at its meeting of May 4, 2018.

#### **SIXTH RESOLUTION**

***Approval of the principles and criteria used to determine, allocate and grant the fixed, variable and exceptional components of the total compensation and benefits payable to executive corporate officers***

Deliberating in accordance with the rules of quorum and majority applicable to Ordinary General Meetings and having considered the Corporate Governance Report in accordance with article L. 225-37 of the French Commercial Code, the shareholders approve the principles and criteria used to determine, allocate and grant the fixed, variable and exceptional components of the total compensation and benefits payable to the Company's executive corporate officers, in accordance with the provisions of article L. 225-37-2 of said Code.

#### **SEVENTH RESOLUTION**

***Approval of the fixed, variable and exceptional components of the total compensation and benefits paid or granted with respect to the year ended December 31, 2018 to Conrad Keizer in his capacity as Deputy Chief Executive Officer, then Chief Executive Officer***

Deliberating in accordance with the rules of quorum and majority applicable to ordinary shareholders' general meetings and having considered the Corporate Governance Report in accordance with article L. 225-37 of the French Commercial Code, the shareholders approve, in accordance with the provisions of articles L. 225-37-2 and L. 225-100 of said Code, the fixed, variable and exceptional components of the total compensation and benefits paid or granted with respect to the year ended December 31, 2018 to Conrad Keizer in his capacity as Deputy Chief Executive Officer from March 8, 2018 to May 4, 2018, then Chief Executive Officer from that date onward, as detailed in the presentation of resolutions prepared by the Board of Directors, published in the present chapter and forming an integral part of the Corporate Governance Report governed by article L. 225-37 of the French Commercial Code.

#### **EIGHTH RESOLUTION**

***Approval of the fixed, variable and exceptional components of the total compensation and benefits paid or granted with respect to the year ended December 31, 2018 to Gilles Michel in his capacity as Chairman and Chief Executive Officer, then Chairman of the Board***

Deliberating in accordance with the rules of quorum and majority applicable to ordinary shareholders' general meetings and having considered the Corporate Governance Report in accordance with article L. 225-37 of the French Commercial Code, the shareholders approve, in accordance with the provisions of articles L. 225-37-2 and L. 225-100 of said Code, the fixed, variable and exceptional components of the total compensation and benefits paid or granted with respect to the year ended December 31, 2018 to Gilles Michel in his capacity as Chairman and Chief Executive Officer until May 4, 2018, then Chairman of the Board from that date onward, as detailed in the presentation of resolutions prepared by the Board of Directors, published in the present chapter and forming an integral part of the Corporate Governance Report governed by article L. 225-37 of the French Commercial Code.

## **NINTH RESOLUTION**

### ***Renewal of the term of office of Odile Desforges as a director***

Deliberating in accordance with the rules of quorum and majority applicable to ordinary shareholders' general meetings, having considered the Management Report prepared by the Board of Directors and acknowledged that the directorship of Odile Desforges expires at the close of the present Shareholders' General Meeting, the shareholders decide to re-appoint Odile Desforges as a director for a term expiring at the close of the Shareholders' General Meeting to be held in 2022 to approve the financial statements for the year ending December 31, 2021, in accordance with statutory provisions.

## **TENTH RESOLUTION**

### ***Renewal of the term of office of Ian Gallienne as a director***

Deliberating in accordance with the rules of quorum and majority applicable to ordinary shareholders' general meetings, having considered the Management Report prepared by the Board of Directors and acknowledged that the directorship of Ian Gallienne expires at the close of the present Shareholders' General Meeting, the shareholders decide to re-appoint Ian Gallienne as a director for a term expiring at the close of the Shareholders' General Meeting to be held in 2022 to approve the financial statements for the year ending December 31, 2021, in accordance with statutory provisions.

## **ELEVENTH RESOLUTION**

### ***Renewal of the term of office of Lucile Ribot as a director***

Deliberating in accordance with the rules of quorum and majority applicable to ordinary shareholders' general meetings, having considered the Management Report prepared by the Board of Directors and acknowledged that the directorship of Lucile Ribot expires at the close of the present Shareholders' General Meeting, the shareholders decide to re-appoint Lucile Ribot as a director for a term expiring at the close of the Shareholders' General Meeting to be held in 2022 to approve the financial statements for the year ending December 31, 2021, in accordance with statutory provisions.

## **TWELFTH RESOLUTION**

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

Deliberating in accordance with the rules of quorum and majority applicable to ordinary shareholders' general meetings, having considered the Management Report prepared by the Board of Directors and in accordance with the provisions of articles L. 225-209 *et seq.* of the French Commercial Code, articles 241-1 to 241-7 of the AMF's General Regulations and Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse, the shareholders:

- 1) authorize the Board of Directors, or any representative duly empowered in accordance with the law, to purchase the Company's shares in order to:
  - cancel them at a later date to reduce the Company's capital, subject to approval of the twenty-second resolution submitted to the present Shareholders' General Meeting,
  - cover stock purchase option plans and/or free share grants, as well as any shares granted under shareholding plans set up by the Company (or assimilated plans), or with respect to profit-sharing programs for current employees, former employees and/or corporate officers of the Company and/or any related companies as defined by articles L. 225-180 and L. 233-16 of the French Commercial Code, within the current legal framework or *ad hoc* plans set up by the Company,
  - grant or exchange shares purchased, in particular, on exercise of rights or issue of shares or securities redeemable, convertible, exchangeable or otherwise exercisable for shares of the Company,
  - maintain 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, operate for any other purpose that is or may come to be authorized by law, and/or implement any market practice that may come to be authorized by the AMF.

Shares may be purchased, sold, transferred or exchanged at any time, except during a public offer for the Company's shares, in accordance with applicable regulations on the market or over the counter and by any means, including block transfers and the use or exercise of any financial instrument or derivative;

- 2) set the following limits within which the Board of Directors may use the present authorization:
  - the number of shares that may be purchased may not exceed 10% of the total number of shares issued and outstanding at January 1, 2019, *i.e.* 7,948,569 shares,
  - the number of shares the Company may hold, whether directly or indirectly at any time, may not exceed 5% of the Company's share capital,
  - the price at which shares are purchased may not exceed €85,
  - consequently, the Company's total investment in share buy-backs may not exceed €675.6 million;



- 3) decide that, if the par value of shares changes, the capital is increased by capitalizing reserves or free shares grants, or in the event of a stock split or reverse stock split, the aforementioned maximum investment available for share buy-backs and the maximum number of shares to be repurchased will be adjusted by the ratio between the number of shares that made up the capital before the operation and the number after the operation;
- 4) set the term of this authorization at 18 months from the date of the present Shareholders' General Meeting, which renders null and void the unused portion of any authorizations previously granted to the Board of Directors regarding share buy-backs;
- 5) grant full powers to the Board of Directors, or any representative duly empowered in accordance with the law, to implement this authorization and, in particular, place any and all buy and sell orders, sign any and all sale, exchange or transfer agreements, file any statements with the AMF or any other organization, carry out all other formalities, and generally do everything necessary to use this authorization.

## **EXTRAORDINARY PART**

### **THIRTEENTH RESOLUTION**

***Delegation of authority granted to the Board of Directors to increase the share capital by issuing shares or securities carrying rights to shares of the Company, immediately or at a later date, with pre-emptive subscription rights***

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary shareholders' general meetings, having considered both the Management Report prepared by the Board of Directors and the Statutory Auditors' special report and in accordance with the provisions of articles L. 225-129-2 and L. 228-91 *et seq.* of the French Commercial Code, the shareholders:

- 1) delegate authority to the Board of Directors to increase the Company's share capital, on one or more occasions, on the market in France and/or overseas, in euros or any other currency, by issuing with pre-emptive subscription rights ordinary shares and/or any securities or debt securities carrying rights of any kind to ordinary shares of the Company to be issued, immediately or at a later date (at any time or at a set date), or in accordance with article L. 228-93 of the French Commercial Code any company that directly or indirectly holds over half of its capital or in which it directly or indirectly holds over half of the capital in securities that are redeemable, convertible, exchangeable or otherwise exercisable for shares. These securities may be denominated in foreign currencies or any monetary unit determined by reference to a basket of several currencies. The amounts and timing of such issues will be determined at the Board's discretion;
- 2) decide to set the ceiling for issues carried out by the Board of Directors under the present delegation of authority as follows:
  - the total nominal amount of ordinary shares that may be issued, directly or in consideration for securities, under the present delegation may not exceed €75 million, *i.e.* approximately 47% of the Company's capital at December 31, 2018. The nominal amount of such issues is included in the blanket ceiling for capital increases set in paragraph 1 of the twentieth resolution and is increased where necessary by the additional nominal amount of shares to be issued in order to maintain the rights of bearers of securities or other shares carrying rights to shares of the Company, in accordance with any applicable legal and contractual provisions,
  - the total nominal amount of debt securities that may be issued under the present delegation and carry rights immediately or at a later date to shares of the Company may not exceed €1 billion or the equivalent value on the date at which the decision is made to carry out the issue. The nominal amount of such issues is included in the blanket ceiling for issues of debt securities set in paragraph 2 of the twentieth resolution;
- 3) in the event the present delegation of authority is used:
  - decide that the issue(s) will give priority to existing shareholders able to exercise non-renounceable pre-emptive subscription rights,
  - grant the Board of Directors the possibility of offering renounceable subscription rights,
  - decide, in accordance with the provisions of article L. 225-134 of the French Commercial Code, that in the event the non-renounceable pre-emptive subscription rights and where applicable the renounceable subscription rights are not sufficient to absorb the full issue as detailed above, the Board of Directors may use one or any of the following as it sees fit:
    - limit the issue to the amount subscribed, if this amount is equal to a minimum of at least three quarters of the issue initially considered,
    - freely allocate all or part of the unsubscribed shares,
    - offer all or part of the unsubscribed shares to the public;
- 4) note that the present delegation requires shareholders to waive their pre-emptive subscription rights to shares of the Company to which securities issued under the present delegation may carry rights;



- 5) decide to grant the Board of Directors, within the aforementioned limits, the necessary powers to:
  - set the conditions of the issue(s) and in particular the type and characteristics of the securities to be created, decide the dates at which to open and close the subscription period, acknowledge any resulting increase in capital and make any changes to the by-laws,
  - allocate the cost of capital increases to the related premiums on its own initiative and withhold from this amount the necessary funds to bring the legal reserve to 10% of the share capital after each capital increase,
  - carry out all necessary adjustments in accordance with any applicable legal and contractual provisions and set the conditions under which they will maintain the rights of bearers of securities or other shares carrying rights to shares of the Company, where required,
  - delegate to the Chief Executive Officer, or to one or several Deputy Chief Executive Officers with the approval of the Chief Executive Officer, all necessary powers to carry out or postpone capital increases within the limits and conditions previously agreed by the Board of Directors,
  - and, more generally, take all necessary measures, conclude any agreements, carry out all other formalities and do everything necessary to successfully complete the planned issues;
- 6) decide that the Board of Directors may not use the present delegation of authority during a public offer for the Company's shares without prior approval from the shareholders;
- 7) grant the present delegation for a period of 26 months from the date of the present Shareholders' General Meeting, which supersedes any previous delegation granted for the same purpose.

#### **FOURTEENTH RESOLUTION**

***Delegation of authority granted to the Board of Directors to increase the share capital by issuing shares or securities carrying rights to shares of the Company, immediately or at a later date, without pre-emptive subscription rights open to the public***

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary shareholders' general meetings, having considered both the Management Report prepared by the Board of Directors and the Statutory Auditors' special report and in accordance with the provisions of articles L. 225-129-2, L. 225-135, L. 225-136, and L. 228-91 *et seq.* of the French Commercial Code, the shareholders:

- 1) delegate authority to the Board of Directors to increase the Company's share capital, on one or more occasions, on the market in France and/or overseas, in euros or any other currency, by issuing to the public ordinary shares and/or any securities or debt securities carrying rights of any kind to ordinary shares of the Company to be issued, immediately or at a later date (at any time or at a set date), or in accordance with article L. 228-93 of the French Commercial Code any company that directly or indirectly holds over half of its capital or in which it directly or indirectly holds over half of the capital in securities that are redeemable, convertible, exchangeable or otherwise exercisable for shares. These securities may be denominated in foreign currencies or any monetary unit determined by reference to a basket of several currencies. The amounts and timing of such issues will be determined at the Board's discretion;
- 2) decide to set the ceiling for issues carried out by the Board of Directors under the present delegation of authority as follows:
  - the total nominal amount of ordinary shares that may be issued, directly or in consideration for securities, under the present delegation may not exceed €15 million, *i.e.* approximately 9.4% of the Company's capital at December 31, 2018. The amount constitutes a sub-ceiling in which all issues without pre-emptive subscription rights would be included. The nominal amount issued under the present delegation is included in the blanket ceiling for capital increases set in paragraph 1 of the twentieth resolution and is increased where necessary by the additional nominal amount of shares to be issued in order to maintain the rights of bearers of securities or other shares carrying rights to shares of the Company, in accordance with any applicable legal and contractual provisions,
  - the total nominal amount of debt securities that may be issued under the present delegation and carry rights immediately or at a later date to shares of the Company may not exceed €1 billion or the equivalent value on the date at which the decision is made to carry out the issue. The nominal amount of such issues is included in the blanket ceiling for issues of debt securities set in paragraph 2 of the twentieth resolution;
- 3) decide to cancel the shareholders' pre-emptive subscription rights to shares issued under the present resolution while maintaining the Board of Directors' authority to grant shareholders a priority subscription period, in accordance with article L. 225-135 of the French Commercial Code, that does not give rise to tradable rights, which must be applied in proportion to the number of shares owned by each shareholder. Applicable to all or part of the issue, this period may last as long and be applied in any way agreed by the Board of Directors;
- 4) note that the present delegation requires shareholders to waive their pre-emptive subscription rights to shares of the Company to which securities issued under the present delegation may carry rights;

- 5) decide that:
  - the issue price for ordinary shares issued under the present delegation is set by the Board of Directors in accordance with the provisions of articles L. 225-136 1° and R. 225-119 of the French Commercial Code. The price must be equal to at least the weighted average Imerys share price from the last three trading days preceding the date at which the price is set, which may be discounted by a maximum of 5%,
  - the issue price for securities carrying rights to shares of the Company is set at a price equal to the amount immediately received plus where applicable the amount that may be received at a later date, meaning for each ordinary share of the Company issued as a result of the securities issue, the price must be at least equal to that required by the previous paragraph after taking into account any difference in price at the cum-rights date;
- 6) decide that the Board of Directors may, within the limit of the total issue amount authorized in paragraph 2 above, issue ordinary shares and/or securities carrying rights immediately or at a later date to existing or future shares of the Company, in consideration for securities tendered to the Company as part of a public share exchange offer that meets the conditions stipulated by article L. 225-148 of the French Commercial Code;
- 7) decide to grant the Board of Directors, within the aforementioned limits, the necessary powers to:
  - set the conditions of the issue(s) and in particular the type and characteristics of the securities to be created, decide the dates at which to open and close the subscription period, acknowledge any resulting increase in capital and make any changes to the by-laws,
  - for share issues in consideration for securities tendered to the Company as part of a public share exchange offer: set the number and type of shares in consideration, the terms and conditions of the issue, the exchange ratio as well as any balance to be paid in cash,
  - allocate the cost of capital increases to the related premiums on its own initiative and withhold from this amount the necessary funds to bring the legal reserve to 10% of the share capital after each capital increase,
  - carry out all necessary adjustments in accordance with any applicable legal and contractual provisions and set the conditions under which they will maintain the rights of bearers of securities or other shares carrying rights to shares of the Company, where required,
  - delegate to the Chief Executive Officer, or to one or several Deputy Chief Executive Officers with the approval of the Chief Executive Officer, all necessary powers to carry out or postpone capital increases within the limits and conditions previously agreed by the Board of Directors,
  - and, more generally, take all necessary measures, conclude any agreements, carry out all other formalities and do everything necessary to successfully complete the planned issues;
- 8) decide that the Board of Directors may not use the present delegation of authority during a public offer for the Company's shares without prior approval from the shareholders;
- 9) grant the present delegation for a period of 26 months from the date of the present Shareholders' General Meeting, which supersedes any previous delegation given for the same purpose.

#### **FIFTEENTH RESOLUTION**

***Delegation of authority granted to the Board of Directors to increase the share capital by issuing shares or securities carrying rights to shares of the Company, immediately or at a later date, without pre-emptive subscription rights, through private placements as stipulated by article L. 411-2-II of the French Monetary and Financial Code***

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary shareholders' general meetings, having considered both the Management Report prepared by the Board of Directors and the Statutory Auditors' special report and in accordance with the provisions of articles L. 225-129-2, L. 225-135, L. 225-136, and L. 228-91 *et seq.* of the French Commercial Code and article L. 411-2 of the French Monetary and Financial Code, the shareholders:

- 1) delegate authority to the Board of Directors to increase the Company's share capital, on one or more occasions, through private placements as stipulated by article L. 411-2-II of the French Monetary and Financial Code, in France or overseas, of ordinary shares and/or any securities or debt securities carrying rights of any kind to ordinary shares of the Company to be issued, immediately or at a later date (at any time or at a set date) that are redeemable, convertible, exchangeable or otherwise exercisable for shares. These securities may be denominated in foreign currencies or any monetary unit determined by reference to a basket of several currencies. The amounts and timing of such issues will be determined at the Board's discretion;

- 2) decide to set the ceiling for issues carried out by the Board of Directors under the present delegation of authority as follows:
  - the total nominal amount of shares that may be issued, directly or in consideration for securities, under the present delegation may not exceed 10% of the Company's capital at the date of issue. The nominal amount of such issues is included in the specific ceiling for capital increases set in paragraph 2 of the fourteenth resolution above and is increased where necessary by the additional nominal amount of shares to be issued in order to maintain the rights of bearers of securities or other shares carrying rights to shares of the Company, in accordance with any applicable legal and contractual provisions,
  - the total nominal amount of debt securities that may be issued under the present delegation and carry rights immediately or at a later date to shares of the Company may not exceed €1 billion or the equivalent value on the date at which the decision is made to carry out the issue. The nominal amount of such issues is included in the blanket ceiling for issues of debt securities set in paragraph 2 of the twentieth resolution;
- 3) decide to cancel the shareholders' pre-emptive subscription rights to shares issued under the present resolution
- 4) note that the present delegation requires shareholders to waive their pre-emptive subscription rights to shares of the Company to which securities issued under the present delegation may carry rights;
- 5) decide that:
  - the issue price for ordinary shares issued under the present delegation is set by the Board of Directors in accordance with the provisions of articles L. 225-136 1° and R. 225-119 of the French Commercial Code. The price must be equal to at least the weighted average Imerys share price from the last three trading days preceding the date at which the price is set, which may be discounted by a maximum of 5%,
  - the issue price for securities carrying rights to shares of the Company is set at a price equal to the amount immediately received plus where applicable the amount that may be received at a later date, meaning for each ordinary share of the Company issued as a result of the securities issue, the price must be at least equal to that required by the previous paragraph after taking into account any difference in price at the cum-rights date;
- 6) decide to grant the Board of Directors, within the aforementioned limits, the necessary powers to:
  - set the conditions of the issue(s) and in particular the type and characteristics of the securities to be created, decide the dates at which to open and close the subscription period, acknowledge any resulting increase in capital and make any changes to the by-laws,
  - allocate the cost of capital increases to the related premiums on its own initiative and withhold from this amount the necessary funds to bring the legal reserve to 10% of the share capital after each capital increase,
  - carry out all necessary adjustments in accordance with any applicable legal and contractual provisions and set the conditions under which they will maintain the rights of bearers of securities or other shares carrying rights to shares of the Company, where required,
  - delegate to the Chief Executive Officer, or to one or several Deputy Chief Executive Officers with the approval of the Chief Executive Officer, all necessary powers to carry out or postpone capital increases within the limits and conditions previously agreed by the Board of Directors,
  - and, more generally, take all necessary measures, conclude any agreements, carry out all other formalities and do everything necessary to successfully complete the planned issues;
- 7) decide that the Board of Directors may not use the present delegation of authority during a public offer for the Company's shares without prior approval from the shareholders;  
grant the present delegation for a period of 26 months from the date of the present Shareholders' General Meeting, which supersedes any previous delegation granted for the same purpose.

## **SIXTEENTH RESOLUTION**

### ***Delegation of authority granted to the Board of Directors to increase the number of shares to be issued in a capital increase with or without pre-emptive subscription rights***

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary shareholders' general meetings, having considered both the Management Report prepared by the Board of Directors and the Statutory Auditors' special report and in accordance with the provisions of article L. 225-135-1 of the French Commercial Code, the shareholders:

- 1) delegate to the Board of Directors, or any representative duly empowered in accordance with the law, the authority to increase the number of shares to be issued under the thirteenth, fourteenth and fifteenth resolutions of the present Shareholders' General Meeting, within the deadline and percentage of the initial issue set by legal and regulatory provisions in force at the time of the issue (currently, within 30 days of closing the subscription period and within 15% of the initial issue), and at the same price as that set for the initial issue;

- 2) decide that the nominal amount of issues carried out under the present delegation is included in the specific ceiling for capital increases applicable to the initial issue set in the thirteenth, fourteenth and fifteenth resolutions of the present Shareholders' General Meeting, as applicable, and in the blanket ceiling for capital increases set in the twentieth resolution of the present Shareholders' General Meeting;
- 3) decide that the Board of Directors may not use the present delegation of authority during a public offer for the Company's shares without prior approval from the shareholders;
- 4) grant the present delegation for a period of 26 months from the date of the present Shareholders' General Meeting, which supersedes any previous delegation granted for the same purpose.

## **SEVENTEENTH RESOLUTION**

***Authorization granted to the Board of Directors to set the issue price of shares or securities carrying rights to shares of the Company for issues without pre-emptive subscription rights, up to 10% of capital per year***

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary shareholders' general meetings, having considered both the Management Report prepared by the Board of Directors and the Statutory Auditors' special report and in accordance with the provisions of articles L. 225-129-2 and L. 225-136, 1°, paragraph 2 of the French Commercial Code, the shareholders:

- 1) authorize the Board of Directors to overlook the conditions for setting the issue price of ordinary shares or securities carrying rights to shares of the Company, as part of issues without pre-emptive subscription rights under the terms and conditions set by the fourteenth and fifteenth resolutions and within the annual ceiling of 10% of the Company's share capital at the end of the month preceding the issue date. This price can then be set:
  - for ordinary share issues, at the closing price from the last trading day of the Imerys share on the Euronext Paris stock exchange preceding the date at which the issue price is set, which may be discounted by a maximum of 10%, and
  - for issues of securities carrying rights to shares of the Company, at a price equal to the amount immediately received by the Company, plus where applicable the amount that may be received by the Company at a later date, meaning for each ordinary share of the Company issued as a result of the securities issue, the price must be at least equal to that required by the previous paragraph;
- 2) specify, where necessary, that the nominal amount of issues carried out under the present authorization is included in the specific ceiling for capital increases set in paragraph 2 of the fourteenth resolution above;
- 3) decide that the Board of Directors may not use the present authorization during a public offer for the Company's shares without prior approval from the shareholders;
- 4) grant the present authorization for a period of 26 months from the date of the present Shareholders' General Meeting, which supersedes any previous authorization granted for the same purpose.

## **EIGHTEENTH RESOLUTION**

***Delegation of power granted to the Board of Directors to increase the share capital in consideration for contributions in kind made up of shares or securities carrying rights to shares, immediately or at a later date, up to 10% of capital per year***

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary shareholders' general meetings, having considered both the Management Report prepared by the Board of Directors and the Statutory Auditors' special report and in accordance with the provisions of articles L. 225-147 and L. 228-91 *et seq.* of the French Commercial Code, the shareholders:

- 1) delegate to the Board of Directors all necessary powers to issue ordinary shares and/or any securities or debt securities carrying rights of any kind to existing or future ordinary shares of the Company, immediately or at a later date (at any time or at a set date), in consideration for contributions in kind granted to the Company and made up of shares or securities carrying rights to shares on the basis of a report prepared by one or several auditors and within the limit of 10% of the Company's share capital at the date at which the present delegation is used, wherever the provisions of article L. 225-148 of the French Commercial Code do not apply;
- 2) decide that the total nominal amount issued under the present delegation is included in the specific ceiling for capital increases set in paragraph 2 of the fourteenth resolution and is increased where necessary by the additional nominal amount of shares to be issued in order to maintain the rights of bearers of securities or other shares carrying rights to shares of the Company, in accordance with any applicable legal and contractual provisions;
- 3) note, as necessary, that the present delegation requires shareholders to waive their pre-emptive subscription rights to shares of the Company issued under the present delegation in favor of the bearers of shares or securities tendered as contributions in kind;
- 4) decide to grant full powers to the Board of Directors, or any representative duly empowered in accordance with the law, within the limits set above, to assess the contributions and the approve report prepared by one or several auditors, fix the terms and conditions of authorized transactions and in particular the way in which

the contributions are assessed and where applicable any special benefits granted, set the number of shares to be issued in consideration as well as their characteristics, carry out where necessary any allocations to issue premiums, acknowledge any resulting increase in capital, make any changes to the by-laws, carry out all formalities, make any declaration and do everything necessary to successfully complete the planned issues;

- 5) decide that the Board of Directors may not use the present delegation of powers during a public offer for the Company's shares without prior approval from the shareholders;
- 6) grant the present delegation for a period of 26 months from the date of the present Shareholders' General Meeting, which supersedes any previous delegation granted for the same purpose.

#### **NINETEENTH RESOLUTION**

##### ***Delegation of authority granted to the Board of Directors to increase the share capital by capitalizing retained earnings, profits, additional paid-in capital, issue premiums or other items***

Deliberating in accordance with the rules of quorum and majority applicable to ordinary shareholders' general meetings, having considered the Management Report prepared by the Board of Directors and in accordance with the provisions of articles L. 225-129, L. 225-129-2 and L. 225-130 of the French Commercial Code, the shareholders:

- 1) grant authority to the Board of Directors to increase the Company's capital, on one or several occasions, by capitalizing all or part of retained earnings, profits, additional paid-in capital or issue premiums or any other item that may be capitalized, through free share grants, increasing the par value of existing shares or a combination of both these methods. The amounts and timing of such issues will be determined at the Board's discretion;
- 2) decide that the total nominal amount of ordinary shares that may be issued under the present delegation may not exceed the specific ceiling for capital increases set in paragraph 2 of the thirteenth resolution above and is increased where necessary by the additional nominal amount of shares to be issued in order to maintain the rights of bearers of securities or other shares carrying rights to shares of the Company, in accordance with any applicable legal and contractual provisions;
- 3) decide to grant the Board of Directors, within the aforementioned limits, the necessary powers to:
  - set the terms and conditions of the issue(s), in particular the amount and type of retained earnings or premiums to capitalize, decide the number of new shares to issue or the amount by which the par value of shares making up the share capital will be increased, set the cum-rights date, which may be retrospective, or the date at which the increase will come into effect, acknowledge the resulting increase in capital and make any changes to the by-laws,
  - allocate the cost of capital increases to the related premiums on its own initiative and withhold from this amount the necessary funds to bring the legal reserve to 10% of the share capital after each capital increase,
  - carry out all necessary adjustments in accordance with any applicable legal and contractual provisions and set the conditions under which they will maintain the rights of bearers of securities or other shares carrying rights to shares of the Company, where required,
  - decide, where necessary, that fractional shares may not be traded or transferred and must be sold, the value of which will be allocated to the rights holders within the time and under the conditions set out in current regulations,
  - delegate to the Chief Executive Officer, or to one or several Deputy Chief Executive Officers with the approval of the Chief Executive Officer, all necessary powers to carry out or postpone capital increases within the limits and conditions previously agreed by the Board of Directors,
  - and, more generally, take all necessary measures, conclude any agreements, carry out all other formalities and do everything necessary to successfully complete the planned issues;
- 4) decide that the Board of Directors may not use the present delegation of authority during a public offer for the Company's shares without prior approval from the shareholders;
- 5) grant the present delegation for a period of 26 months from the date of the present Shareholders' General Meeting, which supersedes any previous delegation granted for the same purpose.

#### **TWENTIETH RESOLUTION**

##### ***Overall ceiling for the nominal amount of share capital increases and issues of debt securities resulting from previous delegations and authorizations***

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary shareholders' general meetings and having considered the Management Report prepared by the Board of Directors, the shareholders decide to set:

- 1) at €75 million the maximum nominal amount of capital increases that may be carried out immediately or at a later date under the delegations and authorizations granted in the thirteenth, fourteenth, fifteenth, sixteenth, eighteenth and nineteenth resolutions of the present Shareholders' General Meeting. This ceiling is increased



where necessary by the additional nominal amount of shares to be issued in order to maintain the rights of bearers of securities or other shares carrying rights to shares of the Company, in accordance with any applicable legal and contractual provisions;

- 2) at €1 billion, or the equivalent value on the date at which the decision is made to carry out the issue, the maximum nominal amount of debt securities that may be issued under the delegations and authorizations to issue securities carrying rights, immediately or at a later date, to a proportion of share capital granted by the thirteenth, fourteenth, fifteenth, sixteenth and eighteenth resolutions of the present Shareholders' General Meeting.

## **TWENTY-FIRST RESOLUTION**

### ***Delegation of authority granted to the Board of Directors to increase the share capital by issuing shares or securities carrying rights to shares of the Company reserved for members of a Company or Group savings plan without pre-emptive subscription rights***

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary shareholders' general meetings, having considered both the Management Report prepared by the Board of Directors and the Statutory Auditors' special report and in accordance with the provisions of articles L. 3332-1 *et seq.* of the French Labor Code (*Code du travail*) regarding employee savings schemes and articles L. 225-129-2 to L. 225-129-6 and L. 225-138-1 of the French Commercial Code, the shareholders:

- 1) grant authority to the Board of Directors to increase the Company's capital, on one or several occasions, by issuing ordinary shares and/or any securities carrying rights of any kind to shares of the Company, immediately or at a later date, reserved for members of a company or group savings plan set up by the Company and/or companies or groups of entities based in France or overseas related to it within the meaning of article L.225-180 of the French Commercial Code and article L. 3344-1 of the French Labor Code, and which meet any conditions that may be set by the Board of Directors. The amounts and timing of such issues will be determined at the Board's discretion;
- 2) decide that the nominal amount of capital increases that may be carried out under the present delegation may not exceed €1.6 million, *i.e.* approximately 1% of the Company's capital at December 31, 2018. The ceiling is separate from the blanket ceiling for capital increases set in the twentieth resolution of the present Shareholders' General Meeting and is increased where necessary by the nominal amount of shares to be issued in order to maintain the rights of bearers of securities or other shares carrying rights to shares of the Company, in accordance with any applicable legal and contractual provisions;
- 3) decide that the subscription price for shares issued under the present delegation may not be less than the average share price from the last 20 trading days preceding the date at which the Board of Directors sets the opening date for subscriptions, minus any maximum discount authorized by law at the date of the Board of Directors' decision;
- 4) decide to cancel the shareholders' pre-emptive subscription rights to shares issued to the aforementioned beneficiaries;
- 5) grant full powers to the Board of Directors, or any representative duly empowered in accordance with the law, to implement the present delegation and, in particular, to:
  - identify the companies whose employees and corporate officers are eligible to subscribe to issues under the present delegation,
  - set the conditions, in particular length of service, beneficiaries must meet to be eligible to subscribe,
  - set the conditions of the issue(s), acknowledge any resulting increase in capital and make any changes to the by-laws,
  - set the opening and closing subscription dates, the price, the cum-rights date for shares issued and the conditions under which shares may be paid up,
  - decide whether subscriptions may be made directly and/or indirectly through a mutual fund,
  - set the terms and conditions for joining company or group savings plans, draw up and modify the rules for existing plans if necessary,
  - allocate the cost of capital increases to the related premiums on its own initiative and withhold from this amount the necessary funds to bring the legal reserve to 10% of the share capital after each capital increase,
  - carry out all necessary adjustments in accordance with any applicable legal and contractual provisions and set the conditions under which they will maintain the rights of bearers of securities or other shares carrying rights to shares of the Company, where required,
  - and, more generally, take all necessary measures, conclude any agreements, carry out all other formalities and do everything necessary to successfully complete the planned issues;
- 6) grant the present delegation for a period of 26 months from the date of the present Shareholders' General Meeting, which supersedes any previous delegation granted for the same purpose.

## **TWENTY-SECOND RESOLUTION**

### ***Authorization granted to the Board of Directors to reduce the Company's share capital by canceling treasury shares***

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary shareholders' general meetings, having considered both the Management Report prepared by the Board of Directors and the Statutory Auditors' special report and in accordance with the provisions of articles L. 225-209 *et seq.* of the French Commercial Code, the shareholders:

- 1) authorize the Board of Directors, or any representative duly empowered in accordance with the law, to cancel, on one or more occasions, all or part of the Company's treasury shares, representing up to 10% of its capital per 24-month period, reducing its share capital by an equal amount and allocating the difference between the purchase price of the canceled shares and their par value to issue premiums and retained earnings.
- 2) grant full powers to the Board of Directors to decide the amount by which to reduce the Company's share capital within the limits stipulated by law and the present resolution and set the conditions, acknowledge the impact, allocate the difference between the purchase price of the canceled shares and their par value to issue premiums or retained earnings as it sees fit, carry out all duties, formalities, or declarations to complete the capital reductions under the present authorization and amend the by-laws accordingly;
- 3) grant the present authorization for a period of 26 months from the date of the present Shareholders' General Meeting, which supersedes any previous authorization granted for the same purpose.

## **TWENTY-THIRD RESOLUTION**

### ***Amendment to article 20 of the Company's by-laws concerning the Statutory Auditors***

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary shareholders' general meetings and having considered the Management Report prepared by the Board of Directors, the shareholders resolve to amend the first paragraph of **article 20** of the Company's by-laws in order to remove the reference to Alternate Auditors. The article is henceforth worded as follows:

#### **"Article 20 STATUTORY AUDITORS**

***"The Shareholders' General Meeting appoints the Statutory Auditors ~~and Alternate Auditors~~ in accordance with the law."***

The shareholders acknowledge that all other paragraphs in article 20 remain unchanged.

## **TWENTY-FOURTH RESOLUTION**

### ***Powers***

Deliberating in accordance with the rules of quorum and majority applicable to ordinary shareholders' general meetings, the shareholders give full powers to the bearer of an extract or copy of the minutes of the present Shareholders' General Meeting to carry out any and all filing and publication formalities.

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## IMERYS IN 2018: BRIEF OVERVIEW OF THE ACTIVITY

All financial data included in this summarized presentation are presented excluding the Roofing division in 2017 and 2018, unless otherwise specified.

Consolidated results (€ millions)	2017	2018	Change
Revenue	4,299.0	4,590.0	+ 6.8 %
Current operating income <sup>1</sup>	551.2	562.1	+ 2.0 %
Current operating margin	12.8%	12.2%	- 0.6 pt
Net income from current operations, Group share	335.1	356.8	+ 6.5 %
Net income, Group share	368.2	559.6	+ 52.0 %
Net current free operating cash flow	293.8	285.8	- 2.7%
Net financial debt	2,246.4	1,297.4	- 42.2%
Net income from current operations, Group share, per share <sup>2</sup>	4.24	4.50	+ 6.2 %
Proposed dividend per share	2.075	2.150	+ 3.6 %

### 2018 HIGHLIGHTS

#### Business portfolio management to improve the growth profile of Imerys

In 2018, Imerys has continued to reshape its business portfolio to reposition itself as a specialty minerals company and to improve its growth profile:

- Imerys has successfully integrated Kerneos, the world's leading provider of high-performance calcium aluminate binders for the growing building chemicals market, consolidated since July 2017. In 2018, the Group generated synergies in line with its plan.
- On October 11, Imerys has completed the disposal of its Roofing division, which represented the last remaining building materials business in its portfolio. Although highly profitable, this French business had limited growth prospects. This transaction significantly strengthened the Group's balance sheet, generating a cash flow of €823 million, and a net capital gain of €740 million.

#### Decisive actions to address adverse market changes in some of our operations

The Group has also made the following strategic decisions:

- Withdrawal from ceramic proppants in the United States, due to a fundamental technological shift in the market. Imerys decided to exit this business to limit its negative impact on current operating income to €5 million in 2018. The impairment and restructuring costs recognized at December 31, 2018 amounted to €148.4 million.
- Implementing a "care and maintenance regime" for natural graphite assets in Namibia and refocusing of the Graphite & Carbon division. As a result, the negative contribution of these activities to current operating income represented €7 million in 2018 and the impairment and restructuring costs recognized at December 31, 2018 amounted to €77.9 million.

#### New organization by market to further leverage our successful repositioning as a specialty minerals company

and more customer focused, organized around two segments and grouping five newly created business areas, to focus on Imerys' core markets. The General Managers of the five business areas will report directly to the Chief Executive Officer:

- The **Performance Minerals** segment brings together three geographic business areas: Europe Middle East Africa (EMEA), Americas and Asia Pacific (APAC), each serving plastics, paints & coatings, filtration, ceramics, renewable energy and paper & board markets;
- The **High Temperature Materials & Solutions** segment regroups two business areas: High Temperature Solutions, and Refractory Abrasives & Construction serving refractory, foundry, metal flow, abrasives and building chemistry markets.

This new organization will enable us to achieve our full organic growth potential and to further improve our competitive position for sustained value creation.

To mirror this new structure, a new Executive Committee has been appointed.

<sup>1</sup> Operating income as presented in the Group's financial statements, including other income and operating expenses and excluding income from discontinued activities, amounted to income of €499.1 million in 2017 and an expense of -€89.4 million in 2018.

<sup>2</sup> In 2018 the weighted average number of outstanding shares reached 79,238,417 in 2018 compared with 79,015,367 in 2017.



## POST CLOSING EVENT

### Imerys North American talc subsidiaries take major step for the permanent resolution of historic talc-related liabilities in the United-States

Certain subsidiaries of the Group, which operate its talc business in North America, are among the defendants in the actions brought before several U.S. federal and state courts by multiple plaintiffs. In these matters, the plaintiffs assert claims based on the alleged hazards related to the use of talc in certain products. Most of this litigation relates to sales made prior to Imerys's 2011 acquisition of its Talc business.

After evaluating a range of possible options, the three talc subsidiaries of Imerys – Imerys Talc America, Imerys Talc Vermont, and Imerys Talc Canada – representing the whole North American talc business of the Group are voluntarily seeking the protection of Chapter 11, a special legal process under U.S. law. This process allows these subsidiaries to safeguard their long-term business interests while working towards a permanent resolution of their historic talc-related liabilities. The Chapter 11 filing will not adversely affect the business operations, employees or customers of the Group, which will continue to operate as usual and honor all its obligations to stakeholders.

While taking this action, the Group continues to believe that the U.S. talc-related litigation is without merit, as the safety of talc has been confirmed by dozens of peer-reviewed studies and multiple regulatory and scientific bodies. The filing subsidiaries' decision was prompted by the actual and projected increase of defense and settlement costs over the next few years. Such increase follows heightened media coverage of U.S. cosmetic talc-related lawsuits and the growing reluctance by the filing entities' insurers and third-party contractual indemnitors to provide coverage against these increases without new and lengthy litigation by the filing subsidiaries to secure their rights.

The process initiated by the filing subsidiaries immediately suspends all outstanding U.S. talc litigation against the filing entities and avoids the overwhelming projected defense costs associated with the specific nature of the U.S. judicial system's handling of product liability claims. This process will enable the filing subsidiaries to resolve current and future claims related to past sales of talc in the U.S. through a plan of reorganization to be negotiated with representatives of existing and future claimants in the coming months.

Although significant, the impact of today's decision of the North American talc subsidiaries and the anticipated terms of their plan of reorganization is not expected to materially affect Imerys' overall financial situation, profitability, and cash generative business profile. For the year ended December 31, 2018, these subsidiaries, which will as from today no longer be included within the scope of consolidation of the Group, recorded €143 million in revenue, €25 million in EBITDA and €16 million in current operating income, which represented approximately 3% of the same Group's consolidated figures. The estimated net financial impact of the overall process initiated today amounts to €250 million has been provisioned in the Group's full-year 2018 consolidated financial statements, in addition to €17 million of costs incurred during the year.

The North American talc filing subsidiaries' announcement is available at: [www.ITArestructuring.com](http://www.ITArestructuring.com).

## DETAILED COMMENTARY ON THE GROUP'S RESULTS

### REVENUE GROWTH OF 6.8%

Unaudited quarterly data (€ millions)	2017 Revenue	2018 Revenue	Change	Organic growth <sup>3</sup>	Volumes	Price-mix
First quarter	1,034.1	1,129.6	+ 9.2%	+ 4.7%	+ 1.5%	+ 3.2%
Second quarter	1,030.5	1,180.9	+ 14.6%	+ 6.0%	+ 1.7%	+ 4.3%
Third quarter	1,102.7	1,153.9	+ 4.6%	+ 3.1%	- 0.9%	+ 4.0%
Fourth quarter	1,131.5	1,125.6	-0.5%	+ 0.3%	- 2.9%	+ 3.3%
<b>Year</b>	<b>4,299.0</b>	<b>4,590.0</b>	<b>+ 6.8%</b>	<b>+ 3.4%</b>	<b>- 0.2%</b>	<b>+ 3.7%</b>

**Revenue** in 2018 totalled €4,590.0 million, up + 6.8% compared with 2017. This increase reflects organic growth of 3.4%, driven in particular by a positive price-mix effect in all business groups (3.7%), in a context of rising inflation of input costs. In addition to a high basis of comparison, volumes were impacted by a slowdown in industrial markets (abrasives, foundry, paints & coatings, and plastics) in the second half of the year, particularly in the fourth quarter.

Revenue was also boosted by a positive perimeter effect of €290.4 million (6.8%), which included in particular €250.0 million from Kerneos (acquired in July 2017), as well as significantly negative exchange rate effect representing €147.1 million (3.4%).

<sup>3</sup> Organic growth: growth at comparable perimeter and exchange rates, or "like-for-like"

## CURRENT OPERATING INCOME UP 2.0%

Unaudited quarterly data (€ millions)	2017	2018	Change
First quarter	122.8	129.6	+ 5.6%
Operating margin	11.9%	11.5%	- 0.4 point
Second quarter	140.7	154.2	+ 9.6%
Operating margin	13.6%	13.1%	- 0.5 point
Third quarter	145.4	140.9	-3.1%
Operating margin	13.2%	12.2%	-1.0 point
Fourth quarter	142.4	137.5	-3.4%
Operating margin	12.6%	12.2%	-0.4 point
<b>Year</b>	<b>551.2</b>	<b>562.1</b>	<b>+ 2.0%</b>
Operating margin	12.8%	12.2%	-0.6 point

**Current operating income** totaled €562.1 million in 2018, up 2.0% compared with 2017 at 12.2% **operating margin**. This performance benefitted from a positive price-mix effect of €146.4 million, largely offsetting the increase in variable costs (€111.8 million, due mainly to raw materials and energy).

The contribution of recent acquisitions rose to €32.5 million, driven by Kerneos in particular, more than compensating the negative impact of lower sales volumes (€5.4 million) and unfavorable exchange rates (€21.9 million), particularly in the first half of the year.

The €45 million increase in fixed costs and overheads over the full year (up 2.7%) was contained in the fourth quarter (down 0.5%) as a result of the decisions made to withdraw from the ceramic proppants business and mothball the natural graphite operations in Namibia.

## INCREASE OF 6.5% IN NET INCOME FROM CURRENT OPERATIONS

**Net income from current operations, Group share** increased 6.5% to €356.8 million (€334.9 million in 2017).

It includes an improvement in financial result from - €78.4 million in 2017 to - €60.2 million in 2018, thanks to Imerys' optimization of financial costs (1.8% average interest rate) and asset liability management. The current income tax expense of €145.2 million (€136.9 million in 2017) corresponds to an effective tax rate of 28.9%, which remained stable compared with 2017.

**Net income from current operations, Group share, per share** grew up 6.2% to €4.50.

## GROWTH IN NET INCOME OF 52%

**Net income, Group share**, increased + 52.0% to reach €559.6 million in 2018 (€368.2 million in 2017). It takes into account:

- the net income from discontinued activities related to the disposal of the Roofing activity, for €788 million euros, of which €740 million of capital gain, net of disposal costs;
- other income and operating expenses, net of taxes, for -€585.2 million, which include impairments, restructuring costs and other exceptional items, related to:
  - Imerys North American talc subsidiaries for -€267.3 million,
  - Ceramic proppants for -€148.4 million,
  - Graphite & Carbon for -€77.9 million,
  - Others for -€91.6 million (acquisition costs and provisions for rehabilitation and various restructuring costs).

## SOLID GENERATION OF NET CURRENT FREE OPERATING CASH FLOW

(in € millions)	2017	2018
Current EBITDA	777.0	793.2
Change in operating working capital requirement (WCR)	(13.1)	(25.3)
Paid capital expenditure	(319.4)	(333.0)
Other	8.9	13.5
Current free operating cash flow	453.4	448.4
Notional tax	(159.6)	(162.6)
Net current free operating cash flow	293.8	285.8
Financial expense (net of tax)	(57.0)	(31.8)
Other working capital requirement	35.5	38.8
Net current free cash flow	272.3	292.8

Imerys generated a solid level of current free operating cash flow which amounted to €448.4 million before tax, representing a cash conversion of 57% of Group current EBITDA). **Net current free operating cash flow** totaled €285.8 million in 2018, mainly as a results of the following items:

- A €793.2 million contribution from current **EBITDA** in 2018, an increase of 2.1% compared with 2017 (up €16 million);
- A €333.0 million in **paid capital expenditure** (representing 7.3% of revenue and 126% of amortization and depreciation expense, in line with last year) to support the Group development in its key end markets;
- A €25.3 million decrease in the operating **working capital requirement** in 2018 (representing 23.9% of revenue), compared with a €13.1 million drop in 2017, in a rising inflationary environment.

## FINANCIAL STRUCTURE

(€ millions)	2017	2018
Net debt at December 31	2,246.4	1,297.4
Average net debt for the year	1,873.2	2,102.0
Shareholders' equity	2,878.2	3,253.5
Current EBITDA	777.0	793.2
Net debt / shareholders' equity	78.1%	39.9%
Net debt / current EBITDA*	2.5 x	1.6x

\* published current EBITDA

**Net financial debt** amounted to €1,297.4 million as of December 31, 2018, representing a €949.0 million decrease compared with December 31, 2017. As a result, the ratio between net financial debt and current EBITDA fell to 1.6x at December 31, 2018 (from 2.5x at December 31, 2017). This is mainly due to the disposal of the Roofing division, which generated cash flow of €823 million. It also takes into account a solid cash flow generation for the year and €167.8 million paid in dividend.

The Group's robust financial structure is rated Baa2 by Moody's and BBB by Standard & Poor's, with a stable outlook for both rating agencies.

At December 31, 2018, Imerys' bond financing amounted to €1,982 million with an average maturity of 6.5 years. The Group also had €1,330 million in bilateral credit lines. As a result, the Group's **financial resources** totaled €3,312 million with an average maturity of 5,0 years.

## DIVIDEND

At the Shareholders' General Meeting of May 10, 2019, the Board of Directors will propose a dividend of €2.150 per share, up 3.6% compared with the dividend paid in 2018, representing a total estimated payout of €171 million equal to 48% of net income from current operations, Group's share. This proposal reflects the Board's confidence in the Group's fundamentals and development prospects. The dividend is expected to be paid out from May 22, 2019.

## 2019 OUTLOOK

Imerys is entering 2019 with:

- a simpler, more market-focused, more customer-centric and efficient organization;
- the positive impact of actions taken on our operations impacted by adverse market changes starting to show;
- a reshaped portfolio focused on specialty minerals;
- a stronger balance sheet.

In a context that has remained challenging since the beginning of 2019 and a high basis of comparison, the Group will continue to sustain its performance by giving priority to cost reduction and cash flow generation.



A Limited Liability Company (*Société Anonyme*)  
 with a share capital of €158,971,388  
 Registered office: 43 quai de Grenelle  
 75015 Paris - France  
 562 008 151 R.C.S Paris

## REQUEST FOR DOCUMENTS

### Ordinary and Extraordinary Shareholders' General Meeting of May 10, 2019

Any holder of registered shares may ask the Company to send him/her, to the address to be specified below, the "2018 Registration Document" which in particular includes the 2018 Annual Financial Report as well as information provided for by article R. 225-83 of the French Code of Commerce.

The same right to information is available to any holder of bearer shares whose shareholding is evidenced by a certificate of participation, in accordance with the provisions referred to in the present notice of meeting on pages 3 and 4 above.

Holders of registered shares may, on request, have the Company systematically send them the above-mentioned documents and information on the occasion of every subsequent shareholders meeting. Should that request have been made already, the documents will be sent shortly, without the shareholder having to return the present form.

✂ -----

I, the undersigned .....

residing at .....

.....

owner of ..... shares in Imerys

☐ request that I be sent the information and documents provided for shareholders with respect to the Ordinary and Extraordinary Shareholders' General Meeting of May 10, 2019<sup>(\*)</sup>,

☐ request that I be systematically sent, as the owner of..... registered shares, the information and documents provided for shareholders on the occasion of each subsequent Imerys Shareholders' General Meeting<sup>(\*)</sup>.

Signed in ....., on ..... 2019

Signature

This request form, once duly completed, dated and signed, shall be returned exclusively to CACEIS CT : Services Assemblées (Shareholders Services) – 14 rue Rouget de Lisle, 92862 Issy les Moulineaux Cedex 09, France.

If you hold bearer shares, this request form, shall be returned to your usual financial intermediary.

<sup>(\*)</sup> please check the box corresponding to your choice.



**IMERYS**  
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Téléphone : + 33 (0)1 49 55 63 01

562 008 151 RCS Paris