



## **COMPENSATION OF THE CHAIRMAN AND THE CEO**

In accordance with the recommendations of the AFEP-MEDEF corporate governance code, Sanofi is publishing below details of the compensation arrangements for its Chairman and its Chief Executive Officer as approved by the Board of Directors at its meeting of March 3, 2016, acting on the recommendations of the Compensation Committee.

### **Compensation arrangements for the Chairman**

For 2015, the fixed compensation of Serge Weinberg was maintained at an annual amount of €700,000, with no adjustment in consideration of his acting as Chief Executive Officer on a temporary basis. When the Board of Directors asked him to assume the office of Chief Executive Officer, it was decided at his request not to modify his compensation.

He did not receive any variable compensation, stock-options, or performance shares during 2015, and nor did he receive director's attendance fees as a member of the Board of Directors.

Serge Weinberg does not benefit from the sanofi top-up pension plan.

For 2016, his fixed stipend has been maintained unchanged at €700,000.

### **Compensation arrangements for Olivier Brandicourt**

At its meeting of February 19, 2015, upon the recommendation of the Compensation Committee, the Board of Directors established the terms of the compensation package for Olivier Brandicourt for 2015.

For 2015, the variable annual compensation of Olivier Brandicourt was in a potential range between 0% and 250% of his fixed annual compensation, with a target of 150%.

His variable compensation for 2015 was established on the basis of the following criteria:

- the financial targets (40%). This objective included sales growth (one-third) and growth in Business Net Income (two-thirds);
- the individual objectives (60%). These criteria covered:
  - improvement of the Diabetes franchise and the successful launch of Toujeo® in the United States (10%);
  - new product registrations and submissions compared to our budget (15%);
  - review of our strategic plan (15%) including the definition of a strategy with a particular emphasis on Diabetes and Oncology; and
  - success in assuming his duties (20%).

Acting on the recommendation of the Compensation Committee, the Board of Directors meeting of March 3, 2016 reviewed the attainment of each criterion and sub-criterion, and determined that:

- the financial objectives had been 142% fulfilled relative to the potential range of 0% to 250% and the target of 150%;
- the individual objectives had been 181.5% fulfilled, relative to the potential range of 0% to 250% and the target of 150%.

The Board was fully satisfied with the way in which Olivier Brandicourt had assumed office and come up to speed during the first nine months of 2015, and also with the major corporate actions initiated and the operational actions already taken.

Acting on the recommendation of the Compensation Committee, the Board of Directors meeting of March 3, 2016 set Olivier Brandicourt's variable compensation for 2015 at €1,988,400, equivalent to 165.7% of his fixed compensation and representing an amount of €1,491,300 on a pro rata time basis for the amount of time spent in office during the year.

Olivier Brandicourt's variable compensation for 2015 will be paid in 2016.

Acting on the recommendation of the Compensation Committee, the Board of Directors meeting of March 3, 2016 decided to maintain Olivier Brandicourt's fixed annual compensation at the same level as for 2015 (€1,200,000), and also to retain the same variable annual compensation structure whereby 40% is based on financial indicators (sales and Business Net Income) and 60% on specific individual objectives.

Those individual objectives comprise:

- new product launches (10%);
- ongoing transformation of the Group (25%);
- research and development (15%); and,
- organization and staff relations (10%).

For 2016, the variable annual compensation of Olivier Brandicourt will be in a potential range between 0% and 250% of his fixed annual compensation, with a target of 150%.

Acting on the recommendation of the Compensation Committee, the Board of Directors meeting of March 3, 2016 decided that for 2016, Olivier Brandicourt will be awarded 220,000 stock subscription options and 50,000 performance shares subject to the authorizations submitted to the Shareholders' General Meeting to be held on May 4, 2016.

For more details on the compensation and pension arrangements of our directors and corporate officers, refer to our 2015 Annual Report on Form 20-F, a copy of which is available on our corporate website at [www.sanofi.com](http://www.sanofi.com).