



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 6, 2018, acting on recommendation from the Compensation Committee.

Compensation arrangements for the Chairman of the Board of Directors

Compensation in respect of 2017

For the 2017 financial year, his annual fixed compensation was maintained at €700,000.

In line with our compensation policy for the Chairman of the Board, as approved by our shareholders at the Annual General Meeting of May 10, 2017, he did not receive any variable compensation and was not awarded any stock options or performance shares. Nor did he receive any attendance fees in his capacity as a Director.

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

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

Compensation in respect of 2018

For the 2018 financial year, his annual fixed compensation was maintained at €700,000. Consequently, Serge Weinberg's compensation has remained unchanged since his arrival in 2010.

He will not receive any variable compensation, stock options or performance shares. Nor will he receive any attendance fees.

Compensation arrangements for the Chief Executive Officer

Compensation in respect of 2017

On March 2, 2017, acting on a recommendation from the Compensation Committee, the Board of Directors set the terms of Olivier Brandicourt's compensation for the 2017 financial year.

In line with our compensation policy for the Chief Executive Officer, as approved by our shareholders at the Annual General Meeting of May 10, 2017 his annual compensation for 2017 comprised (i) fixed annual gross compensation of €1,200,000 (unchanged since he took office) and (ii) variable annual

compensation in a range from 0% to 250% of his fixed annual compensation, with a target of 150%, and subject to both quantitative and qualitative criteria.

These objectives were 40% based on financial indicators, and 60% based on specific individual objectives:

- Financial objectives (40%):
 - Sales growth (one-third);
 - Business net income (two-thirds);
- Individual objectives (60%):
 - Excellence of product launches (10%);
 - External growth (14%);
 - New product pipeline (12%) ;
 - Operational transformation (12%); and
 - Organization and staff relations (12%).

Acting on a recommendation from the Compensation Committee, the Board of Directors meeting of March 6, 2018 reviewed the attainment of each criterion and sub-criterion. The Board's conclusions are summarized in the table below:

	CRITERION	TYPE	WEIGHT	TARGET / MAXIMUM	ASSESSMENT	COMMENTS	LEVEL OF ATTAINMENT
FINANCIAL OBJECTIVES (40%)	Sales	Quantitative	13.3%	19.95% / 33.25%	Slightly below target	Confidential target	103.4%
	Business net income ^(a)	Quantitative	26.7%	40.05% / 66.75%	Slightly above target		
INDIVIDUAL OBJECTIVES (60%)	Excellence of product launches	Quantitative	10%	15% / 25%	Below target	Confidential target	97%
	External growth	Quantitative	14%	21% / 35%	Above target	Acquisitions of Protein Sciences, Bioverativ and Ablynx, identified, activated and partially realized in 2017	
	New product pipeline	Quantitative	12%	18% / 30%	Above target	Registrations and submissions within the timeframe. Strengthening of early stage pipeline	
	Operational transformation	Qualitative	12%	18% / 30%	On target	Implementation of the digital strategy. Cost reduction programme in line with the target	
	Organization and staff relations	Qualitative	12%	18% / 30%	On target	Strengthening of the talent pool. Positive results of the survey made among employees	
TOTAL			100%	150% / 250%			99.6%

(a) For a definition, see « – Item 5 – Operating and Financial Review and Prospects » of our annual report on Form 20-F.

Acting on a recommendation from the Compensation Committee, the Board of Directors meeting of March 6, 2018 set Olivier Brandicourt's variable compensation for 2017 at €1,792,800, equivalent to 149.4% of his fixed compensation.

Payment of his variable compensation in respect of the 2017 financial year is contingent on approval of his compensation package by the shareholders in an Ordinary General Meeting, on the terms stipulated in Article L. 225-100 of the French Commercial Code.

Olivier Brandicourt is subject to, benefits from and contributes to the same health cover, and death and disability plans as are applicable to other employees of Sanofi based in France.

Olivier Brandicourt received a benefit in kind in 2017 representing social contribution payments of €318 made by Sanofi on his behalf.

In line with our compensation policy for the Chief Executive Officer as approved by our shareholders at the Annual General Meeting of May 10, 2017, and acting on the recommendations of the Compensation Committee, the Board of Directors meeting of May 10, 2017 decided to award Olivier Brandicourt 220,000 stock subscription options and 50,000 performance shares in respect of the 2017 financial year. Using the Black & Scholes model, the valuation of those awards, as of May 10, 2017, was equivalent to 5.6 times his fixed compensation for 2017. In compliance with the AFEP-MEDEF Code, the entire amount of these awards is contingent upon both internal criteria based upon business net income and return on assets (ROA), and an external criterion based on total shareholder return (TSR) relative to a benchmark panel of ten of the leading global pharmaceutical companies.

Compensation in respect of 2018

Acting on a recommendation from the Compensation Committee, the Board of Directors meeting of March 6, 2018 decided to maintain Olivier Brandicourt's fixed annual compensation for 2018 at the same level as for 2016 and 2017 (€1,200,000), and also to retain the same variable annual compensation structure whereby 40% is based on financial indicators and 60% on specific individual objectives:

- Financial objectives (40%):
 - Sales growth (one-third);
 - Business net income (two-thirds);
- Individual objectives (60%):
 - Business transformation (20%);
 - Pipeline of products (12%);
 - Organization and people (12%) ;
 - New products (10%); and
 - Mergers and acquisitions (6%).

For 2018, the variable compensation of Olivier Brandicourt will remain in a range between 0% and 250% of his fixed compensation, with a target of 150%.

Acting on a recommendation from the Compensation Committee, the Board of Directors meeting of March 6, 2018 proposed to award Olivier Brandicourt 220,000 stock subscription options and 50,000

performance shares in respect of the 2018 financial year. The award of these stock subscription options and performance shares to Olivier Brandicourt in respect of the 2018 financial year is contingent on approval of his compensation package by the shareholders at the Ordinary General Meeting, on the terms stipulated in Article L. 225-100 of the French Commercial Code.

For more details on the compensation of our directors and corporate officers, refer to our 2017 Annual Report on Form 20-F, a copy of which is available on our corporate website at www.sanofi.com.