



NOTICE OF MEETING
GENERAL MEETING
2017

Wednesday May 10, 2017
at 2:30 p.m. (CET)

at the Palais des Congrès
2, place de la Porte Maillot
75017 Paris – France



SANOFI

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SANOFI

Société anonyme with share capital of €2,584,044,648
Registered office: 54, rue La Boétie – 75008 Paris
395 030 844 R.C.S. Paris

The Chairman of the Board of Directors

Paris, April 10, 2017

Dear Shareholder,

Our Annual General Meeting provides an ideal opportunity for us to inform you, share with you and give you an account of the operations and results of Sanofi.

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

COMBINED GENERAL MEETING

WEDNESDAY MAY 10, 2017, AT 2:30 P.M. (CET)
AT THE PALAIS DES CONGRÈS
2, PLACE DE LA PORTE MAILLOT – 75017 PARIS

All the information and guidance needed for you to participate in the meeting are enclosed with this notice. If you are unable to attend in person, you will nonetheless be able to vote in one of three ways:

- by post or via the internet; or
- by appointing a proxy to represent you; or
- by authorizing the Chairman to vote on your behalf.

On behalf of the Board of Directors, I thank you for your trust and for the attention you will surely pay to the draft resolutions to be submitted for your approval.

Serge Weinberg

Chairman of the Board of Directors

This notice and an access plan of the meeting venue are available on our website (www.sanofi.com/AGM2017)

HOW TO PARTICIPATE IN THE MEETING

MORE INFORMATION ON THE GENERAL MEETING TO BE HELD ON MAY 10, 2017 ON
www.sanofi.com/AGM2017

2017 General meeting

The shareholders of Sanofi are hereby given notice of the General Meeting to be held on **Wednesday May 10, 2017 at 2:30 p.m. (CET) at the Palais des Congrès – 2, place**

de la Porte Maillot – 75017 Paris (France). This meeting is being called to deliberate on the agenda and resolutions set forth in the present notice of meeting.

Prior conditions for participating in the meeting

In accordance with Article R. 225-85 of the French Commercial Code, all shareholders, regardless of the number of shares they own, will be admitted to the meeting, provided they can prove that they hold shares via the registration of securities held in an account in their name or in the name of their intermediary registered to act on their behalf, by the second business day prior to the meeting at midnight (CET) i.e. **Monday May 8, 2017 at midnight (CET)**:

- **Registered shares:**

By the accounting registration of securities in registered securities accounts held for the Company by its agent BNP Paribas Securities Services.

- **Bearer shares:**

By the accounting registration of securities in securities accounts held by their accredited financial or banking intermediary.

The registration of bearer shares in the account held by your accredited financial or banking intermediary must be justified by a shareholding certificate (*attestation de participation*) issued by said intermediary and appended:

- to the voting form;
- to the proxy vote; or
- to the application for an entry card in the name of the shareholder or on behalf of a shareholder represented by the accredited intermediary.

You may be represented at the general meeting by any physical person or legal entity of your choice (Article L. 225-106 of the French Commercial Code).

How to participate in the general meeting

Sanofi grants you the option to request an entry card, to vote by post or to give your proxy to the Chairman or any other person (physical person or legal entity) of your choice by Internet before the general meeting.

Sanofi also enables you to vote through the secured voting platform VOTACCESS, which is dedicated to voting prior to the general meeting.

Access to the platform is available via Planetshares, Planetshares – My Proxy or via your accredited intermediary's website. The platform will be open from **April 10, 2017 until May 9, 2017 at 3 p.m. (CET)**. However, in order to prevent any bottlenecks from occurring on the VOTACCESS website, we recommend that you do not wait until the last minute to vote.

If you decide to use the Internet, you must neither fill in nor send back the paper voting form.

I. To personally attend the general meeting:

1. Using the paper voting form:

- you hold **registered shares** or **units in the dedicated employee share ownership fund (i.e. the FCPE)**: request an entry card by sending the voting form (attached to your notice of meeting) to BNP Paribas Securities Services – CTS Assemblées – Les Grands

Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex – France;

- you hold **bearer shares**: ask the accredited intermediary managing your securities account for an entry card to be delivered to you.

Entry card requests must not be directly sent back to Sanofi.

2. Through the Internet:

- You hold **registered shares**: request an entry card by logging on VOTACCESS via the Planetshares website at the following address: <https://planetshares.bnpparibas.com>
 - for **fully registered shares**: with your usual login;
 - for **administered registered shares**: with the login that appears on the top right-hand corner of the voting form attached to your notice of meeting.

Once logged on, follow on-screen instructions in order to access VOTACCESS and ask for your entry card.

- You hold **units in a FCPE**: request an entry card by logging on VOTACCESS via Planetshares – My Proxy at the following address: <https://gisproxy.bnpparibas.com/sanofi.pg> by using:
 - the login that appears on the top right-hand corner of your voting form; and
 - the identification information corresponding to your Natixis Interépargne employee account number which appears on the bottom right-hand corner of your Natixis annual account statement.

Once logged on, follow on-screen instructions in order to access VOTACCESS and ask for your entry card.

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

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

If your authorized intermediary is connected to VOTACCESS, log on to your intermediary's website with your usual login. Then click on the icon appearing on the line corresponding to your Sanofi shares and follow the on-screen instructions to access VOTACCESS and apply for an entry card.

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

1. Using the paper voting form:

- You hold **registered shares** or **units in a FCPE**: send back the voting form (attached to your notice of meeting) to BNP Paribas Securities Services – CTS Assemblées – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex – France.
- You hold **bearer shares**: request your voting form from the accredited intermediary managing your securities account from the date of the convening of the general meeting. Then, send back your voting form duly completed to your intermediary, which will forward it, together with a shareholding certificate to be issued by said intermediary, to BNP Paribas Securities Services – CTS Assemblées – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex – France.

In order to be taken into account, your voting form duly completed and signed or your proxy appointment or revocation must be received by BNP Paribas Securities

Services three calendar days before the general meeting at the latest, **i.e. on May 6, 2017**.

Entry card requests must not be directly sent back to Sanofi.

2. Through the Internet:

- You hold **registered shares**: access VOTACCESS via the Planetshares website: <https://planetshares.bnpparibas.com>
 - for **fully registered shares**: with your usual login;
 - for **administered registered shares**: with the login that appears on the top right-hand corner of the paper voting form attached to your notice of meeting.

Once logged on, access VOTACCESS by clicking on "Participate in the General Meeting" on the home page.

- You hold both **registered shares** and **units in a FCPE**: log on to the Planetshares website with your usual login. It will enable you to vote for both your shares and your FCPE units; the number of shares and FCPE units you hold is mentioned on the top right-hand corner of your voting form. Once logged on, in order to access VOTACCESS:
 - for your registered shares: click on "*Participate in the General Meeting*";
 - for your FCPE units: click on "*Participate in the General Meeting for your mutual fund (FCPE) units on MyProxy*".

You shall then be redirected to VOTACCESS, where you may cast your vote, give or revoke your proxy by following the on-screen instructions.

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

- If you hold **bearer shares**: ask your accredited intermediary whether it is connected to VOTACCESS and, if so, whether access is subject to specific conditions of use:
 - If your intermediary is connected to VOTACCESS, log on to your intermediary's website with your usual login. Then click on the icon appearing on the line corresponding to your Sanofi shares and follow the on-screen instructions to access VOTACCESS and vote, appoint or revoke a proxy online;
 - If your intermediary is not connected to VOTACCESS, the notification of appointment or revocation of a proxy may nonetheless be made by electronic means by sending an e-mail to the address paris.bp2s.france.cts.mandats.sanofi@bnpparibas.com

It is imperative that this e-mail includes the following information: the name of the company which issued the securities, the date of the general meeting, your last

name, first name, address and bank references and the first name, last name and, if possible, address of the proxy you wish to appoint. It is imperative that you ask the financial intermediary managing your securities account to send a written confirmation of your request to: BNP Paribas Securities Services – CTS Assemblées – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex – France.

The above-mentioned e-mail address must be used only for notification of appointment or revocation of a proxy. Any other request or notification received at this address will neither be taken into account nor processed.

In order for online proxy appointments or revocations to be validly taken into account, confirmations have to be received by BNP Paribas Securities Services on the eve of the meeting at the latest, i.e. on **May 9, 2017 at 3 p.m. (CET)**.

If you have already voted, sent in a proxy or requested an entry card, then you may not use another method to participate in the meeting.

If you hold Sanofi shares in more than one form (registered, bearer or via the dedicated employee share ownership fund i.e. the FCPE), you will have to vote as many times as there are forms if you wish to cast all the voting rights attached to your Sanofi shares.

HOW TO FILL IN YOUR VOTING FORM

How to fill in your voting form

A **B**

IMPORTANT : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - **Important** : Before selecting please refer to instructions on reverse side
 Quelle que soit l'option choisie, noircir comme ceci la ou les cases correspondantes, dater et signer au bas du formulaire - **Whichever option is used, shade box(es) like this, date and sign at the bottom of the form**
A. Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire // **I wish to attend the shareholders' meeting and request an admission card : date and sign at the bottom of the form.**
B. J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes // **I prefer to use the postal voting form or the proxy form as specified below.**

SANOFI
 S.A. au capital de 2 584 044 648 €
 Siège social : 54 rue La Boétie
 75008 PARIS
 395 030 844 R.C.S. PARIS

ASSEMBLÉE GÉNÉRALE MIXTE
 convoquée pour le 10 Mai 2017 à 14h30,
 au Palais des Congrès, 2 place de la Porte Maillot - 75017 PARIS
COMBINED GENERAL MEETING
 to be held on May 10th, 2017 at 2:30 p.m.,
 at Palais des Congrès, 2 place de la Porte Maillot - 75017 PARIS

CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY
 Identifiant - Account
 Nombre d'actions / Number of shares
 Nominatif / Parts FCP Registered
 Porteur / Bearer
 Nombre de voix - Number of voting rights
 Vote simple / Single vote
 Vote double / Double vote

D

C

E

JE VOTE PAR CORRESPONDANCE / I VOTE BY POST
 Cf. au verso (2) - See reverse (2)
 Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration, à l'EXCEPTION de ceux que je signale en noircissant comme ceci la case correspondante et pour lesquels je vote NON ou je m'abstiens.
 I vote YES all the draft resolutions approved by the Board of Directors EXCEPT those indicated by a shaded box - like this for which I vote NO or I abstain.
 Sur les projets de résolutions non agréés par le Conseil d'Administration, je vote en noircissant comme ceci la case correspondant à mon choix.
 On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this

1	2	3	4	5	6	7	8	9	Oui / Yes	Non/No Abst/Abs	Oui / Yes	Non/No Abst/Abs
<input type="checkbox"/>	A	<input type="checkbox"/>	F	<input type="checkbox"/>								
10	11	12	13	14	15	16	17	18	B	<input type="checkbox"/>	G	<input type="checkbox"/>
19	20	21	22	23	24	25	26	27	C	<input type="checkbox"/>	H	<input type="checkbox"/>
28	29	30	31	32	33	34	35	36	D	<input type="checkbox"/>	J	<input type="checkbox"/>
37	38	39	40	41	42	43	44	45	E	<input type="checkbox"/>	K	<input type="checkbox"/>

JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE
 Cf. au verso (3)
I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING
 See reverse (3)

JE DONNE POUVOIR A : Cf. au verso (4)
I HEREBY APPOINT : See reverse (4)
 M., Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name
 Adresse / Address

ATTENTION : s'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre banque.
CAUTION : if it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.
 Nom, prénom, adresse de l'actionnaire (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'aide de ce formulaire). Cf au verso (1)
 Surname, first name, address of the shareholder (Change regarding this information have to be notified to relevant institution, no change can be made using this proxy form). See reverse (1)

D'

D''

F

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting
 • Je donne pouvoir au Président de l'assemblée générale de voter en mon nom. / I appoint the Chairman of the general meeting to vote on my behalf
 • Je m'abstiens (l'abstention équivaut à un vote contre). / I abstain from voting (is equivalent to vote NO)
 • Je donne procuration (cf. au verso renvoi (4)) à M., Mme ou Mlle, Raison Sociale pour voter en mon nom / I appoint (see reverse (4)) Mr, Mrs or Miss, Corporate Name to vote on my behalf

Date & Signature

Z
Regardless of your choice, PLEASE DATE AND SIGN HERE.

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



Please return the form using the enclosed prepaid envelope at least three days before the date on which the meeting is to be held, i.e. by **Saturday May 6, 2017, at 3 p.m. (CET).**

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

A You wish to attend the meeting in person:

- Tick box **A**;
- Date and sign box **Z**.

B You cannot attend and you wish to vote by post or by proxy:

- Tick box **B**;
- Choose among the three options (one choice only);
- Date and sign box **Z**.

C You give your proxy to the Chairman of the meeting:

- Tick box **B**;
- Tick box **C** "I hereby give my proxy to the Chairman of the general meeting";
- Date and sign box **Z**.

D You vote by post:

- Tick box **B**;
- Tick box **D** "I vote by post":
 - Each numbered box represents one resolution proposed or agreed to by the Board of Directors;
 - Each empty box represents a **YES** vote;
 - Each shaded box represents a **NO** vote or an abstention (to abstain is equivalent to a NO vote);
- Date and sign box **Z**.

D' This box is to be used to vote for resolutions proposed by the shareholders and not agreed to by the Board of Directors:

If you wish to cast your vote, shade the corresponding box.

D'' This box corresponds to amendments or new resolutions proposed during the meeting:

If you wish to cast your vote, shade the corresponding box.

E You give your proxy to any physical or legal person of your choice:

- Tick box **B**;
- Tick box **E** "I hereby appoint";
- Indicate in box **E** information on the person who will represent you (last name, first name, and address);
- Date and sign box **Z**.

F Indicate your last name, first name, and address:

- If these data appear on the form, check their accuracy;
- If the person signing the form is not the shareholder, he/she must indicate his/her last name, first name and address and his/her capacity (legal agent, guardian ...).

Z All shareholders must date and sign this box.

AGENDA

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

Ordinary business

- Approval of the individual company financial statements for the year ended December 31, 2016 (1st resolution)
- Approval of the consolidated financial statements for the year ended December 31, 2016 (2nd resolution)
- Appropriation of profits, declaration of dividend (3rd resolution)
- Agreements and commitments covered by Articles L. 225-38 et seq of the French Commercial Code (4th resolution)
- Director's attendance fees (5th resolution)
- Reappointment of Fabienne Lecorvaisier as a Director (6th resolution)
- Appointment of Bernard Charlès as a Director (7th resolution)
- Appointment of Melanie Lee as a Director (8th resolution)
- Compensation policy for the Chairman of the Board of Directors (9th resolution)
- Compensation policy for the Chief Executive Officer (10th resolution)
- Consultative vote on the components of the compensation due or awarded to Serge Weinberg, Chairman of the Board of Directors, in respect of the year ended December 31, 2016 (11th resolution)
- Consultative vote on the components of the compensation due or awarded to Olivier Brandicourt, Chief Executive Officer, in respect of the year ended December 31, 2016 (12th resolution)
- Reappointment of PricewaterhouseCoopers Audit as a Statutory Auditor (13th resolution)
- Authorization to the Board of Directors to carry out transactions in the Company's shares (14th resolution)

Extraordinary business

- Delegation to the Board of Directors of authority to decide to issue, with preemptive rights maintained, shares and/or securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company (15th resolution)
- Delegation to the Board of Directors of authority to decide to issue, with preemptive rights cancelled, shares and/or securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company, via a public offering (16th resolution)
- Delegation to the Board of Directors of authority to decide to issue, with preemptive rights cancelled, shares and/or securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company, via a private placement (17th resolution)
- Delegation to the Board of Directors of authority to decide to issue debt instruments giving access to the share capital of subsidiaries and/or of any other company (18th resolution)
- Delegation to the Board of Directors of authority to increase the number of shares to be issued in the event of an issue of ordinary shares and/or of securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company, with or without preemptive rights (19th resolution)
- Delegation to the Board of Directors of authority with a view to the issuance, with preemptive rights cancelled, of shares and/or securities giving access to the share capital of the Company, of any of its subsidiaries and/or of any other company, as consideration for assets transferred to the Company as a capital contribution in kind (20th resolution)
- Delegation to the Board of Directors of authority to decide to carry out increases in the share capital by incorporation of share premium, reserves, profits or other items (21st resolution)
- Delegation to the Board of Directors of authority to decide on the issuance of shares or securities giving access to the Company's share capital reserved for members of savings plans, with waiver of preemptive rights in their favor (22nd resolution)
- Authorization to the Board of Directors to reduce the share capital by cancellation of treasury shares (23rd resolution)
- Amendment of Article 11 of the Articles of Association (24th resolution)
- Powers for formalities (25th resolution)

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

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

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

I – Ordinary business

The first 3 resolutions concern the approval of the annual financial results of your Company, the appropriation of distributable profits and the setting of the dividend.

APPROVAL OF THE FINANCIAL STATEMENTS

(1st and 2nd resolutions)

Acting on the recommendation of the Audit Committee, the Board of Directors submits for your approval the individual Company financial statements, showing a profit of 4,541,551,366.44 euros, and the consolidated financial statements, for the year ended December 31, 2016.

A detailed account of Sanofi's results of operations in the year ended December 31, 2016 is found in the 2016 annual report published by the Company.

APPROPRIATION OF PROFITS, DECLARATION OF DIVIDEND

(3rd resolution)

Acting on the recommendation of the Audit Committee, the Board of Directors submits for your approval the payment of a dividend of 2.96 euros per share, representing a payout ratio of 52.1% of distributable profits⁽¹⁾.

For the three preceding years, the dividend per share amounted to:

2013	2014	2015
2.80 euros	2.85 euros	2.93 euros

If the General Meeting approves our proposal, the ex-dividend date will be May 16, 2017 and the dividend will be paid in cash on or after May 18, 2017.

The proposed dividend is subject to a 3% additional tax levy, which will be borne by Sanofi.

AGREEMENTS AND UNDERTAKINGS REFERRED TO IN ARTICLES L. 225-38 ET SEQ OF THE FRENCH COMMERCIAL CODE

(4th resolution)

The Chief Executive Officer is entitled to a top-up defined-benefit pension plan, a termination benefit, and a non-compete indemnity. The Shareholders' Annual General Meeting of May 4, 2015 approved the section on the three commitments contained in the auditors' special report on related-party agreements.

These commitments are described in the Statutory Auditors' special report (page 61 of the present notice).

Introduction of a performance condition to the vesting of new contingent rights under the pension scheme

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

⁽¹⁾ For a definition, see "Item 5. Operating and Financial Review and Prospects – A.1.5. Segment information – 3/ Business Net Income" of our annual report on form 20-F.

process of harmonizing the status of personnel across the French subsidiaries.

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

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

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

Under the terms of Article 229 II of the law on Growth, the Economy and Equality of Opportunity (the "Macron Law"), Olivier Brandicourt's top-up pension arrangements fall

outside the scope of that law in terms of the requirement for pension arrangements to be contingent on performance conditions.

The Sanofi Board of Directors, acting on a recommendation from the Compensation Committee, decided at its meeting of February 7, 2017 to apply a performance condition to the vesting of new contingent rights arising under Olivier Brandicourt's top-up pension plan with effect from January 1, 2017.

The performance condition is applied on the following basis:

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

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

Every year, in advance of the Shareholders' Annual General Meeting, the Board of Directors will ascertain whether the performance condition has been met and determine the contingent top-up pension rights that will vest in Olivier Brandicourt.

None of the other terms of the pension plan has changed.

This alteration in pension arrangements is submitted for your approval.

DIRECTOR'S ATTENDANCE FEES

(5th resolution)

Since the last resolution setting the maximum amount of annual attendance fees approved by the Shareholders' Annual General Meeting of May 6, 2011, a separate attendance fee scale has been introduced depending on whether or not the director is a European resident in order to take into account the significantly longer travel time required to attend meetings in person. Furthermore, the basic annual attendance fee was fixed at €30,000 starting in 2016.

In 2014 the total amount was not sufficient to cover the attendance fees owed for the activity of the Board and of

its committees and the actual amount paid was scaled down in order to keep attendance fees within the total attendance fee entitlement.

Moreover, resolution 24 submitted to the present General Meeting proposes to amend Article 11 of our articles of association in order to designate two directors representing Group employees.

Hence it is proposed to increase the maximum amount of annual attendance fees from €1,500,000 to €1,750,000.

Executive officers do not receive attendance fees in their capacity as directors.

REAPPOINTMENT OF A DIRECTOR AND APPOINTMENT OF NEW DIRECTORS

(6th to 8th resolutions)

As of January 31, 2017, the Board of Directors had 12 members, 9 of whom are deemed independent.

Each year, the Board of Directors conducts a review to ensure that there is an appropriate balance in its composition and the composition of its Committees. In particular, the Board seeks to ensure gender balance and a broad diversity of backgrounds and countries of origin, reflecting Sanofi's status as a diversified global business. The Board investigates and evaluates not only potential candidates, but also whether existing directors should seek reappointment. Above all, the Board seeks directors who show independence of mind and who are competent, dedicated and committed.

When the Board looks for a new nominee, the Board takes into account both its current and target composition to identify the qualities that would best contribute to the maintenance and reinforcing of a balanced Board. The Chairman of the Appointments and Governance Committee conducts this search based on the profile thus defined with the assistance of a specialized recruiter. The Appointments and Governance Committee develops a short list of candidates based on this search, and the short-listed candidates meet with several members of the Appointments and Governance Committee before the Committee formulates its recommendation to the Board as to which candidates appear to best correspond to the Board's identified needs and wishes.

Directorships at your Company are typically for four-year terms, which your Board believes is an appropriate length of commitment to request of a person aspiring to join its members. We emphasize that under French law Directors may be summarily removed from office will by the shareholders, so that neither the length of the terms nor the staggered renewal dates can serve as anti-takeover devices. In line with the recommendations of the AFEP-MEDEF Code, since 2008 the terms of the directorships have been established such that only a proportion of the directorships are renewed in a given year, so as to ensure stability and continuity. Your Board reserves the right to occasionally propose shorter terms for one or more directors to ensure that not too many renewals fall the same year.

The mandate of Fabienne Lecorvaisier is due to expire at the close of the General Meeting to be held on May 10, 2017.

Upon the recommendation of the Appointments and Governance Committee, your Board of Directors proposes the renewal of her mandate for a four year term.

Before submitting this reappointment for your approval your Board of Directors has made sure of her availability. Fabienne Lecorvaisier does not hold an excessive number of mandates. Her individual attendance rate at Sanofi Board meetings and to the Audit Committee meetings is 83%.

The Board also assessed her individual contributions to the activity of the Board activity and of its various Committees both in terms of competencies and in terms of personal commitment and considered that it was in the interest of your Company to keep her as Director and that it was consistent with the target composition of the Board as identified in the aforementioned process.

The Board reiterated the objective, expressed in its roadmap on the future composition of the Board, of bringing onto the Board more scientific expertise, as well as more current or past Chief Executive Officer experience within international groups and more non-French and female directors. Two candidates whose profile fits these priorities are submitted for approval by the shareholders at this Annual General Meeting.

Upon the recommendation of the Appointments and Governance Committee, your Board of Directors submits for your approval the appointment of Bernard Charlès and Melanie Lee as members of the Board for a four-year term expiring at the close of the General Meeting called to approve the financial statements for the year ending December 31, 2020.

These appointments continue the smooth and progressive implementation of the roadmap set by the Board of Directors to refresh its membership by bringing more international CEO experience and more scientific expertise, as well as more non-French and female Directors, onto the Board.

Bernard Charlès is serving as Vice-Chairman and Chief Executive Officer of Dassault Systèmes, a world leader in 3D software with over 220,000 customers in 12 sectors of the economy, a post he has held since May 2016. He has been Chief Executive Officer of Dassault Systèmes since September 1995. He joined the company in 1983 and created the New Technology, Research and Strategy division, before being appointed Director for Strategy, Research and Development in 1988. The instigator of concepts including digital mock-up, product lifecycle management and **3DEXPERIENCE®**, Bernard Charlès helped instill a culture of ongoing innovation to further consolidate Dassault Systèmes' scientific capabilities and make science part of the company's identity. Bernard Charlès is a member of the Academy of Technology (France) and of the National Academy of Engineering (United States). He is a graduate of the École Normale Supérieure engineering school in Cachan and has a Ph.D. in mechanical engineering majoring in automation engineering and information science. He also holds an *aggregation*, the most senior teaching qualification achievable in France (specializing in mechanical engineering). Bernard Charlès holds the rank of Knight (2005) and Officer (2012) in the "Légion d'honneur" (French Legion of Honor).

Melanie Lee, PhD, CBE, is Chief Scientific Officer at BTG plc (since November 2014), a company which operates in interventional medicine in vascular disease, oncology and

pulmonology. Following her academic career she spent 10 years at Glaxo/GlaxoWellcome (1988-1998). In 1998, Melanie joined Celltech plc as Executive Director of Research. Celltech plc was subsequently acquired by UCB where she became Executive Vice President, Research and Development. After leaving UCB in 2009 she had a successful tenure as CEO at Syntaxin Ltd, a UK based biotech and following the sale to Ipsen, founded NightstaRx Ltd, a Syncona backed company in 2014. Melanie received an undergraduate degree in Biology from the University of York and then a Ph.D. at National Institute for Medical Research in London. She worked as a molecular genetics postdoc, first at Imperial College London on yeast and then from 1985 with Sir Paul Nurse, a Nobel Prize winner, at the Imperial Cancer Research Fund's Lincoln's Inn Laboratories. Melanie received her CBE for services to medical science in 2009.

Full biographies of each individual to be appointed or reappointed can be found in the present notice of meeting.

At the close of the General Meeting to be held on May 10, 2017, assuming the adoption of the 6th to 8th resolutions, the composition of your Board of Directors will therefore be as follows (expiry of term of office in parentheses):

- Serge Weinberg, Chairman of the Board (2019), independent Director;
- Olivier Brandicourt, Chief Executive Officer (2018);
- Laurent Attal (2020);

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

(9th to 12th resolutions)

Separation of the Offices of Chairman and Chief Executive Officer

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

The **Chairman** organizes and directs the work of the Board, and is responsible for ensuring the proper functioning of the corporate decision-making bodies in compliance with good governance principles. The Chairman coordinates the work of the Board of Directors with that of its Committees. The Chairman is accountable to the Shareholders' General Meeting, which he chairs.

The **Chief Executive Officer** is responsible for the management of the Company, and represents the Company in dealings with third parties within the limit of the corporate purpose. The Chief Executive Officer has the broadest powers to act in all circumstances in the

- Robert Castaigne (2018), independent director;
- Bernard Charlès (2021), independent director;
- Claudie Haigneré (2020), independent director;
- Patrick Kron (2018), independent director;
- Fabienne Lecorvaisier (2021), independent director;
- Melanie Lee (2021), independent director;
- Suet-Fern Lee (2019), independent director;
- Christian Mulliez (2018);
- Carole Piwnica (2020), independent director;
- Diane Souza (2020), independent director; and
- Thomas Südhof (2020), independent director.

In accordance with the recommendations of the AFEP-MEDEF Code and, consistent with the recommendation of the Appointments and Governance Committee, the Board of Directors' Meeting which was held on March 2, 2017, performed once again a review of the criteria for the independence of Board members. Based on this review and assuming adoption of resolutions 6 to 8, following the Shareholders' Meeting, a majority of the Board members would be regarded as independent directors, in compliance with our governance standards. Independent directors will make up more than 78% of the Board's membership. Women will make up nearly 43% of the Board's membership in accordance with the recommendations of the AFEP-MEDEF Code.

name of the Company, subject to the powers that are attributed by law to the Board of Directors and to the Shareholders' General Meeting and within the limits set by the Board of Directors.

A Compensation Committee predominantly composed of independent Directors

The compensation policy for corporate officers is established by the Board of Directors upon the recommendation of the Compensation Committee.

As of December 31, 2016, this Committee comprised:

- Patrick Kron, Chairman (since May 4, 2016);
- Claudie Haigneré;
- Christian Mulliez; and
- Diane Souza (since May 4, 2016).

Of the four members of the Compensation Committee, three are deemed to be independent.

The Compensation Committee met three times in 2016.

The Committee members have a good attendance record, with an overall attendance rate of 92%. Individual attendance rates varied between 75% and 100%.

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

In 2016, the main activities of the Compensation Committee related to:

- fixed and variable compensation of corporate officers and senior management;
- update on the 2015 and 2016 fixed and variable compensation of the members of the Executive Committee;
- setting the amount of directors' attendance fees for 2015, reviewing the expenses of corporate officers for 2015, and principles for allocating directors' attendance fees for 2016;
- review of the governance chapter of the 2015 French-language *Document de Référence*, which contains disclosures about compensation;
- implementation of the equity-based compensation policy, including both stock options and performance shares, which was discussed at more than one meeting largely because of the need to review termination clauses;
- review of draft "say on pay" resolutions to be submitted to the shareholders in 2016, and renewal of the delegation of authority to the Board to award stock options and performance shares;
- launch of an employee share ownership plan in June 2016, follow-up report on implementation of the plan, and consideration of the next plan;
- update on changes in "say on pay" requirements in light of amendments to the AFEP-MEDEF corporate governance code and the "Sapin 2" bill; and
- the top-up defined-benefit pension plan of the Chief Executive Officer.

The Committee did not have recourse to external consultants in 2016.

In the 9th and 10th resolutions, we propose that you approve the compensation policy for the Chairman of the Board and the Chief Executive Officer.

1. Compensation policy for executive officers

(9th and 10th resolutions)

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

compensation and benefits of whatever kind awarded to our executive officers.

Payment in 2018 of the variable and exceptional components included in the compensation for 2017 described below is subject to approval by the shareholders in an Ordinary General Meeting of the compensation package of the executive officer in question, on the terms stipulated in Article L. 225-100 of the French Commercial Code.

We propose that you approve this compensation policy for executive officers.

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

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

Article L. 225-37 subsection 7 of the French Commercial Code, the AFEP-MEDEF Code and the *Autorité des marchés financiers* (AMF), the French market regulator, require specific disclosures about the implementation by our Company of the recommendations contained in the AFEP-MEDEF Code, and explanations of the reasons why any of them have not been implemented by our Company.

The AFEP-MEDEF Code recommendation according to which stock options and performance shares awards should be made at the same time of year was not applied. As an exception to our usual practice (applied since 2009) of awarding stock options and performance shares in March, in 2016 those awards were made in May, which we intend to be the period for making such awards.

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

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

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

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

Executive officers do not receive attendance fees in their capacity as directors. Consequently, the Chairman of the Board does not receive attendance fees in his capacity as Chairman of the Board, chairman of the Appointments and Governance Committee or chairman of the Strategy Committee.

B. Compensation policy for the Chief Executive Officer

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

- General principles

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

The compensation of the Chief Executive Officer is set by the Board of Directors acting on the recommendation of the Compensation Committee, with reference to compensation paid to the chief executive officers of the ten leading global pharmaceutical companies. Consistency with market practice is fundamental in order to attract and retain the talents necessary to our success. We also review the practices of the principal CAC 40 companies in order to reach a fair balance and to take into account our corporate interest, market practices, the performance of the Chief Executive Officer and our other stakeholders.

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

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

Since 2011 the Board of Directors has substantially reworked our equity-based compensation policy to reinforce the link with long-term performance for all beneficiaries and to reduce potential dilution. As a result of very positive and encouraging shareholder feedback collected through corporate governance roadshows, contacts with governance professionals and the results of votes at Annual General Meetings, the Board decided to maintain and reinforce this policy in 2013.

The current policy can generally be characterized by reduced dilution; diversified, multi-year performance conditions; increased transparency; and specific additional requirements for the Chief Executive Officer.

The policy requires that grants be primarily based on performance shares, with only a limited number of high-level executives continuing to receive stock options.

Greater reliance on performance shares makes it possible to maintain a comparable level of employee incentivization while reducing the dilutive effect of equity-based compensation plans for existing shareholders. However,

the Board of Directors continues to believe that due to their ratchet effect, options remain an appropriate component of the compensation of high level executives.

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

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

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

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

- On taking up office

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

- During the term of office

Compensation structure

Our policy aims at achieving a balance in the compensation structure between fixed compensation, benefits in kind, short-term variable cash compensation, and medium-term variable equity-based compensation. The proportions of annual fixed and variable compensation are not reviewed on an annual basis. Compensation adjustments based on performance and market practice are mainly effected through equity-based compensation, which is medium-term and aims at aligning the interests of the Chief Executive Officer with those of our shareholders and stakeholders.

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

Annual variable compensation

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

Equity-based compensation

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

In 2016 the median fixed compensation of the chief executive officers of the ten leading global pharmaceutical companies was in the region of €1,500,000, and the median of the long-term compensation granted (whether in shares or in cash) represented around 800% of this fixed compensation.

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

Attendance fees

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

- On leaving office

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

Pension arrangements

The Chief Executive Officer is covered by a top-up defined-benefit pension plan. This plan, which falls within the scope of Article L. 137-11 of the French Social Security Code, is offered to all employees of Sanofi and its French subsidiaries who meet the eligibility criteria specified in the plan rules. The plan, which remains open,

was set up on October 1, 2008 as the final stage in the process of harmonizing the status of personnel across the French subsidiaries.

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

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

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

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

Termination benefit

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

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

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

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

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

Non-compete undertaking

In the event of his departure from the Company, the Chief Executive Officer undertakes not to join a competitor of the Company as an employee or corporate officer, or to provide services to or cooperate with such a competitor.

The Board of Directors determines the period for which the non-compete undertaking will apply, and the amount and terms of the indemnity payable to the Chief Executive Officer in return.

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

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

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

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

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

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

2. Consultative vote on the components of the compensation due or awarded to the Chairman of the Board and the Chief Executive Officer for the year ended December 31, 2016

(11th and 12th resolutions)

In accordance with the recommendation of the AFEP-MEDEF Code, revised in November 2016 (Article 26), to which Sanofi refers to pursuant to Article L. 225-37 of the French Commercial Code, the following components of the compensation due or awarded to each executive officer of the Company for 2016, are submitted to the shareholders' for a consultative vote:

- the fixed portion;
- the annual variable portion and, any multi-year variable portion, with the objectives used in the determination of this variable portion;
- exceptional compensation;
- options to subscribe for shares, performance shares and any long-term incentive;
- welcome bonus or termination benefit;
- the pension scheme;
- any other benefits.

The 11th and 12th resolutions offer you an advisory vote on the components of the compensation due or awarded to the Chairman of the Board and the Chief Executive Officer for the year ended December 31, 2016.

a) Serge Weinberg (11th resolution)

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

The Chairman of the Board also chairs the Appointments and Governance Committee and the Strategy Committee.

In accordance with our Board Charter and in close collaboration with Senior Management, the Chairman represents the Company in high-level dealings with governmental bodies and with our key partners, both nationally and internationally, and participates in defining Sanofi's major strategic choices especially as regards mergers, acquisitions and alliances. The Chairman and the Chief Executive Officer, when the two offices are separated, keep each other fully informed of one another's actions.

On March 3, 2016, acting on a recommendation from the Compensation Committee, the Board of Directors set the terms of Serge Weinberg's compensation for 2016.

For 2016, his annual fixed compensation was maintained at €700,000.

In line with our compensation policy he did not receive any variable compensation and was not awarded any stock options or performance shares. Nor did he receive any attendance fees in his capacity as a Director.

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

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

Components of the compensation due or awarded to Serge Weinberg, Chairman of the Board, for the year ended December 31, 2016 and submitted to a consultative vote

	Amounts due or awarded or valuation (in euros)	Comments
Fixed Compensation	700,000	Fixed compensation (gross amount) for 2016 set by the Board of Directors on March 3, 2016 on a recommendation from the Compensation Committee. Serge Weinberg's fixed compensation has remained the same since his appointment as Chairman of the Board on May 17, 2010.
Annual variable Compensation	NA	
Benefits in kind	8,353	The benefit in kind relates principally to a company car with a chauffeur.
Grants of Options to subscribe for Shares and/or Performance Shares	NA	
Compensation payable on Termination of Office	NA	
Exceptional Compensation	NA	
Non-compete Clause	NA	
Pension Plan	NA	
Collective Healthcare and Welfare Schemes	NA	
Multi-year variable compensation	NA	
Directors' Fees	NA	
Total	708,353	

b) Olivier Brandicourt (12th resolution)

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

On March 3, 2016, acting on a recommendation from the Compensation Committee, the Board of Directors set the terms of Olivier Brandicourt's compensation for 2016.

His annual compensation for 2016 comprised (i) fixed annual gross compensation of €1,200,000 (unchanged since he took office) and (ii) variable annual compensation with a target of 150% of his fixed annual compensation, subject to quantifiable and qualitative criteria and capped at 250% of his fixed annual compensation.

Olivier Brandicourt also received in January 2016 the remaining €2,000,000 lump-sum benefit payable to compensate him for the significant benefits that he forfeited upon his departure from his previous employer. Payment of this lump-sum benefit was subject to a condition of continued employment within Sanofi. This lump-sum benefit was made to compensate him for the significant benefits he forfeited because of his departure from Bayer (variable compensation, equity-based compensation).

His variable compensation for 2016 was established on the basis partly of quantifiable criteria, and partly of qualitative criteria. These criteria related to a series of objectives: 40% based on financial indicators (sales growth one-third, business net income two-thirds), and 60% based on specific individual objectives.

Those individual objectives comprise:

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

Qualitative criteria account for 35% of the overall variable compensation objectives, and hence represent a relatively limited proportion of the total.

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

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

operate to reduce the amount of variable compensation, and cannot compensate for underperformance on quantifiable criteria.

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

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

Acting on a recommendation from the Compensation Committee, the Board of Directors meeting of March 2, 2017 reviewed the attainment of each criterion and sub-criterion. The Board's conclusions are summarized in the table below.

	CRITERION	TYPE	WEIGHTING	TARGET/ CAP	OUTCOME	COMMENTS	ATTAINMENT
FINANCIAL OBJECTIVES (40%)	Sales	Quantifiable	13.3%	19.95% / 33.25%	Slightly below target	Confidential target	194.1%
	Business net income ^(a)	Quantifiable	26.7%	40.05% / 66.75%	Substantially above target		
INDIVIDUAL OBJECTIVES (60%)	New product launches	Quantifiable	10%	15% / 25%	Below target	Confidential target	142.1%
	Research and development	Quantifiable	15%	22.5% / 37.5%	Above target	Registrations and submissions in line with budget. Proofs of concept in line with budget. Promising new product pipeline and control over R&D programs.	
	Ongoing transformation of Sanofi	Qualitative	25%	37.5% / 62.5%	Below target	Closing of the swap with BI, definition of the digital strategy. No significant acquisition.	
	Organization and staff relations	Qualitative	10%	15% / 25%	On target	Simplification of the organizational structure completed. Work on succession planning ongoing. Executive Committee staffing.	
TOTAL			100%	150% / 250%			162.9%

(a) For a definition, see "Item 5. Operating and Financial Review and Prospects – A.1.5. Segment information — 3/ Business Net Income" of our annual report on form 20-F.

Acting on a recommendation from the Compensation Committee, the Board of Directors meeting of March 2, 2017 set Olivier Brandicourt's variable compensation for

2016 at €1,954,800, equivalent to 162.9% of his fixed compensation.

Components of the compensation due or awarded to Olivier Brandicourt, Chief Executive Officer, for the year ended December 31, 2016 and submitted to a consultative vote

	Amounts due or awarded or valuation (in euros)	Comments
Fixed Compensation	1,200,000	<p>On a recommendation from the Compensation Committee, Olivier Brandicourt's fixed compensation (gross amount) for 2016 was set by the Board of Directors on March 3, 2016.</p> <p>His annual fixed compensation amounts to €1,200,000.</p> <p>Olivier Brandicourt's fixed compensation has remained the same since his appointment.</p>
Annual variable Compensation	1,954,800	<p>The variable compensation of Olivier Brandicourt was in a potential range between 0% and 250% of his fixed compensation, with a target of 150%.</p> <p>His variable compensation for 2016 was established on the basis of quantifiable and qualitative criteria. These criteria were as follows:</p> <ul style="list-style-type: none"> • attainment of financial targets (40%). This objective included sales growth (one-third) and growth in Business Net Income (two-thirds); • new product launches (10%); • research and development (15%); • ongoing transformation of Sanofi (25%); and • organization and staff relations (10%). <p>Qualitative criteria account for 35% of the overall variable compensation objectives, and hence represent a relatively limited proportion of the total.</p> <p>On a recommendation from the Compensation Committee, the Board of Directors meeting of March 2, 2017 reviewed the attainment of each criterion and sub-criterion. Its conclusions are summarized in the table on the preceding page.</p> <p>Acting on a recommendation from the Compensation Committee, the Board of Directors meeting of March 2, 2017 set Olivier Brandicourt's variable compensation for 2016 at €1,954,800, equivalent to 162.9% of his fixed compensation.</p> <p>Olivier Brandicourt's 2016 variable compensation is to be paid in 2017.</p>
Benefits in kind	313	<p>Olivier Brandicourt received a benefit in kind representing social contribution payments made by Sanofi on his behalf. Sanofi policy is to make these payments (which arise on employer's pension contributions and are normally payable by the employee) on behalf of all of its employees in France, including him.</p>
Grants of Options to subscribe for Shares of Performance Shares		<p>Pursuant to authorizations granted by the Combined General Meeting held on May 4, 2016 (12th and 13th resolutions), the Board of Directors meeting held on May 4, 2016 granted Olivier Brandicourt 220,000 options to subscribe for shares and 50,000 performance shares.</p> <p>The award of the options and performance shares is contingent upon fulfilment of a performance condition which consists in the attainment of 3 cumulative performance conditions (Business Net Income⁽¹⁾ (50%), Return on Assets (30%) and Total Shareholder</p>

(1) For a definition, see "Item 5. Operating and Financial Review and Prospects – A.1.5. Segment information – 3/ Business Net Income" of our annual report on form 20-F.

	Amounts due or granted or valuation (in euros)	Comments
	1,452,000	<p>Return (20%)) over a 3-year period, 2016 – 2018. Options to subscribe for shares may not be exercised the first 4 years and performance shares have a 3-year vesting period.</p> <p>Each option to subscribe for shares granted on May 4, 2016 was valued at €6.60, valuing the total benefit at €1,452,000. Options are valued at the date of grant using the Black & Scholes method which is used for consolidated accounts. Options to subscribe for shares granted to Olivier Brandicourt in 2016 represented 3.61% of total limit approved by the Shareholders' General Meeting held on May 4, 2016.</p>
	3,053,000	<p>Each performance share granted on May 4, 2016 was valued at €61.06, valuing the total benefit at €3,053,000. Performance shares are valued at the date of grant and valuation represents the difference between the quoted market price of the shares on the date of grant and the current value of the dividends over the next three years. All the performance shares granted to Olivier Brandicourt in 2016 represented 0.26% of the total limit approved by the Shareholders' General Meeting held on May 4, 2016.</p>
Exceptional compensation	2,000,000	<p>Olivier Brandicourt also received in January 2016 the remaining €2,000,000 lump-sum benefit payable to compensate him for the significant benefits that he forfeited upon his departure from his previous employer. Payment of this lump-sum benefit was subject to a condition of continued employment within Sanofi. This lump-sum benefit was made to compensate him for the significant benefits he forfeited because of his departure from Bayer (variable compensation, equity-based compensation).</p>
Compensation payable on Termination of Office	No Payment	<p>This termination benefit can only be activated if the departure of the Chief Executive Officer is forced, i.e. in the event of removal from office linked to a change in strategy or control of the Company.</p> <p>The amount of this termination benefit is limited to 24 months of total compensation on the basis of the fixed compensation effective on the date he ceases to hold office and the last variable compensation received prior to that date, subject to the performance criteria described below.</p> <p>In accordance with article L. 225-42-1 of the French Commercial Code and with the AFEP-MEDEF Code, payment of the termination benefit is contingent upon fulfillment of two performance criteria listed below, assessed over the three financial years preceding his ceasing to hold office. The two criteria are:</p> <ul style="list-style-type: none"> • the average of the ratios of business net income⁽¹⁾ to net sales for each financial year must be at least 15%; • the average of the ratios of operating cash flow before changes in working capital to net sales for each financial year must be at least 18%. <p>The amount of this benefit will be reduced by any benefit received as consideration for the non-compete undertaking, so that the cumulative amount of these two benefits may never exceed two years of total fixed and variable compensation.</p>

(1) For a definition, see "Item 5. Operating and Financial Review and Prospects — A.1.5. Segment information — 3/ Business Net Income" of our annual report on form 20-F.

	Amounts due or granted or valuation (in euros)	Comments
		<p>The Shareholders' General Meeting of May 4, 2015 approved the section on the termination benefit contained in the auditors' special report on related party transactions (4th resolution).</p>
Non-Compete Clause	No payment	<p>In the event of his departure from the Company, Olivier Brandicourt undertakes not to join a competitor of the Company as an employee or executive officer, or to provide services to or cooperate with such a competitor, during a 12-month period following his departure.</p> <p>In return for his undertaking, he will receive an indemnity corresponding to one year's total compensation on the basis of his fixed compensation effective on the day he ceases to hold office and the last individual variable compensation received prior to that date. This indemnity will be payable in 12 monthly installments.</p> <p>However, the Board of Directors reserves the unilateral right to release him from this undertaking for some or all of that 12-month period. In such a case, the non-compete indemnity would not be due for the period of time waived by the Company.</p> <p>The Shareholders' General Meeting of May 4, 2015 approved the section on the non-compete undertaking contained in the auditors' special report on related party transactions (4th resolution).</p>
Pension plan	No Payment	<p>Olivier Brandicourt is covered by a top-up defined-benefit pension plan falling within the scope of Article L. 137-11 of the French Social Security Code. The plan is offered to all employees of Sanofi and its French subsidiaries who meet the eligibility criteria specified in the plan rules. This plan, which remains open, was set up on October 1, 2008 as the final stage in the process of harmonizing the status of personnel across the French subsidiaries.</p> <p>The main characteristics of this plan are as follows:</p> <p>This top-up defined-benefit pension plan is offered to executives (as defined by AGIRC, a confederation of executive pension funds) of Sanofi and its French subsidiaries who meet the eligibility criteria specified in the plan rules; the benefit is contingent upon the plan member ending his or her career within the Group. The plan is reserved for executives with at least ten years of service whose annual base compensation has for ten years (not necessarily consecutive) exceeded four times the French social security ceiling, and is wholly funded by the Company and outsourced to an insurance company.</p> <p>The top-up pension, which may not exceed 37.50% (1.5% per year of service capped at 25 years) of the reference compensation, is in the form of a life annuity, and is transferable as a survivor's pension. The annuity is based on the arithmetical average of the three highest years' annual gross compensation (fixed plus variable) paid during any three of the five years preceding final cessation of employment. This reference compensation is capped at 60 times the French social security ceiling ("PASS") applicable in the year in which the rights vest.</p> <p>That annuity would supplement the schemes for which he may be eligible in France or abroad, subject to a cap on the total pension from all sources set at 52% of the reference compensation. If the total amount of the annuities paid under all such schemes were to exceed the 52% cap, the amount of the Sanofi top-up defined-benefit pension would be reduced accordingly in order to respect this cap.</p>

Amounts due or granted or valuation (in euros)	Comments
	<p>Because Olivier Brandicourt has pursued his career in different countries and in different groups, he has not continuously paid his contribution to the French compulsory industry schemes. Taking into account the award of a deemed ten years of service on taking up office, he had accumulated 11.75 years of service as of December 31, 2016. The reference compensation being limited to 60 PASS (i.e. €2,316,960 in 2016) the amount of the annuity is 17.625% of this amount, i.e. €408,364.</p> <p>In order to benefit from the Sanofi retirement plan when leaving the Group, Olivier Brandicourt has to be entitled to benefit fully from compulsory industry schemes, which requires that he reach the legal retirement age (taking into account his age, not before 2018) and to have the mandatory number of three-month periods of qualifying employment. Sanofi does not have sufficient information to determine whether retirement in 2018 is a realistic scenario in terms of qualifying employment, since most of his career has been spent outside France.</p> <p>If Olivier Brandicourt were to retire in 2018, he would have accumulated 12.75 years of service, entitling him to an annuity equal to 19.125% of his reference compensation. That annuity would supplement the schemes for which he may be eligible in France or abroad, subject to a cap on the total pension from all sources set at 52% of the reference compensation.</p> <p>If the total amount of the annuities paid under all such schemes were to exceed the 52% cap, the amount of the Sanofi top-up defined-benefit pension would be reduced accordingly in order to respect this cap.</p> <p>The eligibility of Olivier Brandicourt for this plan was approved by the Shareholders' General Meeting of May 4, 2015 (4th resolution).</p>
Collective Healthcare and Welfare Schemes	NA Olivier Brandicourt is subject to, benefits from and contributes to the same health coverage and death & disability plans as are applicable to other employees of the Group based in France.
Multi-year variable compensation	NA
Directors' Fees	NA
Total	9,660,113

REAPPOINTMENT OF A STATUTORY AUDITOR

(13th resolution)

Upon the recommendation of the Audit Committee, the Board of Directors proposes that you reappoint PricewaterhouseCoopers Audit whose mandate is due to expire at the close of the present General Meeting.

This audit firm was appointed for the first time in 2004.

The Audit Committee examined the services provided by the current statutory auditor, in particular with regard to:

- the quality of work carried out;
- the regular rotation of the two firms in the Group's entities; and

- the robust quality control procedure.

The Audit Committee recommended to the Board of Directors the reappointment of PricewaterhouseCoopers Audit for another term of six financial years expiring at the close of the General Meeting called to approve the financial statements for the year ending December 31, 2022, in accordance with the applicable regulations and, in particular, with the European regulation of April 16, 2014 on specific requirements regarding statutory audit.

SHARE REPURCHASE PROGRAM

(14th resolution)

The Board of Directors requests that you renew the authorization to repurchase the Company's own shares granted to the Board of Directors at the Shareholders' Meeting held on May 4, 2016, in accordance with Articles L. 225-209 *et seq.* of the French Commercial Code.

Purchases under the prior authorization through February 28, 2017 (the last available date prior to finalization of this report) amounted to 32,969,912 shares at an average price of €75.83 per share. A liquidity plan based on a prior authorization has been in place since 2010 with a current allocation of €10 million.

In 2016, the Company did not resort to derivatives to repurchase its own shares.

Under the new resolution submitted for your approval, the Company could repurchase its own shares up to the statutory limit of 10% of the number of shares

constituting the share capital at the date of such purchases (i.e. at December 31, 2016, 129 million shares), and the maximum number of treasury shares held after such purchases could not exceed 10% of the amount of the Company's share capital at any time.

The maximum price for such a purchase will be set at €120 per share. It is specified that this authorization will not be valid in the event of a public tender offer for Sanofi's shares, and that its validity is limited to a period of 18 months.

The objectives of the repurchase program which could be implemented pursuant to this authorization are limited by law. A description of these objectives is set forth in the resolution. Sanofi may conduct repurchases itself or through an agent. Repurchases are disclosed regularly on our corporate website (www.sanofi.com).

II — Extraordinary business

FINANCIAL AFFAIRS OF YOUR COMPANY

(15th to 23rd resolutions)

a. General overview

- Resolutions 15 to 23 are all intended to give the Board powers, partially and subject to certain conditions, to manage the financial affairs of the Company, in particular by authorizing the Board to increase the capital of the Company by various means and for various reasons, as explained in the summary table that follows this introduction. Each resolution deals with a specific purpose for which the Board would be authorized to increase the capital. The aim of these financial authorizations is to give the Board flexibility in choosing from a range of types of issue, and to enable the Board (at the appropriate time) to adapt the nature of the financial instruments issued in light of conditions in the French or international financial markets and of the opportunities available in those markets. As in the past, these authorizations will be suspended and thus not valid in the event of a public tender offer for Sanofi's shares.
- Overall, these resolutions can be split into two main categories:
 - those that would result in capital increases with preemptive rights maintained; and
 - those that would result in capital increases with preemptive rights being cancelled.

In principle, any capital increase made by issuing shares for cash entitles existing shareholders to a "preemptive right",

which is detachable and may be traded during the subscription period. For a period of at least 5 trading sessions after the opening of the subscription period, each shareholder has the right to subscribe for a quantity of new shares proportionate to his/her existing interest in the capital.

Depending on market conditions, the type of investor at which the issue is targeted (institutional, retail, French or international) and the type of securities issued, it may be preferable or even necessary to cancel shareholders' preemptive rights in order for the newly-issued securities to be placed on the best possible terms – for example, when speed is essential to the success of an issue or when an issue is made on foreign financial markets. Cancelling preemptive rights can make it easier for the Company to access capital markets by offering better issue terms. In some of these resolutions, the Board requests your authorization to set aside this preemptive right.

Moreover, in some cases, preemptive rights are automatically cancelled by law. If you approve the resolution delegating authority to the Board to issue shares reserved for members of employee savings plans (22nd resolution), this by law entails express waiver by the shareholders of their preemptive rights in favor of the beneficiaries or grantees in question.

Under the proposed resolutions, the Board of Directors could decide to grant existing shareholders a priority subscription period.

3. Following the reform introduced by the Order dated July 31, 2014, there is no longer a need for a specific authorization from the shareholders in order to issue debt instruments without dilutive impact, i.e. not giving immediate or future access to share capital to be issued, as it now falls within the competency of the Board. There is an exception to that rule in Resolution 18 which has no dilutive impact on Sanofi share capital but which nonetheless is submitted for your approval because the law still requires that you grant your authorization when the debt instruments give access to the share capital of other companies.
4. These authorizations are of course subject to constraints set by law. First, each authorization would be granted for a period generally limited to twenty-six months, and hence would be regularly resubmitted for your approval. Second, the Board of Directors would only be able to increase the share capital up to strictly defined ceilings, above which the Board of Directors could not increase the capital again without calling a new Extraordinary Shareholders' General Meeting. These ceilings are shown in the summary table following this introduction.

In addition to these specific ceilings, an overall ceiling of 1.289 billion euros, stipulated in the 15th resolution (capital increase with preemptive rights maintained), applies to all these resolutions collectively.

Moreover, the 15th, 16th and 18th resolutions do not allow private placements or capital increases to be reserved for predetermined persons or categories of beneficiaries. Such measures would require specific authorizations from the shareholders. The authorization to carry out private placements is sought under a separate resolution (resolution 17) in order to enable the Company to swiftly allocate securities that would be of no interest for non-institutional markets.

b. Capital increases as consideration for assets (20th resolution)

The 20th resolution aims to authorize the Company to acquire assets by using newly issued shares. When such a financing option meets the needs of both parties, this authorization enables the Board of Directors to carry out this transaction quickly without the need for a new extraordinary general meeting, which slows down the process due to the meeting notice period and also incurs extra costs for the shareholders. Without such an authorization, the Company would be disadvantaged compared to other potential purchasers that are not submitted to French legislation. This resolution requires the cancellation of the shareholders' preemptive right.

In order to protect Sanofi shareholders' interests, French legislation requires an independent accountant's report on any such transaction. As for any other financial resolution, any transaction that exceeds the ceiling set in the resolution would require the approval of a shareholder's extraordinary general meeting.

c. Employee Share ownership plans (22nd resolution)

The 22nd resolution relates to capital increases reserved for members of the Group's employee savings plans and would allow the Company to achieve its goal of increasing employee share ownership.

At its meeting of March 3, 2016, our Board of Directors decided to delegate to the Chief Executive Officer the powers necessary to carry out a capital increase reserved for members of the Group savings program. Every employee subscribing for at least five shares received one additional new share as an employer's top-up contribution, and every employee subscribing for an additional five shares (i.e. ten shares in total) received two additional shares as an employer's top-up contribution for the first ten shares. Beyond the first ten shares there was no entitlement to any further shares by way of employer's top-up contribution. The subscription period was open during June 2016.

24,218 employees from over 80 countries subscribed for a total of 1,756,972 shares. Of these, 747,330 were subscribed via FCPE Actions Sanofi, the dedicated employee share ownership fund for employees of our French subsidiaries; 399,646 via FCPE Sanofi Shares, the dedicated employee share ownership fund for employees of our foreign subsidiaries; and 609,996 directly by employees who were eligible for the employee share ownership plan but were in countries where local regulations did not allow the use of a dedicated employee share ownership fund.

A total of 47,014 shares were issued by way of employer's top-up contribution. Of these, 17,388 were issued to FCPE Actions Sanofi; 14,102 to FCPE Sanofi Shares; and 15,524 directly to employees who were eligible for the employee share ownership plan but were in countries where local regulations did not allow the use of a dedicated employee share ownership fund.

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

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

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

At December 31, 2016, shares held by employees of Sanofi and of related companies and by former employees under Group employee savings schemes amounted to 1.43% of the share capital.

In accordance with French legislation, a resolution aiming at carrying out such a capital increase has to be submitted to the shareholders as long as the salaried employees of the Group do not own 3% of the share capital or whenever

shareholders' approval is sought for a share capital increase in cash. The previous authorization was adopted by the 2015 annual meeting. Consequently, the Company must once again submit a resolution to open up the share capital to its salaried employees.

Beyond this legal obligation the Board of Directors would like to encourage employee share ownership and offer employees at all Group locations the possibility to subscribe to shares of the Company. The Company intends to implement an employee share ownership plan within the next 18 months.

Any share capital increase reserved for employees will comply with the undertaking of the Board of Directors not to issue more than 10% of the share capital through such plans. The potential dilution under this resolution would be limited to as it would only represent 1% of the share capital, it being stipulated that issuances under this resolution would count towards the ceiling set in the 15th resolution.

This resolution entails the cancellation of the preemptive right in favor of the salaried employees of the Group.

The 22nd resolution sets a period of validity of 26 months in order to comply with the aforementioned legal requirement.

d. Share capital reduction (23rd resolution)

The 23rd resolution serves to authorize the cancellation of treasury shares directly held by the Company, in particular as a result of share repurchases authorized under the 14th resolution, assuming it is adopted.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

(24th resolution)

We are proposing the following amendment to the Articles of Association.

Following the enactment of the French Employment Protection Act of June 14, 2013, the Appointments and Governance Committee assessed its impact on Sanofi. On the basis of that assessment, our Board concluded that Sanofi could not apply the Act because the parent company has a workforce of less than 50 people and therefore does not have a works council.

Under current French legislation, and given that employees own less than 3% of our share capital, the Board does not include a director representing employee shareholders.

Nevertheless, five employee representatives attend Board meetings without voting rights, pursuant to the agreement of February 24, 2005 to establish a European Works Council.

One of our French subsidiaries that falls within the scope of the French Employment Protection Act appointed an employee representative to its Board in 2015.

Following the enactment of the French Social Dialogue and Employment Act of August 17, 2015, an assessment has been carried out to determine the most appropriate level for achieving employee representation within Sanofi, and the most suitable methods for appointing employee representatives.

This resolution aiming to amend our articles of association is submitted for your approval. It provides (i) that one employee representative director would be designated by the trade union body which is the most representative, within the meaning of the applicable legislation, in our Company and those of its direct or indirect subsidiaries that have their registered office in French territory, and (ii) that one employee representative director would be designated by the European Works Council.

Employee representative directors would hold office for a four-year term, expiring at the end of the Annual General Meeting held in the final year of that term to approve the financial statements for the previous financial year.

POWERS

(25th resolution)

Finally, the 25th resolution is a usual one which allows accomplishing legal publications and formalities.

The Board of Directors proposes that you grant powers for the accomplishment of formalities required further to the Shareholders' General Meeting.

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

The Board of Directors

Use of Existing Shareholder Authorizations in 2016

Share repurchases: in 2016, a total of 38,711,435 shares were repurchased at an average price of €74.91 per share. Between January 1 and February 28, 2017 (the last available date prior to finalization of this report), a total of 13,022,710 shares were repurchased at an average price of €75.79 per share.

Share Cancellation: 22,561,090 shares cancelled at the Board meeting of April 28, 2016.

Equity Compensation: a total of 402,750 options and 4,097,925 performance shares were granted in 2016.

Other Equity Issuances: 1,803,986 shares were issued following the 2016 share capital increase reserved for employees.

Furthermore, the Board of Directors reserves the right to continue to use the shareholder authorizations previously granted by the Annual General Meeting of May 4, 2016 in its 12th and 13th resolutions.

We encourage you as shareholders to help us to reduce the AGM's carbon footprint by signing up to receive electronic shareholder communications and by voting through the VOTACCESS platform. More information can be found at www.sanofi.com/AGM2017.

Summary table of financial resolutions adopted by shareholders at the Combined General Meeting held on May 4, 2016 and remaining in force after May 10, 2017

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

EXTRAORDINARY BUSINESS						
N°	Purpose	Period of validity	Possible reasons for use of the delegation of authority	Specific ceiling	Price or method for determining price	Other information and comments
12	Granting of options to subscribe for or purchase shares	38 months	Potentially used to incentivize grantees by giving them a stake in the growth of business	<ul style="list-style-type: none"> – 0.5% of the share capital on the date the Board decides to use this delegated authority – Included in the overall ceiling of 1.289 billion euros (i.e. 644.5 million shares) – sub-ceiling: no more than 15% of the total options granted may be granted to executive officers 	/	Our policy and procedures for the granting of stock options, including options granted to executive officers are indicated in our 2016 Annual Report on Form 20-F
13	Consideration-free allotments of existing or new shares	38 months	Potentially used to incentivize grantees by giving them a stake in the growth of business	<ul style="list-style-type: none"> – 1.5% of the share capital on the date the Board decides to use this delegated authority – Included in the overall ceiling of 1.289 billion euros (i.e. 644.5 million shares) – sub-ceiling: no more than 5% of the total shares awarded may be awarded to executive officers 	/	Our policy and procedures for the granting performance shares, including shares granted to executive officers are indicated in our 2016 Annual Report on Form 20-F

Summary table of financial resolutions proposed at the Combined General Meeting of May 10, 2017

ORDINARY BUSINESS						
N°	Purpose	Period of validity	Possible reasons for use of the delegation of authority	Specific ceiling	Price or method for determining price	Other information and comments
14	Authorization to carry out transactions in shares issued by the Company	18 months	<p>Possible goals of share repurchase by the Company:</p> <ul style="list-style-type: none"> – implementation of share purchase option plans or similar plans – allotment or transfer of shares to salaried employees – allotment of consideration-free shares to salaried employees or corporate officers – grant of shares linked to stock option plans or other awards to salaried employees or corporate officers of the Company or associated company – delivery of shares or the exercise of rights attached to securities giving access to the capital – cancellation of some or all of the repurchased shares (subject to the adoption of the 23rd resolution) – delivery of shares in connection with an acquisition, merger, demerger or asset-for-share exchange – market-making in the secondary market or maintenance of the liquidity of Sanofi shares by an investment services provider as part of a liquidity contract consistent with the ethics charter approved by the French <i>Autorité des Marchés Financiers</i> – any transaction that complies with current or future applicable regulations 	<ul style="list-style-type: none"> – the Company may at no time hold a number of shares representing more than 10% of its share capital, as adjusted to reflect transactions affecting the share capital subsequent to the present General Meeting, i.e. for information purposes 129,202,232 shares at December 31, 2016 – the number of shares acquired with a view to their retention or future delivery in connection with a merger, demerger or asset-for-share exchange may not exceed 5 % of the Company's share capital 	Maximum purchase price of €120 per share	This delegation of authority cannot be used during a public offer for the Company's shares

EXTRAORDINARY BUSINESS

N°	Purpose	Period of validity	Possible reasons for use of the delegation of authority	Specific ceiling	Price or method for determining price	Other information and comments
15	Issuance, with preemptive rights* maintained , of shares and/or securities giving access to the capital* of the Company, of any Subsidiary* and/or of any company	26 months	Potentially used by the Board of Directors to provide your Company with the financial resources needed to develop the Company and the Group	<ul style="list-style-type: none"> – 644.5 million shares, i.e. 49.88% of the capital at December 31, 2016, plus any additional amount issued to preserve the rights of holders of securities giving access to the capital* – included in the Overall Ceiling* of the same amount – €7 billion maximum par value amount for debt instruments, included in the maximum Par Value Amount* of the same amount 	Price set by the Board	<ul style="list-style-type: none"> – refer to the glossary for information about securities giving access to the capital* – possible introduction of a prorated subscription right* – possible authorization to issue securities giving access to the share capital of Subsidiaries* or Affiliates* – this delegation of authority cannot be used during a public offer for the Company's shares
16	Issuance by public offering with preemptive rights* cancelled , of shares and/or securities giving access to the share capital* of the Company of any Subsidiary* and/or of any company	26 months	<ul style="list-style-type: none"> – potentially used by the Board of Directors to provide your Company with the financial resources needed to develop the Company and the Group and to carry out issues, without preemptive rights for existing shareholders, both on the French and on the international market – potentially used to issue shares or securities giving access to the share capital* as consideration for securities of another company meeting the conditions set by article L. 225-148 of the French Commercial Code in a public exchange offer initiated by the Company in France or in another country under local rules 	<ul style="list-style-type: none"> – 120 million shares, i.e. 9.29% of the share capital at December 31, 2016, plus any additional amount issued to preserve the rights of holders of securities giving access to the share capital* – included in the Overall Ceiling* – €7 billion maximum par value amount for debt instruments, included in the Maximum Par Value Amount* of the same amount 	Price set by the Board, at least equal to the Statutory Minimum Price*	<ul style="list-style-type: none"> – possible authorization to issue securities giving access to the share capital* of Subsidiaries* or Affiliates* – possible authorization to issue shares or securities giving access to the share capital* further to issuance of securities giving access to the Company's share capital* by Subsidiaries* – possible 5-day Priority subscription period* – this delegation of authority cannot be used during a public offer for the Company's shares

N°	Purpose	Period of validity	Possible reasons for use of the delegation of authority	Specific ceiling	Price or method for determining price	Other information and comments
17	Issuance with preemptive rights* cancelled , of shares and/or securities giving access to the share capital* of the Company, of any Subsidiary* and/or of any company via a private placement	26 months	<ul style="list-style-type: none"> – potentially used by the Board of Directors to provide the Company with a swifter and simpler means of funding than an issuance by public offering with preemptive rights* maintained – intended mainly for professional investors 	<ul style="list-style-type: none"> – 120 million shares, i.e. 9.29% of the share capital as of December 31, 2016, plus any additional amount issued to preserve the rights of holders of securities giving access to the share capital* – included in the ceiling of the same amount specified in the 16th resolution and in the Overall Ceiling* – €7 billion maximum par value amount for debt instruments, included in the Maximum Par Value Amount* of the same amount 	Price set by the Board, at least equal to the Statutory Minimum Price*	<ul style="list-style-type: none"> – possible authorization to issue securities giving access to the share capital* of Subsidiaries* or Affiliates* – possible authorization to issue shares or securities giving access to the capital* further to the issuance of securities giving access to the Company's share capital by Subsidiaries* – this delegation of authority cannot be used during a public offer for Company's shares
18	Issuance of debt instruments giving access to the share capital* of Subsidiaries and/or of any other companies	26 months	Potentially used by the Board of Directors to provide the Company with the financial resources needed to develop the Company and the Group	€7 billion maximum par value amount for debt instruments, included in the Maximum Par Value Amount* of the same amount	Price set by the Board	This delegation of authority cannot be used during a public offering on the Company's share capital
19	Increasing the number of securities to be issued in the event of a capital increase with or without preemptive rights*	26 months	Potentially used to reopen a capital increase at the same price as the original issue in the event of oversubscription (also known as a greenshoe clause)	<ul style="list-style-type: none"> – for each issue, the ceiling is the regulatory limit applicable on the issue date (currently 15% of the initial issue) – included in the 120 million shares ceiling set by the 16th resolution (for issues without preemptive rights*) and in the Overall Ceiling* (for any issue) – €7 billion maximum par value amount for debt instruments claim, included in the Maximum Par Value Amount* of the same amount 	Same price as the initial issue	This delegation of authority cannot be used during a public offer for the Company's shares

N°	Purpose	Period of validity	Possible reasons for use of the delegation of authority	Specific ceiling	Price or method for determining price	Other information and comments
20	Issuance of shares or securities giving access to the share capital* as consideration for contributions in kind	26 months	Potentially used in connection with acquisitions	<ul style="list-style-type: none"> – 10% of the capital adjusted to reflect transactions affecting the share capital subsequent to the 2017 General Meeting, i.e. for information purposes 129,202,323 shares at December 31, 2016 – included in the 120 million shares ceiling specified in the 16th resolution for capital increases without preemptive rights* and the Overall Ceiling* – €7 billion maximum par value amount for debt instruments, included in the Maximum Par Value Amount* of the same amount 	The Board will rule on the report of the Independent Reporting Accountants, which includes an assessment of the value of the assets transferred	<ul style="list-style-type: none"> – as stipulated by law, this delegation of authority cannot be used for consideration provided in connection with a public exchange offer initiated by the Company within the scope of article L. 225-148 of the French Commercial Code – this delegation of authority cannot be used during a public offer for the Company's shares
21	Incorporation of share premium, reserves, profits or other items	26 months	Potentially used to incorporate share premium, reserves, profits or other items into the share capital, enabling the capital to be increased without any new money having to be contributed	<ul style="list-style-type: none"> – 250 million shares (in the event of a capital increase by issuance of new shares) – Included in the Overall Ceiling* 	The Board determines the amounts incorporated, and the quantity of new equity instruments issued and/or the new par value of existing equity instruments	This delegation of authority cannot be used during a public offer for the Company's shares
22	Issuance of shares or securities giving access to the share capital* reserved for members of employee savings plan	26 months	Potentially used to increase employee share ownership, in France and abroad, by setting up employee savings plans	<ul style="list-style-type: none"> – 1% of the share capital on the date the Board decides to use this delegated authority – Included in the Overall Ceiling* 	Price set by the Board subject to a minimum issue price for the shares or securities giving access to the capital of: <ul style="list-style-type: none"> – 80% of the Reference Price* – 70% of the Reference Price* when the lockup period stipulated by the plan is 10 years or more (for retirement savings plans) 	<p>This delegation of authority may be used during a public offer for the Company's shares</p> <p>This delegation of authority deprives of effect starting from July 4, 2017, any unused portion of any prior delegation for the same purpose</p>
23	Cancellation of treasury shares	26 months	Potentially used to reduce the Company's share capital	No more than 10% of the capital may be cancelled during any 24-month period	/	22.6 million shares cancelled at the Board meeting of April 28, 2016

GLOSSARY

Affiliates

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

Maximum Par Value Amount

Overall maximum par value amount of **€7 billion** for securities representing a debtor claim issued pursuant to the 15th to 20th resolutions.

Overall Ceiling

General ceiling of **€1.289 billion (i.e. 644.5 million shares)** on the basis of the share capital as of December 31, 2016) imposed on share capital increases carried out pursuant to the 15th, 16th, 17th, 19th, 20th, 21st and 22nd resolutions.

Preemptive rights

Tradable right enabling existing shareholders to purchase additional shares or securities giving access to the share capital* in an offering before the general public has the opportunity, or to obtain, by selling such right, an amount equivalent to the decrease in its stake further to the issuance of new shares.

Priority subscription Rights / Priority subscription period

In return for the cancellation of preemptive rights*, the Board may introduce priority subscription rights, which may be pro-rated*. Whenever introduced, priority subscription rights, like preemptive rights*, enable existing shareholders to subscribe to the proposed issue in proportion to the number of shares they currently hold. However, contrary to preemptive rights*, such priority subscription rights are (i) exercisable within a priority subscription period (in practice, at least 5 trading sessions) shorter than the period allowed for preemptive rights* and (ii) not tradable.

Pro-rated (subscription rights)

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

Reference Price

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

Securities giving access to the share capital

Characteristics of securities giving access to the share capital:

The 15th, 16th, 17th, 19th, 20st and 22nd resolutions proposed at the Annual General Meeting of May 10, 2017 and the 21st resolution approved by the Annual General meeting of May 4, 2015, allow the Board to decide upon the issuance of securities giving access to the share capital of the Company or of its Subsidiaries, either by the issuance of new shares (examples include bonds convertible into or redeemable for shares, or bonds with share warrants attached) or by the delivery of existing shares (examples include "OCEANE" bonds, which are convertible into new shares or exchangeable for existing shares). These securities may take the form either of debt instruments (as in the abovementioned examples) or of equity instruments (for instance, shares with share warrants attached). However, issuing equity instruments convertible into debt instruments or that may be transformed into debt instruments is prohibited by law.

Methods of allotting the securities to which securities giving access to share capital give entitlement and dates when this right may be exercised:

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

In accordance with the law, delegations of authority granted by the General Meeting to issue securities giving access to the share capital entail waiver by existing shareholders of their preemptive rights over the equity instruments to which such securities give entitlement.

Securities giving entitlement to the allotment of debt instruments

Characteristics of securities giving entitlement to the allotment of debt instruments, methods of allotting the instruments to which these securities give entitlement, and dates when this right may be exercised:

The 15th, 16th, 17th, 19th and 20th resolutions proposed at the Annual General Meeting of May 10, 2017 allow the Board to decide upon the issuance of securities giving entitlement to the allotment of debt instruments (such as shares with bond warrants attached). These securities could take the form of complex debt instruments in the sense understood by the stock market authorities, for example due to their redemption or remuneration terms or other rights such as indexation or option rights.

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

Statutory Minimum Price

Currently, the statutory minimum issue price is:

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

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

- *For securities giving access to the share capital**: a price such that for any share issued due to securities giving access to the share capital*, the total amount received by the Company in exchange for those securities giving access to the share capital* be at least equal to the statutory minimum price per share defined in the previous paragraph (as of the date of issuance of the securities giving access to the share capital*).

Subsidiaries

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

PROPOSED RESOLUTIONS

ORDINARY BUSINESS

First resolution

Approval of the individual company financial statements for the year ended December 31, 2016

The General Meeting, voting on the quorum and majority conditions for Ordinary Meetings, having reviewed the Chairman's Report, the Board of Directors' Management Report and the Statutory Auditors' Reports, approves as presented the individual company financial statements for the year ended December 31, 2016 comprising the balance sheet, the income statement and the notes thereto, as well as the transactions reflected in those financial statements and summarized in those reports, showing a profit of 4,541,551,366.44 euros.

Pursuant to Article 223 *quater* of the French General Tax Code, the General Meeting approves those expenses and charges that are non-deductible for tax purposes under Article 39.4 of said Code and which amount to 117,899.59 euros for the year ended December 31, 2016, as well as the tax incurred on the basis of those expenses and charges which amounts to 40,596.76 euros.

Second resolution

Approval of the consolidated financial statements for the year ended December 31, 2016

The General Meeting, voting on the quorum and majority conditions for Ordinary Meetings, having reviewed the Chairman's Report, the Board of Directors' Management Report and the Statutory Auditors' Reports, approves as presented the consolidated financial statements for the

year ended December 31, 2016 comprising the balance sheet, the income statement and the notes thereto, as well as the transactions reflected in those financial statements and summarized in those reports.

Third resolution

Appropriation of profits, declaration of dividend

The General Meeting, voting on the quorum and majority conditions for Ordinary Meetings, notes that:

• the profit for the year of:	€4,541,551,366.44
• plus retained earnings of:	€20,732,434,256.53
gives distributable profits of:	€25,273,985,622.97
and resolves to appropriate the distributable profits as follows:	
• to the payment of dividends:	€3,824,386,079.04 ⁽¹⁾
• to be carried forward as retained earnings	€21,449,599,543.93

⁽¹⁾ The total amount of the dividend distribution shown above is calculated on the basis of the number of shares entitled to dividend as of December 31, 2016, i.e. 1,292,022,324, and may change if the number of shares entitled to dividend changes between January 1, 2017 and the dividend ex-date, in particular as a result of changes in the number of treasury shares, the vesting of consideration-free shares and the exercise of stock options (if the beneficiary is entitled to dividend under the rules of the relevant plan).

Consequently, the dividend is set at 2.96 euros per share.

In accordance with Article 243 bis of the French General Tax Code, this dividend is eligible, when paid to individual shareholders who are resident in France for tax purposes, to the 40% tax relief specified in Article 158.3.2 of that Code.

For each of the last three years, the amounts of dividend distributed per share and the amount of income distributed per share eligible for the tax relief specified in Article 158.3.2 of the French General Tax Code were as follows:

Year	Dividend distributed	Income distributed	
		Eligible for the 40% tax relief specified in Article 158.3.2 of the French General Tax Code	Not eligible for the 40% tax relief specified in Article 158.3.2 of the French General Tax Code
2013	€2.80	€2.80	€0
2014	€2.85	€2.85	€0
2015	€2.93	€2.93	€0

The ex-date for this dividend on Euronext Paris will be May 16, 2017 and the payment date will be May 18, 2017. If the Company holds any of its own shares as of the

payment date, the proportion of distributable profits not distributed as a result will be appropriated to retained earnings.

Fourth resolution

Agreements and commitments covered by Articles L. 225-38 et seq of the French Commercial Code

The General Meeting, voting on the quorum and majority conditions for Ordinary Meetings, having reviewed the Statutory Auditors' Special Report on agreements and commitments covered by Articles L. 225-38 et seq of the

French Commercial Code, approves all parts of that report together with the new agreements and commitments described therein as approved by the Board of Directors.

Fifth resolution

Director's attendance fees

The General Meeting, voting on the quorum and majority conditions for Ordinary Meetings, having reviewed the Board of Directors' Report, approves the proposal to set

the maximum amount of annual director attendance fees at 1,750,000 euros until decided otherwise.

Sixth resolution

Reappointment of Fabienne Lecorvaisier as a Director

The General Meeting, voting on the quorum and majority conditions for Ordinary Meetings, having reviewed the Board of Directors' Report, reappoints Fabienne Lecorvaisier to serve as a Director for a term of four years

expiring at the close of the General Meeting called to approve the financial statements for the year ended December 31, 2020.

Seventh resolution

Appointment of Bernard Charlès as a Director

The General Meeting, voting on the quorum and majority conditions for Ordinary Meetings, having reviewed the Board of Directors' Report, appoints Bernard Charlès to serve as a Director for a term of four years expiring at the

close of the General Meeting called to approve the financial statements for the year ended December 31, 2020.

Eight resolution

Appointment of Melanie Lee as a Director

The General Meeting, voting on the quorum and majority conditions for Ordinary Meetings, having reviewed the Board of Directors' Report, appoints Melanie Lee to serve

as a Director for a term of four years expiring at the close of the General Meeting called to approve the financial statements for the year ended December 31, 2020.

Ninth resolution

Compensation policy for the Chairman of the Board of Directors

The General Meeting, voting on the quorum and majority conditions for Ordinary Meetings, having reviewed the Board of Directors' Report established pursuant to Article L. 225-37-2 of the French Commercial Code, approves the

principles and the criteria used in determining, allocating and awarding the total compensation and benefits of whatever kind as described in the aforementioned report awarded to the Chairman of the Board of Directors.

Tenth resolution

Compensation policy for the Chief Executive Officer

The General Meeting, voting on the quorum and majority conditions for Ordinary Meetings, having reviewed the Board of Directors' Report established pursuant to Article L. 225-37-2 of the French Commercial Code, approves the principles and the criteria used in determining, allocating

and awarding the fixed, variable and exceptional components that collectively comprise the total compensation and benefits of whatever kind as described in the aforementioned report awarded to the Chief Executive Officer.

Eleventh resolution

Consultative vote on the components of the compensation due or awarded to Serge Weinberg, Chairman of the Board of Directors, in respect of the year ended December 31, 2016

The General Meeting, consulted pursuant to the recommendation contained in paragraph 26 of the November 2016 AFEP-MEDEF Corporate Governance Code, which is the reference code designated by the Company pursuant to Article L. 225-37 of the French Commercial Code, and having approved the financial statements and the Management Report presented by the

Board of Directors, voting on the quorum and majority conditions for Ordinary Meetings, expresses a favorable opinion on the information presented in the Board of Directors' report to the General Meeting about the components of the compensation due or awarded to Serge Weinberg in respect of the year ended December 31, 2016 in his capacity as Chairman of the Board of Directors.

Twelfth resolution

Consultative vote on the components of the compensation due or awarded to Olivier Brandicourt, Chief Executive Officer, in respect of the year ended December 31, 2016

The General Meeting, consulted pursuant to the recommendation contained in paragraph 26 of the November 2016 AFEP-MEDEF Corporate Governance Code, which is the reference code designated by the Company pursuant to Article L. 225-37 of the French Commercial Code, and having approved the financial statements and the Management Report presented by the Board of Directors, voting on the quorum and majority

conditions for Ordinary Meetings, expresses a favorable opinion on the information presented in the Board of Directors' report to the General Meeting about the components of the compensation due or awarded to Olivier Brandicourt in respect of the year ended December 31, 2016 in his capacity as Chief Executive Officer.

Thirteenth resolution

Reappointment of PricewaterhouseCoopers Audit as a Statutory Auditor

The General Meeting, voting on the quorum and majority conditions for Ordinary Meetings, having reviewed the Board of Directors' Report and acting on a proposal of the Board of Directors, reappoints PricewaterhouseCoopers

Audit to serve as a Statutory Auditor for a term of six financial years expiring at the close of the General Meeting called to approve the financial statements for the year ending December 31, 2022.

Fourteenth resolution

Authorization to the Board of Directors to carry out transactions in the Company's shares

The General Meeting, voting on the quorum and majority conditions for Ordinary Meetings, having reviewed the Board of Directors' Report, authorizes the Board of Directors, with powers to subdelegate within the law, in accordance with Articles L. 225-209 *et seq* of the French Commercial Code, to purchase or arrange for the purchase of shares in the Company, with a view to:

- the implementation of any Company stock option plan under the terms of Articles L. 225-177 *et seq* of the French Commercial Code or any similar plan; or
- the allotment or sale of shares to employees under the French statutory profit-sharing scheme or the implementation of any entity or group (or similar) savings plan on the conditions stipulated by law, in particular Articles L. 3332-1 *et seq* of the French Labor Code, including via a consideration-free allotment of such shares by way of top-up employer's contribution and/or in substitution for discount, in accordance with the relevant laws and regulations; or
- the consideration-free allotment of shares under the terms of Articles L. 225-197-1 *et seq* of the French Commercial Code; or
- generally, the honoring of obligations relating to stock option programs or other share allotments to employees or corporate officers of the issuer or of an associated entity; or
- the delivery of shares on the exercise of rights attached to securities giving access to the share capital by redemption, conversion, exchange, presentation of a warrant or any other means; or
- the cancellation of some or all of the shares purchased, contingent upon the adoption of the twenty-third resolution; or
- the delivery of shares (in exchange, as payment, or otherwise) in connection with acquisitions, mergers, demergers or asset-for-share exchanges; or
- market-making in the secondary market or maintenance of the liquidity of Sanofi shares by an investment services provider under a liquidity contract that complies with the ethical code recognized by the *Autorité des Marchés Financiers*.

This program is also intended to allow for the implementation of any market practice that may be permitted by the *Autorité des Marchés Financiers* subsequent to the present General Meeting and more generally for the carrying out of any transaction that complies with the applicable regulations. In such cases, the Company will inform its shareholders by means of a press release.

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

- the number of shares acquired by the Company during the repurchase program may not exceed 10% of the shares which constitute the then share capital of the Company, such percentage being applied to a share capital figure adjusted to reflect transactions affecting the share capital subsequent to the present General Meeting (as an indication, 129,202,232 shares as at December 31, 2016), it being stipulated that (i) the number of shares acquired with a view to their retention or future delivery in connection with a merger, demerger or asset-for-share exchange may not exceed 5% of the Company's share capital; and (ii) where the shares are repurchased to improve the liquidity of Sanofi shares on the conditions specified by the *Autorité des Marchés Financiers*, the number of shares taken into account in calculating the 10% limit mentioned above will be the number of shares purchased minus the number of shares resold during the period of the authorization;
- the number of own shares held by the Company at any time may not exceed 10% of the shares which constitute the share capital of the Company on the date in question.

Acquisitions, sales, exchanges and transfers of shares may be made at any time, other than during the period of a public tender offer for the Company's shares, subject to the limits authorized by the laws and regulations in force, on one or more occasions and by any means, on regulated markets or via a multilateral trading facility or a systematic internalizer or over the counter, including by block purchases or sales (with no limit on the portion of the share repurchase program that can be carried out by this means), by public cash offer or public exchange offer or by the use of options or other derivative forward financial instruments or by the implementation of option-based

PROPOSED RESOLUTIONS

ORDINARY BUSINESS

strategies or by delivery of shares arising from the issuance of securities giving access to the Company's share capital by conversion, exchange, redemption, presentation of a warrant or any other means, either directly or through an investment services provider.

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

The General Meeting delegates to the Board of Directors powers to adjust the aforementioned maximum purchase price in the event of a change in the par value of the share, increase in share capital by incorporation of reserves, consideration-free allotment of shares, stock split or reverse stock split, distribution of reserves or of any other assets, redemption of share capital, or any other transaction affecting shareholders' equity, so as to take account of the impact of such transactions on the value of the shares.

The total amount allocated to the share repurchase program authorized above may not exceed 15,504,267,840 euros (or the equivalent value of this

amount as at the same date in any other currency or currency unit established by reference to more than one currency).

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

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

EXTRAORDINARY BUSINESS

Fifteenth resolution

Delegation to the Board of Directors of authority to decide to issue, with preemptive rights maintained, shares and/or securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company

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

1. delegates to the Board of Directors, with powers to subdelegate within the law, its authority to decide to issue, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, with preemptive rights maintained, in euros or in any other currency or currency unit established by reference to more than one currency, whether for valuable consideration or free of consideration, (i) ordinary shares of the Company and/or (ii) securities governed by Articles L. 228-91 *et seq* of the French Commercial Code which are (a) equity instruments of the Company giving access to other equity instruments of the Company and/or giving entitlement to the allotment of debt instruments of the Company, (b) debt instruments giving access to future equity instruments of the Company, such instruments also potentially giving access to existing equity instruments and/or giving entitlement to the allotment of debt instruments of the Company, (c) equity instruments of the Company giving access to existing or future equity instruments issued by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies, and/or (d) equity instruments of the Company giving access to existing equity instruments of companies of which the Company does not directly or indirectly own more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies;
2. resolves that subscription for the shares and other securities mentioned in paragraph 1 of the present resolution may be in cash, or by offset of debt, or in part by incorporation of reserves, profits or share premium;
3. resolves to set the following limits to share capital increases authorized to be carried out in the event of use by the Board of Directors of the present delegation of authority:
 - the maximum aggregate par value of immediate and/or deferred share capital increases that may be carried out under the present delegation is set at one billion two hundred and eight-nine million (1,289,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that the maximum aggregate par value of increases in the Company's share capital made under the present delegation and under those granted by the sixteenth, seventeenth and nineteenth to twenty-second resolutions of the present meeting is set at one billion two hundred and eight-nine million (1,289,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency;
 - added to those ceilings will be the aggregate par value of any additional shares that may be issued in the event of new share capital transactions in order to preserve the rights of holders of securities giving access to the share capital;
4. resolves to set the maximum par value amount of debt instruments of the Company that may be issued under the present delegation at seven billion (7,000,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that the maximum aggregate par value of debt instruments of the Company that may be issued under the present delegation and under those granted by the sixteenth to twenty-second resolutions of the present meeting is set at seven billion (7,000,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency;
5. in the event the Board of Directors makes use of the present delegation:
 - resolves that the issue(s) will be reserved in priority for the shareholders, who may make irreducible subscriptions in proportion to the number of shares owned by them at the time;
 - formally notes the fact that the Board of Directors has the option of instituting pro-rated subscription rights;
 - formally notes that any issuance decided upon under the present delegation of authority will entail waiver, in favor of the holders of the securities thereby issued that give access to equity instruments of the Company, by the Company's shareholders of their preemptive rights in respect of the new shares to which such securities will give immediate and/or deferred entitlement;
 - formally notes that a decision under the present delegation to carry out an issue of the securities mentioned in item 1 (ii) (c) above will, if such securities give access to future equity instruments to

PROPOSED RESOLUTIONS

EXTRAORDINARY BUSINESS

be issued by a company of which the Company directly or indirectly holds more than half of the share capital at the time of issue, require the approval of an Extraordinary General Meeting of that company;

- resolves, in the event of an issue of ordinary shares and/or securities, in accordance with Article L. 225-134 of the French Commercial Code, that if irreducible subscriptions and any pro-rated subscriptions do not absorb the entire issue, the Board of Directors may use in the order it sees fit, any or all of the options listed below:
 - limit the amount of the issue to the amount of subscriptions, provided that the amount of the share capital increase reaches at least three-quarters of the amount of the share capital increase initially decided upon;
 - allocate at its discretion some of all of the unsubscribed shares or securities;
 - offer to the public, on the French market or on a foreign market, some or all of the unsubscribed shares or securities;
 - resolves that issues of warrants giving entitlement to subscribe for the Company's shares may be carried out not only by subscription but also by consideration-free allotment of warrants to holders of existing shares, it being stipulated that fractional allotment rights will be neither negotiable nor transferable and that the corresponding securities will be sold.
6. The Board of Directors, with powers to subdelegate within the law, may implement the present delegation of authority, and in particular may:
- decide to carry out the issue and determine the securities to be issued;
 - in the event of an immediate and/or deferred issue of ordinary shares, determine the amount of the issue, the price of the issue, and the amount of any premium that may be required on issuance;
 - determine the dates and terms of the issue and the nature, number and characteristics of the securities to be issued, and in the case of issues of debt securities determine also whether or not they will be subordinated (and where relevant their subordination ranking); amend, during the life of the securities in question, the above terms, in compliance with the applicable formalities;
 - determine the method of payment for shares or securities giving access to the share capital to be issued in immediate and/or deferred issues;
 - set the terms for the exercise of rights (in particular rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets such as treasury shares) attached to the securities, and in particular set the date, which may

be retroactive, from which the new shares to be issued will rank for dividend, and all other terms and conditions for the completion of the issue;

- set the terms on which the Company will have the option of purchasing or exchanging on the stock market, at any time or during specified periods, securities issued or to be issued in an immediate and/or deferred issue, whether or not such purchase or exchange be made with a view to cancellation thereof in accordance with the law;
 - allow for the option of suspending the exercise of the rights attached to the securities thereby issued, in compliance with the laws and regulations;
 - at its sole discretion, charge the cost of share capital increases against the premium arising thereon, and deduct from such premium the sums necessary to increase the legal reserve;
 - determine and make all adjustments to take account of the impact of transactions, in particular those involving the shareholders' equity of the Company, and set all other terms enabling, in compliance with legal and regulatory requirements and with any contractual stipulations, the rights of holders of securities giving access to the share capital to be preserved (including by means of cash adjustments);
 - duly record completion of each share capital increase and make the corresponding amendments to the Articles of Association;
 - generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities for the issuance, listing and financial administration of securities issued by virtue of the present delegation and for the exercise of the rights attached thereto;
7. formally notes the fact that, in the event the Board of Directors uses the delegation of authority granted to it by the present resolution, the Board of Directors will report to the next following Ordinary General Meeting, in accordance with the laws and regulations, on the use made of the authorizations conferred in the present resolution;
8. formally notes that the present delegation deprives of effect from this day any unused portion of any prior delegation having the same purpose, namely any delegation of authority relating to the issuance, with preemptive rights maintained, of the shares and/or securities and the transactions mentioned in the present resolution;
9. sets the period of validity of the delegation of authority covered by the present resolution at twenty-six (26) months from the date of the present meeting, it being stipulated however that the Board of Directors will not be authorized to decide to carry out a share capital increase under the present delegation of authority during the period of a public tender offer for the Company's shares.

Sixteenth resolution

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

The General Meeting, voting on the quorum and majority conditions for Extraordinary Meetings, having reviewed the Board of Directors' Report and the Statutory Auditors' Special Report, and in accordance with Articles L. 225-129 *et seq* of the French Commercial Code, and in particular Articles L. 225-129-2, L. 225-135, L. 225-136 and L. 225-148 of said Code, and with Articles L. 228-91 *et seq* of said Code:

1. delegates to the Board of Directors, with powers to subdelegate within the law, its authority to decide to issue, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, with preemptive rights cancelled, via public offering(s), in euros or in any other currency or currency unit established by reference to more than one currency, whether for valuable consideration or free of consideration, (i) ordinary shares of the Company and/or (ii) securities governed by Articles L. 228-91 *et seq* of the French Commercial Code which are (a) equity instruments of the Company giving access to other equity instruments of the Company and/or giving entitlement to the allotment of debt instruments of the Company, (b) debt instruments giving access to future equity instruments of the Company, such instruments also potentially giving access to existing equity instruments and/or giving entitlement to the allotment of debt instruments of the Company, (c) equity instruments of the Company giving access to existing or future equity instruments issued by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies, and/or (d) equity instruments of the Company giving access to existing equity instruments of companies of which the Company does not directly or indirectly own more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies;
2. resolves that subscription for the shares and other securities mentioned in paragraph 1 of the present resolution may be in cash, or by offset of debt, or in part by incorporation of reserves, profits or share premium. Such shares and/or securities may be issued as consideration for securities that may be contributed to the Company in connection with a public tender offer with an exchange component initiated by the Company in France or abroad under local rules (for example in connection with a reverse merger) relating to securities meeting the conditions laid down in Article L. 225-148 of the French Commercial Code;
3. delegates to the Board of Directors, with powers to subdelegate within the law, its authority to decide upon issues of ordinary shares or of the securities mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above to be carried out further to the issuance, by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue, of securities giving access to future ordinary shares of the Company or to the securities mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above. Issuance by such companies of the aforementioned securities will entail unconditional waiver, in favor of the holders of those securities, by the Company's shareholders of their preemptive rights in respect of the ordinary shares or the securities mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above to which the securities thereby issued by those companies will give entitlement, and in respect of the future shares of the Company to which the securities mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above would give entitlement;
4. resolves to set the following limits to the amount of issues authorized to be carried out by the Company in the event of use by the Board of Directors of the present delegation of authority:
 - the maximum aggregate par value of immediate and/or deferred share capital increases that may be carried out under the present delegation is set at two hundred and forty million (240,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that such amount will count towards the overall ceiling for share capital increases stipulated in paragraph 3 of the fifteenth resolution of the present meeting or, as the case may be, towards the overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of the present delegation;
 - added to those ceilings will be the aggregate par value of any additional shares that may be issued in the event of new share capital transactions in order to preserve the rights of holders of securities giving access to the share capital;
5. resolves to set the maximum aggregate par value of debt instruments of the Company that may be issued under the present delegation at seven billion (7,000,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that such amount will count towards the overall ceiling for issues of debt instruments stipulated in paragraph 4 of the fifteenth resolution of the present meeting or, as the case may be, towards the overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of the present delegation;

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6. resolves to cancel shareholders' preemptive rights in respect of the securities covered by the present resolution, whilst however giving the Board of Directors discretion pursuant to Article L. 225-135, paragraph 5 of the French Commercial Code to grant to the shareholders, for a period and on terms to be set by the Board of Directors in compliance with the applicable laws and regulations, and for all or part of any issue that may be carried out, a priority subscription period that does not give rise to negotiable rights and which must be exercised in proportion to the quantity of shares owned by each shareholder and which may be supplemented by an application to subscribe for shares on a pro-rated basis;
7. resolves that if subscriptions by shareholders and the public do not absorb the entire issue, the Board of Directors may limit the issue to the amount of subscriptions provided that such amount reaches at least three-quarters of the issue decided upon and/or may allocate at its discretion some of all of the unsubscribed shares or securities;
8. formally notes that any issuance decided upon under the present delegation of authority will entail waiver, in favor of the holders of securities thereby issued that give access to the Company's share capital, by the Company's shareholders of their preemptive rights in respect of the shares to which such securities will give immediate and/or deferred entitlement;
9. formally notes that a decision under the present delegation to carry out an issue of the securities mentioned in item 1 (ii) (c) above will, if such securities give access to future equity instruments to be issued by a company of which the Company directly or indirectly holds more than half of the share capital at the time of issue, require the approval of an Extraordinary General Meeting of that company;
10. formally notes the fact that in accordance with Article L. 225-136.1 paragraph 1 of the French Commercial Code:
 - the issue price of shares issued directly will be at least equal to the minimum stipulated by the applicable regulations on the date of the issue (as of now, the weighted average of the quoted market prices during the last three trading sessions on the regulated market of Euronext Paris preceding the setting of the subscription price for the share capital increase minus 5%, after making any adjustment to that average in the event of a difference in the dates of ranking for dividend);
 - the issue price of the securities giving access to the share capital and the number of shares to which conversion, redemption or more generally transformation of each security giving access to the share capital would give entitlement will be such that the amount received immediately by the Company plus any amount to be received subsequently by the Company will, for each share issued as a consequence of the issuance of such securities, be at least equal to the minimum subscription price defined in the previous paragraph;
11. the Board of Directors, with powers to subdelegate within the law, may implement the present delegation of authority, and in particular may:
 - decide to carry out the issue and determine the securities to be issued;
 - in the event of an immediate and/or deferred issue of ordinary shares, determine the amount of the issue, the price of the issue, and the amount of any premium that may be required on issuance;
 - determine the dates and terms of the issue and the nature, number and characteristics of the securities to be issued, and in the case of issues of debt securities determine also whether or not they will be subordinated (and where relevant their subordination ranking); amend, during the life of the securities in question, the above terms, in compliance with the applicable formalities;
 - determine the method of payment for shares or securities giving access to the share capital to be issued in immediate and/or deferred issues;
 - set the terms for the exercise of rights (in particular rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets such as treasury shares) attached to the securities giving access to the share capital that may be issued, and in particular set the date, which may be retroactive, from which the new shares will rank for dividend, and all other terms and conditions for the completion of the issue;
 - set the terms on which the Company will have the option of purchasing or exchanging on the stock market, at any time or during specified periods, securities issued or to be issued in an immediate and/or deferred issue, whether or not such purchase or exchange be made with a view to cancellation thereof in accordance with the law;
 - allow for the option of suspending the exercise of the rights attached to the securities thereby issued, in compliance with the laws and regulations;
 - in the event of an issue of securities intended as consideration for securities contributed to the Company in connection with a public tender offer with an exchange component (public exchange offer), establish a list of securities contributed to the exchange, set the conditions of the issue, the exchange ratio and the amount of any cash portion to be paid (without applying the method for determining the price in paragraph 10 of the present resolution), and determine the terms of the issue in connection with a public exchange offer, or an alternative cash or exchange offer, or a single offer to purchase or exchange the securities in question in return for payment in securities and cash, or a

principal public cash offer or public exchange offer accompanied by a subsidiary public exchange offer or public cash offer, or any other form of public tender offer in compliance with the laws and regulations applicable to said public tender offer;

- at its sole discretion, charge the cost of share capital increases against the premium arising thereon, and deduct from such premium the sums necessary to increase the legal reserve;
- determine and make all adjustments to take account of the impact of transactions, in particular those involving the shareholders' equity of the Company, and set all other terms enabling, in compliance with legal and regulatory requirements and with any contractual stipulations, the rights of holders of securities giving access to the share capital to be preserved (including by means of cash adjustments);
- duly record completion of each share capital increase and make the corresponding amendments to the Articles of Association;
- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities for the issuance, listing and financial administration of

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

12. formally notes the fact that, in the event the Board of Directors uses the delegation of authority granted to it by the present resolution, the Board of Directors will report to the next following Ordinary General Meeting, in accordance with the laws and regulations, on the use made of the authorizations conferred in the present resolution;
13. formally notes that the present delegation deprives of effect from this day any unused portion of any prior delegation having the same purpose, namely any delegation of authority relating to the issuance, without preemptive rights, by public offering, of the shares and/or securities and the transactions mentioned in the present resolution;
14. sets the period of validity of the delegation of authority covered by the present resolution at twenty-six (26) months from the date of the present meeting, it being stipulated however that the Board of Directors will not be authorized to decide to carry out a share capital increase under the present delegation of authority during the period of a public tender offer for the Company's shares.

Seventeenth resolution

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

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

1. delegates to the Board of Directors, with powers to subdelegate within the law, its authority to decide to issue, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, with preemptive rights cancelled, via private placement(s) in accordance with Article L. 411-2 II of the French Monetary and Financial Code, in euros or in any other currency or currency unit established by reference to more than one currency, whether for valuable consideration or free of consideration, (i) ordinary shares of the Company and/or (ii) securities governed by Articles L. 228-91 *et seq* of the French Commercial Code which are (a) equity instruments of the Company giving access to other equity instruments of the Company and/or giving entitlement to the allotment of debt instruments of the Company, (b) debt instruments giving access to future equity instruments of the Company, such instruments also potentially giving

access to existing equity instruments and/or giving entitlement to the allotment of debt instruments of the Company, (c) equity instruments of the Company giving access to existing or future equity instruments issued by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies, and/or (d) equity instruments of the Company giving access to existing equity instruments of companies of which the Company does not directly or indirectly own more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies;

2. resolves that subscription for the shares and other securities mentioned in paragraph 1 of the present resolution may be in cash, or by offset of debt, or in part by incorporation of reserves, profits or share premium;
3. delegates to the Board of Directors, with powers to subdelegate within the law, its authority to decide upon issues of ordinary shares or of the securities mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above to be carried out further to the issuance, by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue, of

- securities giving access to future ordinary shares of the Company or to the securities mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above. Issuance by such companies of the aforementioned securities will entail unconditional waiver, in favor of the holders of those securities, by the Company's shareholders of their preemptive rights in respect of the ordinary shares or the securities mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above to which the securities thereby issued by those companies will give entitlement, and in respect of the future shares of the Company to which the securities mentioned in items (ii) (a) and (ii) (b) of paragraph 1 above would give entitlement;
4. resolves to set the following limits to the amount of issues authorized to be carried out by the Company in the event of use by the Board of Directors of the present delegation of authority:
 - the maximum aggregate par value of immediate and/or deferred share capital increases that may be carried out under the present delegation is set at two hundred and forty million (240,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that such amount will count towards the overall ceiling for share capital increases stipulated in paragraph 3 of the fifteenth resolution of the present meeting and towards the ceiling stipulated in paragraph 4 of the sixteenth resolution or, as the case may be, towards the ceilings stipulated by resolutions of the same kind that may supersede said resolutions during the period of validity of the present delegation;
 - added to those ceilings will be the aggregate par value of any additional shares that may be issued in the event of new share capital transactions in order to preserve the rights of holders of securities giving access to the share capital;
 5. resolves to set the maximum aggregate par value of debt instruments of the Company that may be issued under the present delegation at seven billion (7,000,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that such amount will count towards the overall ceiling for issues of debt instruments stipulated in paragraph 4 of the fifteenth resolution of the present meeting or, as the case may be, towards the overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of the present delegation;
 6. resolves to cancel shareholders' preemptive rights in respect of the securities covered by the present resolution;
 7. resolves that if subscriptions do not absorb the entire issue, the Board of Directors may limit the issue to the amount of subscriptions provided that such amount reaches at least three-quarters of the issue decided upon and/or may allocate at its discretion some of all of the unsubscribed shares or securities;
 8. formally notes that any issuance decided upon under the present delegation of authority will entail waiver, in favor of the holders of securities thereby issued that give access to the Company's share capital, by the Company's shareholders of their preemptive rights in respect of the shares to which such securities will give immediate and/or deferred entitlement;
 9. formally notes that a decision under the present delegation to carry out an issue of the securities mentioned in item 1 (ii) (c) above will, if such securities give access to future equity instruments to be issued by a company of which the Company directly or indirectly holds more than half of the share capital at the time of issue, require the approval of an Extraordinary General Meeting of that company;
 10. formally notes the fact that in accordance with Article L. 225-136.1 paragraph 1 of the French Commercial Code:
 - the issue price of shares issued directly will be at least equal to the minimum stipulated by the applicable regulations on the date of the issue (as of now, the weighted average of the quoted market prices during the last three trading sessions on the regulated market of Euronext Paris preceding the setting of the subscription price for the share capital increase minus 5%, after making any adjustment to that average in the event of a difference in the dates of ranking for dividend);
 - the issue price of the securities giving access to the share capital and the number of shares to which conversion, redemption or more generally transformation of each security giving access to the share capital would give entitlement will be such that the amount received immediately by the Company plus any amount to be received subsequently by the Company will, for each share issued as a consequence of the issuance of such securities, be at least equal to the minimum subscription price defined in the previous paragraph;
 11. the Board of Directors, with powers to subdelegate within the law, may implement the present delegation of authority, and in particular may:
 - decide to carry out the issue and determine the securities to be issued;
 - in the event of an immediate and/or deferred issue of ordinary shares, determine the amount of the issue, the price of the issue, and the amount of any premium that may be required on issuance;
 - determine the dates and terms of the issue and the nature, number and characteristics of the securities to be issued, and in the case of issues of debt securities determine also whether or not they will be subordinated (and where relevant their subordination

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

Eighteenth resolution

Delegation to the Board of Directors of authority to decide to issue debt instruments giving access to the share capital of subsidiaries and/or of any other company

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

1. delegates to the Board of Directors, with powers to subdelegate within the law, its authority to decide to issue, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, in euros or in any other currency or currency unit established by reference to more than one currency, debt instruments governed by Articles L. 228-91 *et seq* of the French

Commercial Code and giving access or potentially giving access to future equity instruments to be issued by companies of which the Company directly or indirectly owns more than half of the share capital at the date of issue, said securities also potentially giving access to existing equity instruments and/or entitlement to the allotment of debt instruments of the Company and/or of companies of which the Company directly or indirectly owns more than half of the share capital at the date of issue, and/or of any other company of which the Company does not directly or indirectly own more than half of the share capital at the date of issue, either via a public offering, or via a private placement in accordance with Article L. 411-2 II of the French Monetary and Financial Code;

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2. resolves that subscription for the securities mentioned in paragraph 1 of the present resolution may be in cash, or by offset of debt;
3. resolves that the maximum aggregate par value of debt instruments of the Company that may be issued under the present delegation is set at seven billion (7,000,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that such amount will count towards the overall ceiling for issues of debt instruments stipulated in paragraph 4 of the fifteenth resolution of the present meeting or, as the case may be, towards the overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of the present delegation;
4. formally notes that, subject to the necessary consents being obtained from within the company concerned, a decision under the present delegation to carry out an issue of securities giving access to future equity instruments to be issued by any company of which the Company directly or indirectly holds more than half of the share capital at the time of issue, will require the approval of an Extraordinary General Meeting of that company;
5. the Board of Directors, with powers to subdelegate within the law, may implement the present delegation of authority, and in particular may:
 - determine the dates and terms of the issue and the nature, number and characteristics of the securities to be issued, and in the case of issues of debt securities determine also whether or not they will be subordinated (and where relevant their subordination ranking); amend, during the life of the securities in question, the above terms, in compliance with the applicable formalities;
 - determine the method of payment for the securities giving access to the share capital;
 - set any terms for the exercise of rights attached to the securities giving access to the share capital to be issued;
 - set the terms on which the Company will have the option of purchasing or exchanging on the stock market, at any time or during specified periods, securities issued or to be issued in an immediate and/or deferred issue, whether or not such purchase or exchange be made with a view to cancellation thereof in accordance with the law;
 - allow for the option of suspending the exercise of the rights attached to the securities thereby issued, in compliance with the laws and regulations;
 - generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities for the issuance, listing and financial administration of securities issued by virtue of the present delegation and for the exercise of the rights attached thereto;
6. formally notes that the present delegation deprives of effect from this day any unused portion of any prior delegation having the same purpose, namely any delegation of authority relating to the issuance of debt instruments giving access to the share capital of subsidiaries of the Company and/or of any other company;
7. sets the period of validity of the delegation of authority covered by the present resolution at twenty-six (26) months from the date of the present meeting, it being stipulated however that the Board of Directors will not be authorized to decide to carry out an issue of debt instruments under the present delegation of authority during the period of a public tender offer for the Company's shares.

Nineteenth resolution

Delegation to the Board of Directors of authority to increase the number of shares to be issued in the event of an issue of ordinary shares and/or of securities giving access to the share capital of the Company, of any subsidiary, and/or of any other company, with or without preemptive rights

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

1. delegates to the Board of Directors, with powers to subdelegate within the law, its authority to decide to increase the number of shares to be issued in the event of an issue with or without preemptive rights under the fifteenth, sixteenth and seventeenth resolutions, at the same price as that used for the initial issue, within the limits as to time and quantity specified in the applicable regulations as of the date of the issue (as of this day, within the thirty days following the closure of subscriptions and up to a maximum of 15% of the initial issue), in particular with a view to granting an oversubscription option in accordance with market practices;
2. resolves that in the event of an immediate and/or deferred issue of ordinary shares, the aggregate par value of increases in the Company's share capital decided upon under the present resolution will count towards the ceiling set forth in the resolution under which the initial issue is decided and towards the overall ceiling stipulated in paragraph 3 of the fifteenth

- resolution of the present meeting, and in the event of an increase in the Company's share capital without preemptive rights, towards the ceiling stipulated in paragraph 4 of the sixteenth resolution or, as the case may be, towards the ceilings stipulated by resolutions of the same kind that may supersede said resolutions during the period of validity of the present delegation;
3. resolves that the maximum aggregate par value of debt instruments of the Company that may be issued under the present delegation is set at seven billion (7,000,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that such amount will count towards the overall ceiling for issues of debt instruments stipulated in paragraph 4 of the fifteenth resolution of the present meeting or, as the case may be, towards the overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of the present delegation;
 4. formally notes the fact that, in the event the Board of Directors uses the delegation of authority granted to it by the present resolution, the Board of Directors will report to the next following Ordinary General Meeting, in accordance with the laws and regulations, on the use made of the authorizations conferred in the present resolution;
 5. formally notes that the present delegation deprives of effect from this day any unused portion of any prior delegation having the same purpose, namely any delegation of authority to increase the number of shares to be issued in the event of an issue with or without preemptive rights;
 6. the present delegation of authority is granted for a period of twenty-six (26) months from the date of the present meeting, it being stipulated however that the Board of Directors will not be authorized to decide to carry out a share capital increase under the present delegation of authority during the period of any public tender offer for the Company's shares.

Twentieth resolution

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

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

1. delegates to the Board of Directors, with powers to subdelegate within the law, its authority to carry out, on one or more occasions, in the proportions and at the times it sees fit, in France and/or abroad, as consideration for assets transferred to the Company as a capital contribution in kind in the form of equity instruments or securities giving access to the share capital of another company, in cases where Article L. 225-148 of the French Commercial Code does not apply, issues of (i) ordinary shares of the Company and/or (ii) securities governed by Articles L. 228-91 *et seq* of the French Commercial Code which are (a) equity instruments of the Company giving access to other equity instruments of the Company and/or giving entitlement to the allotment of debt instruments of the Company, (b) debt instruments giving access to future equity instruments of the Company, such instruments also potentially giving access to existing equity instruments and/or giving entitlement to the allotment of debt instruments of the Company, (c) equity instruments of the Company giving access to existing or future equity instruments issued by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies, and/or (d) equity instruments of the Company giving access to existing equity instruments of companies of which the Company does not directly or indirectly own more than half of the share capital at the time of issue and/or giving entitlement to the allotment of debt instruments of such companies;
2. resolves that the aggregate par value of immediate and/or deferred share capital increases carried out under the present resolution may not exceed 10% of the share capital, such percentage being applied to a share capital figure adjusted to reflect transactions affecting the share capital subsequent to the present General Meeting (as an indication, 1,292,022,324 shares as at December 31, 2016);
3. the maximum aggregate par value of debt instruments of the Company that may be issued under the present delegation is set at seven billion (7,000,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that such amount will count towards the overall ceiling for issues of debt instruments stipulated in paragraph 4 of the fifteenth resolution of the present meeting or, as the case may be, towards the overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of the present delegation;
4. resolves that the maximum aggregate par value of the immediate and/or deferred share capital increases that may be carried out under the present resolution (i) will count towards the ceiling for the aggregate par value of

share capital increases carried out with preemptive rights cancelled as authorized by the present meeting in paragraph 4 of the sixteenth resolution and towards the overall ceiling stipulated in paragraph 3 of the fifteenth resolution or, as the case may be, towards the ceilings stipulated by resolutions of the same kind that may supersede said resolutions during the period of validity of the present delegation and (ii) is understood not to include the aggregate par value of shares that may be issued to preserve the rights of holders of securities giving access to the share capital in accordance with the law and with any contractual terms stipulating other cases where adjustment is necessary;

5. resolves that the Board of Directors will have full powers, with powers to subdelegate within the law, to implement the present resolution, and in particular to:

- decide on the issue to be made as consideration for the assets transferred to the Company and determine the nature and characteristics of the securities to be issued, and in the case of issues of debt securities determine also whether or not they will be subordinated (and where relevant their subordination ranking); amend, during the life of the securities in question, the above terms, in compliance with the applicable formalities;
- establish a list of the securities transferred to the Company, approve the valuation of the capital contributions in kind, set the terms of the issue of securities made as consideration for said contributions, and the amount of any cash portion to be paid;
- set the terms enabling, in compliance with legal and regulatory requirements and with any contractual stipulations, the rights of holders of securities giving access to the share capital to be preserved;

- at its sole discretion, charge the cost of share capital increases against the premium arising thereon, and deduct from such premium the sums necessary to increase the legal reserve;
- duly record completion of each share capital increase and make the corresponding amendments to the Articles of Association;
- generally, take all measures and accomplish all formalities for the issuance, listing and financial administration of securities issued by virtue of the present delegation and for the exercise of the rights attached thereto;

6. formally notes the fact that, in the event the Board of Directors uses the delegation of authority granted to it by the present resolution, the Board of Directors will report to the next following Ordinary General Meeting, in accordance with the laws and regulations, on the use made of the authorizations conferred in the present resolution;

7. formally notes that the present delegation deprives of effect from this day any unused portion of any prior delegation having the same purpose, namely any delegation of authority to issue shares or securities giving access to the share capital, with preemptive rights cancelled, as consideration for assets transferred to the Company as a capital contribution in kind in the form of equity instruments or securities giving access to the share capital of another company;

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

Twenty-first resolution

Delegation to the Board of Directors of authority to decide to carry out increases in the share capital by incorporation of share premium, reserves, profits or other items

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

1. delegates to the Board of Directors, with powers to subdelegate within the law, its authority to decide to carry out increases in the share capital, on one or more occasions, in the proportions and at the times it sees fit, by incorporation of share premium, reserves, profits or other sums that may be converted into share capital under the law and the Company's Articles of Association, in the form of the issuance and consideration-free allotment of new equity instruments

or of an increase in the par value of existing equity instruments or by a combination of those two methods. The aggregate par value of share capital increases thus effected may not exceed five hundred million (500,000,000) euros or the equivalent in any other currency or currency unit established by reference to more than one currency, it being stipulated that this amount will count towards the overall ceiling specified in paragraph 3 of the fifteenth resolution of the present meeting or, as the case may be, towards the overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of the present delegation;

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

Twenty-second resolution

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

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

1. delegates to the Board of Directors, with powers to subdelegate within the law, its authority to decide to carry out increases in the share capital, on one or more occasions, up to a limit of 1% of the share capital as of the date of the Board's decision, by issuing shares or

securities giving access to the share capital reserved for members of one or more employee savings plans (or any other plan for whose members a share capital increase may be reserved on equivalent terms under Articles L. 3332-1 *et seq* of the French Labor Code or any analogous law or regulation) instituted within an entity or a group of French or foreign entities related to that entity on the conditions stipulated in Article L. 225-180 of the French Commercial Code and falling within the scope of the consolidated or combined financial statements of the Company pursuant to Article L. 3344-1 of the French Labor Code, it being further stipulated that the present resolution may be used to

- implement leveraged schemes and that the maximum aggregate par value of immediate and/or deferred share capital increases carried out under the present delegation will count towards the overall ceiling specified in paragraph 3 of the fifteenth resolution of the present meeting or, as the case may be, towards the overall ceiling stipulated by a resolution of the same kind that may supersede said resolution during the period of validity of the present delegation;
2. resolves that the issue price of the new shares or securities giving access to the share capital will be determined on the terms stipulated in Articles L. 3332-18 *et seq* of the French Labor Code and will be equal to at least 80% of the Reference Price (as defined below) or 70% of the Reference Price where the lock-up period stipulated by the plan in application of Articles L. 3332-25 of the French Labor Code is ten years or more; for the purposes of the present paragraph and of paragraphs 4 and 7 of the present resolution, the Reference Price refers to an average of the quoted market prices of the Company's shares on the regulated market of Euronext Paris during the twenty stock exchange trading sessions preceding the date of the decision setting the opening date of the subscription period for members of an entity or group savings plan (or similar);
 3. resolves, by way of derogation from paragraphs 1 and 2 of the present resolution, in the case of issues of shares that may be reserved for employees of companies belonging to the group consisting of the Company and of the French and foreign entities related to the Company on the conditions stipulated in Article L. 225-180 of the French Commercial Code and falling within the scope of the consolidated or combined financial statements of the Company pursuant to Article L. 3344-1 of the French Labor Code and operating in the United States of America, that the Board of Directors may decide that:
 - (i) the issue price of the new shares will, subject to compliance with applicable French legal and regulatory requirements and in accordance with Section 423 of the United States Internal Revenue Code, be equal to at least 85% of the quoted market price of the Company's shares on the regulated market of Euronext Paris on the date of the decision setting the opening date of the subscription period of the share capital increase reserved for employees of the companies referred to in the present paragraph 3; and
 - (ii) the number of shares issued as a result of the share issues referred to in the present paragraph 3 may not represent more than 0.2% of the share capital as of December 31, 2016, such percentage of the share capital counting towards the maximum aggregate par value of share capital increases stipulated in paragraph 1 of the present resolution;
 4. authorizes the Board of Directors to allot free of consideration to the beneficiaries indicated above, in addition to shares or securities giving access to the share capital subscribed for in cash, shares or securities giving access to the share capital to be issued or already issued in full or partial substitution for the discount to the Reference Price and/or by way of top-up employer's contribution, it being stipulated that the benefit resulting from such allotment may not exceed the legal or regulatory limits applicable under Articles L. 3332-21 in the event of a substitution of some or all of the discount to the Reference Price, and L. 3332-11 *et seq* of the French Labor Code in the event of a substitution of some or all of the top-up employer's contribution;
 5. resolves to waive in favor of the aforementioned beneficiaries the preemptive rights of shareholders in respect of the ordinary shares and securities giving access to the share capital of which the issuance is covered by the present delegation, said shareholders also waiving, in the event of consideration-free allotment to such beneficiaries of ordinary shares or securities giving access to the share capital, any rights to such ordinary shares or securities giving access to the share capital, including the portion of reserves, profits, or share premium incorporated into the share capital to the extent of the consideration-free allotment of securities on the basis of the present resolution;
 6. authorizes the Board of Directors, on the terms specified in the present delegation of authority, to make sales of shares as permitted under Article L. 3332-24 of the French Labor Code to members of an entity or group savings plan (or similar plan), it being stipulated that the aggregate par value of shares sold at a discount to members of one or more of the employee savings plans covered by the present resolution will count towards the ceilings mentioned in paragraph 1 of the present resolution;
 7. resolves that the Board of Directors will have full powers to implement the present delegation or to defer the completion of the share capital increase, with powers to subdelegate within the law subject to the aforementioned limits and terms, and in particular to:
 - establish in accordance with the law the perimeter of companies from which the beneficiaries indicated above may subscribe for the shares or securities giving access to the share capital thereby issued and who may be allotted consideration-free shares or securities giving access to the share capital;
 - decide that subscriptions may be made directly by beneficiaries belonging to an entity or group savings plan (or similar plan), or via dedicated mutual funds or other vehicles or entities permitted under the applicable laws and regulations;
 - determine the conditions, in particular as regards length of service, that must be met by the beneficiaries of the share capital increases;
 - set the opening and closing dates for subscriptions;

- set the amounts of issues to be made under the present authorization and in particular determine the issue prices, dates, time limits, terms and conditions of subscription, payment, delivery and date of ranking for dividend of the securities (which may be retroactive), rules for pro-rating in the event of oversubscription and any other terms and conditions of the issues, subject to applicable legal and regulatory limits;
 - in the event of consideration-free allotment of shares or of securities giving access to the share capital, determine the nature, characteristics and number of shares or securities giving access to the share capital to be issued, the number to be allotted to each beneficiary, and determine the dates, time limits, and terms and conditions of allotment of such shares or securities giving access to the share capital subject to applicable legal and regulatory limits, and in particular choose to either wholly or partially substitute the allotment of such shares or securities giving access to the share capital for the discount to the Reference Price specified above or offset the equivalent value of such shares or securities against the total amount of the employer's contribution or a combination of the abovementioned options;
 - in the event of an issue of new shares, charge any amounts required to pay up said shares against reserves, profits, or share premium;
 - duly record the completion of share capital increases equal to the amount of shares actually subscribed;
 - as the case may be, charge the costs of share capital increases against the premium arising thereon, and deduct from such premium the sums necessary to increase the legal reserve to one-tenth of the new share capital after each share capital increase;
 - enter into all agreements and accomplish directly or indirectly via an agent all transactions and formalities, including formalities required following the share capital increases and the corresponding amendments to the Articles of Association;
 - generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and decisions and accomplish all formalities for the issuance, listing and financial administration of securities issued by virtue of the present delegation and for the exercise of the rights attached thereto or required as a result of the share capital increases;
8. formally notes that this delegation of authority deprives of effect starting from July 4, 2017, any unused portion of any prior delegation for the same purpose, namely any delegation of authority relating to the issuance of shares or securities giving access to the share capital reserved for members of savings plans, with preemptive rights waived in their favor, and all related transactions;
9. sets the period of validity of the delegation of issuance powers granted by the present resolution at twenty-six (26) months from the date of the present meeting.

Twenty-third resolution

Authorization to the Board of Directors to reduce the share capital by cancellation of treasury shares

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

The maximum number of shares that may be cancelled by the Company by virtue of the present authorization during a period of twenty-four months is ten per cent (10%) of the shares comprising the then share capital of the Company, i.e. as an indication, as at December 31, 2016,

1,292,022,324 shares, it being understood that such limit applies to an amount for the Company's share capital that will be adjusted to reflect any transactions affecting the share capital subsequent to the present General Meeting.

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

This authorization deprives of effect from this day any unused portion of any previous authorization to the Board of Directors for the same purpose, i.e. any authorization to reduce the share capital by cancellation of treasury shares. It is granted for a period of twenty-six (26) months from this day.

Twenty-fourth resolution

Amendment of Article 11 of the Articles of Association

The General Meeting, voting on the quorum and majority conditions for Extraordinary Meetings, having reviewed the Board of Directors' Report, amends the wording of Article 11 of the Articles of Association relating to the Board of Directors. As a consequence, Article 11 of the Articles of Association shall read as follows:

"Article 11 – Board of Directors

1) The Company shall be administered by a Board of Directors of which the minimum and maximum number of members is set by current legislation.

As soon as the number of directors aged over 70 represents more than one-third of the directors in office, the oldest director shall be deemed to have resigned; his term of office shall end at the date of the next Shareholders' Ordinary General Meeting.

Each director appointed by a Shareholders' Ordinary General Meeting must own at least five hundred shares throughout his term of office.

The term of office of directors shall be four years. Directors shall be required to seek reappointment by rotation, such that members of the Board are required to seek reappointment on a regular basis in the most equal proportions possible. Exceptionally, the Shareholders' Ordinary General Meeting may appoint a director to serve for a term of one, two or three years, in order to ensure adequate rotation of Board members.

Each director standing down shall be eligible for reappointment.

2) Directors representing employees

In accordance with the law, one employee representative director shall be designated by the trade union body which is the most representative, within the meaning of the applicable legislation, in the Company and those of its direct or indirect subsidiaries that have their registered office in French territory, and one director shall be designated by the European Works Council.

An employee representative director shall hold office for a term of four years. His term of office shall end at the close of the Shareholders' General Meeting held during the calendar year in which his term of office expires to approve the financial statements for the previous financial year.

If the Company is no longer subject to an obligation to appoint one or more employee representatives to the Board of Directors, the term of office of the employee representative(s) shall end automatically with no other formalities at the close of the meeting of the Board of Directors which formally notes that the Company no longer falls within the scope of such obligation."

Twenty-fifth resolution

Powers for formalities

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

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

CURRENT COMPOSITION OF THE BOARD OF DIRECTORS



Serge Weinberg
Chairman of the Board



Olivier Brandicourt
Chief Executive Officer
Director



Laurent Attal
Director



Robert Castaigne
Independent director



Claudie Haigneré
Independent director



Patrick Kron
Independent director



Fabienne Lecorvaisier
Independent director



Suet-Fern Lee
Independent director



Christian Mulliez
Director



Carole Piwnica
Independent director



Diane Souza
Independent director



Thomas Südhof
Independent director

INFORMATION ABOUT THE DIRECTORS

Whose reappointment is submitted to the General Meeting⁽¹⁾

Fabienne Lecorvaisier



Date of birth: August 27, 1962
 Nationality: French
 First elected: May 2013
 Term expires: 2017
 Business address: Sanofi – 54, rue La Boétie – 75008 Paris – France

Directorships and appointments of Fabienne Lecorvaisier

	Within the Sanofi Group	Outside the Sanofi Group
Current directorships and appointments	<ul style="list-style-type: none"> Independent director of Sanofi* <ul style="list-style-type: none"> Member of the Audit Committee <p>None</p>	<p>In French companies</p> <ul style="list-style-type: none"> Air Liquide Group*: <ul style="list-style-type: none"> Director of Air Liquide International Chairwoman and Chief Executive Officer of Air Liquide Finance Director of Air Liquide France Industries, Air Liquide Eastern Europe, Aqualung International and Air Liquide Welding SA <p>In foreign companies</p> <ul style="list-style-type: none"> Air Liquide Group*: <ul style="list-style-type: none"> Executive Vice President of Air Liquide International Corporation Director of American Air Liquide Holdings, Inc. and SOAEO Manager of Air Liquide US LLC
Past directorships expiring within the last five years	<p>None</p> <p>None</p>	<p>In French companies</p> <p>None</p> <p>In foreign companies</p> <ul style="list-style-type: none"> Air Liquide Group*: <ul style="list-style-type: none"> Director of Air Liquide Japon (Japan, until 2013)

Education and business experience

- Civil engineer, graduate of *École Nationale des Ponts et Chaussées*
- | | |
|------------|---|
| Since 2008 | Chief Financial Officer and Executive Committee member of Air Liquide* |
| Since 2013 | In charge of the diving activities of Air Liquide* (Aqualung) |
| 1985-1989 | Member of the Corporate Finance Department, then Mergers and Acquisitions Department of Société Générale* |
| 1989-1990 | Senior Banking Executive in charge of the LBO Department (Paris)/Corporate Finance Department (Paris and London) at Barclays |
| 1990-1993 | Assistant General Manager of Banque du Louvre, Taittinger Group |
| 1993-2007 | Various positions within Essilor* including Group Chief Financial Officer (2001-2007) and Chief Strategy and Acquisitions Officer (2007-2008) |

Number of shares held

1,000 shares

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

Whose appointment is submitted to the General Meeting

Bernard Charlès

Date of birth:	March 30, 1957
Nationality:	French
First elected:	May 2017
Term expires:	May 2021

Directorships and appointments of Bernard Charlès

Within the Sanofi Group

Outside the Sanofi Group

Current directorships and appointments

None

In French companies

- Vice Chairman of the Board of Directors of Dassault Systèmes SE*

None

In foreign companies

- Dassault Systemes Group:
 - Chairman of the Board of Directors of Dassault Systemes Corp., of Dassault Systemes SolidWorks Corp., of Dassault Systemes Simulia Corp., of Dassault Systemes Biovia Corp. (United States) and Dassault Systemes Canada Software Inc. (Canada)
 - Chairman of the advisory board (corporate body) of Dassault Systemes 3DEXcite GmbH (Germany)

Past directorships since 2012

None

In French companies

None

None

In foreign companies

- Dassault Systemes Group:
 - Chairman of the Board of Directors of Dassault Systemes Delmia Corp. and of Dassault Systemes Enovia Corp. (Germany)
 - Chairman of the Supervisory Board of RealTime Technology AG (Germany)

Education and business experience

- Degree from the *École Normale Supérieure* in Cachan (France)
- Ph.D in mechanical engineering majoring in automation engineering and information science and *agrégation* specializing in mechanical engineering

Since 1995	President and Chief Executive Officer of Dassault Systèmes SE*(France)
Since 2016	Vice Chairman of the Board of Directors of Dassault Systèmes SE* (France)
1983-1986	<i>Scientifique du contingent</i> at Dassault Systèmes SE* (France)
1986-1988	Founder of the New Technologies Research and Strategy department at Dassault Systèmes SE* (France)
1988	President of Strategy, Research & Development at Dassault Systèmes SE* (France)
2005	Knight in the " <i>Légion d'honneur</i> " (French Legion of Honor)
2009	Member of the French Academy of Technology
2012	Officer in the " <i>Légion d'honneur</i> " (French Legion of Honor)

Melanie Lee

Date of birth:	July 29, 1958
Nationality:	British
First elected:	May 2017
Term expires:	May 2021

Directorships and appointments of Melanie Lee

	Within the Sanofi Group	Outside the Sanofi Group
Current directorships and appointments	None	In French companies None
	None	In foreign companies <ul style="list-style-type: none"> Director of Think10 (United-Kingdom)
Past directorships since 2012	None	In French companies None
	None	In foreign companies <ul style="list-style-type: none"> Director of Syntaxin Ltd* (United-Kingdom, until 2013) Director of BTG plc.* (United-Kingdom, until 2014) Independent Director of Lundbeck (Denmark, until 2015) Director of NightstaRx Ltd. (United-Kingdom, until 2016)

Education and business experience

- Undergraduate degree in Biology from the University of York
- Ph.D. at National Institute for Medical Research in London

Since 2013	Director and Consultant at Think10 (United-Kingdom)
Since 2014	Chief Scientific Officer at BTG plc* (United-Kingdom)
1988-1998	Senior Biologist and subsequently Research Unit Head, Receptor Systems at Glaxo/GlaxoWellcome (United-Kingdom)
2004-2007	Chairwoman of the Board of Directors of Cancer Research Technology Ltd. (United-Kingdom)
1998-2009	Executive Director of Research at Celltech plc., and subsequently Executive Vice President, Research and President New Medicines at UCB Celltech (United-Kingdom)
2003-2011	Deputy Chairwoman of Cancer Research U.K. (United-Kingdom)
2009-2013	Chief Executive Officer and Director of Syntaxin Ltd.*
2014	Founder of NightstaRx Ltd.
2011-2015	Non-executive Director of Lundbeck A/C

STATUTORY AUDITORS' REPORT ON THE NON-CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report on the non-consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information presented below is the audit opinion on the non-consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the non-consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures. This report also includes information relating to the specific verification of information given in the Group's management report. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the accompanying financial statements of Sanofi;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 at December 31, 2016 and of the results of its operations for the year then ended in accordance with French accounting principles.

II - Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Investments in affiliates presented as assets in Sanofi's balance sheet are valued in accordance with the methods described in note 2.d to the financial statements. We have examined the elements used to estimate the book values of investments in Group affiliates, as well as the valuation assumptions used and, when applicable, we have reviewed the calculation of impairment losses. We have verified that notes 6.a and 6.b to the financial statements provide appropriate disclosures.
- Sanofi faces risks and is involved in disputes relating to tax matters or intellectual property and contingencies arising from business divestments, as described in notes 2.m and 11 to the financial statements. We have considered the different elements, communicated to us by Sanofi, on which the estimates supporting the provisions recorded were based, including correspondence with lawyers.

As indicated in note 2.n to the financial statements, the estimates mentioned in the preceding paragraphs are based on forecasts or assumptions where actual outcome, due to uncertainties inherent to any estimation process, may differ from those anticipated in determining these estimates.

We assessed the reasonableness of these estimates.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verifications and information

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

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 documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 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 it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of

shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris La Défense, March 2, 2017

The Statutory Auditors
(French original signed by)

PricewaterhouseCoopers Audit

ERNST & YOUNG et Autres

Philippe Vogt

Stéphane Basset

Nicolas Pfeuty

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information presented below is the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures. This report also includes information relating to the specific verification of information given in the Group's management report. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the accompanying consolidated financial statements of Sanofi;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2016 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.

Without qualifying our opinion, we draw your attention to the, Note A.5 *VaxServe revenues*, which sets out the change in presentation of the sales of a portion of VaxServe's business.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Your Group has accounted for business combinations and acquisitions of other intangible assets in accordance with the methods and the terms described in notes B.3., B.4.1 and B.4.3. to the financial statements. The purchase price allocation is performed, if necessary, with the assistance of an independent appraiser. We have reviewed the procedures implemented to identify assets and liabilities acquired, the methodologies used to determine fair values and the underlying data and assumptions used. We have verified that notes D.1. and D.4 to the financial statements provide appropriate information;
- Your Group tests annually for impairment of goodwill and other intangible assets not yet available for use (such as capitalized in-process research and development), and assesses whether or not events or changes in circumstances indicate that other intangible and tangible assets may be impaired, in accordance with the method described in notes B.3.2., B.6.1. and D.5. to the financial statements. We have reviewed the procedures of identification and centralization of such events or changes in circumstances, the methodology used to determine recoverable values, and the data and assumptions used when performing impairment tests. We have verified that note D.5. to the financial statements provides appropriate information;
- Your Group records provisions for pension and other long-term benefits obligations, in accordance with the methods described in notes B.23. and D.19.1. to the financial statements. These obligations have been evaluated with the assistance of external actuaries. Our work consisted of an examination of underlying data, an assessment of assumptions used and verification that note D.19.1. to the financial statements provides appropriate information;
- Your Group is exposed to several risks and litigations relating to tax and environmental matters or relating to products and intellectual property and to contingencies arising from certain business divestitures. As described in notes B.12., B.22., D.14., D.19.3. and D.22. to the financial statements, your Group has performed an evaluation of the risks and litigations identified and related reserves. We have examined supporting evidence for these estimates which has been communicated to us including correspondence with lawyers;

- Your Group establishes provisions for restructuring according to the methodologies and the procedures described in notes B.12. and D.19.2. to the financial statements. Our work consisted of examining underlying data, assessing assumptions used, and in verifying that notes D.19.2. and D.27. to the financial statements provide appropriate information;

In the framework of our assessments, we have assessed the reasonableness of these estimates.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and

therefore contributed to our opinion which is expressed in the first part of this report.

III. Specific verification

As required by law, we have also verified, in accordance with professional standards applicable in France, the information given in the Group's management report.

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

Neuilly-sur-Seine and Paris La Défense, March 2, 2017

The statutory auditors
(*French original signed by*)

PricewaterhouseCoopers Audit

Philippe Vogt

Stéphane Basset

ERNST & YOUNG et Autres

Nicolas Pfeuty

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

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

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

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

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

Agreements and commitments submitted for approval by the General Meeting of Shareholders

Agreements and commitments approved in previous year

We hereby inform you that we have not been advised of any agreements or commitments concluded in the course of the year to be submitted to the general meeting of shareholders for approval in accordance with article L. 225-38 of the French Commercial Code.

Agreements and commitments authorized in the course of the year

We have been notified of the following commitment, authorized since the closing of the financial year, which was previously authorized by your Board of Directors.

With Olivier Brandicourt, Chief Executive Officer of your Company from 2 April 2015

As a supplementary pension plan

Nature and purpose

In the February 7, 2017, meeting, the Board of Directors of your Company changed the commitment given to Olivier Brandicourt concerning the supplementary pension plan.

Terms and Conditions

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

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

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

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

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

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

No other elements of the pension plan have changed.

Agreements and commitments already approved by the General Meeting of Shareholders

Agreements and commitments approved in previous year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been notified of the continuation of the following agreements and commitments, already approved by the general meeting during previous years, which were not executed in the past financial year.

With Olivier Brandicourt, Chief Executive Officer

As a termination benefit

Nature and purpose

The Board of Directors of your Company meeting held on February 19, 2015 authorized the termination benefit for Olivier Brandicourt.

Conditions

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

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

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

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

As non-compete indemnity

Nature and purpose

The Board of Directors of your Company meeting held on February 19, 2015 authorized the non-compete indemnity granted for Olivier Brandicourt.

Conditions

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

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

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

As a supplementary pension plan

Nature and purpose

The Board of Directors of your Company also authorized the admission of Olivier Brandicourt to the Sanofi supplementary pension plan offered to executives of your Company and its French subsidiaries, who meet the eligibility criteria specified in the plan rules.

Conditions

The main characteristics of the pension are as follows:

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

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

Neuilly-sur-Seine and Paris-La Défense, March 2, 2017

The statutory auditors
(French original signed by)

PricewaterhouseCoopers Audit

ERNST & YOUNG et Autres

Philippe Vogt

Stéphane Basset

Nicolas Pfeuty

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

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your Company, and in compliance with Articles L. 228-92 and L. 225-135 and following the French Commercial Code (*Code de Commerce*), we hereby report on the proposal to grant your Board of Directors the ability to decide on one or more increases in capital by issuing shares and other securities, operations upon which you are called to vote.

Your Board of Directors proposes, on the basis of its report:

- that it be authorized, with faculty of subdelegation, for a period of 26 months, to decide on the following operations and to determine the final conditions for these issues and, if necessary, to cancel your preemptive rights:
 - the issue, with pre-emptive rights maintained (15th resolution) of (i) ordinary shares of the Company, and/or (ii) securities governed by articles L. 228-91 and following of the French Commercial Code which are equity instruments of the Company that give access to other equity instruments of the Company and/or that give entitlement to the allotment of debt instruments of the Company (iii) debt securities giving access or potentially giving access to future equity instruments of the Company; such debt securities may also give access to existing equity instruments and/or that give entitlement to the debt instruments of the Company:
 - in accordance with Articles L. 228-93 of the French Commercial Code, securities which are equity instruments of the Company may give access to existing equity instruments issued by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue and/or to debt instruments of such companies;
 - in accordance with Articles L. 228-94 of the French Commercial Code, securities which are equity instruments of the Company may give access to existing equity instruments and/or debt instruments of companies of which the Company does not directly or indirectly own more than half of the share capital at the time of issue;
 - the issue, with pre-emptive rights cancelled, via public offering (16th resolution) of (i) ordinary shares

of the Company, (ii) securities governed by articles L. 228-91 and following of the French Commercial Code which are equity instruments of the Company that give access to other equity instruments of the Company and/or that give entitlement to the allotment of debt instruments of the Company (iii) debt securities giving access or potentially giving access to future equity instruments of the Company; such debt securities may also give access to existing equity instruments and/or that give entitlement to the debt instruments of the Company:

- these securities may be issued as consideration for securities that may be contributed to the Company in connection with a public tender offer with exchange relating to securities meeting the conditions laid down in Article L. 225-148 of the French Commercial Code;
- in accordance with Articles L. 228-93 paragraph 1 of the French Commercial Code, securities to be issued may give access to future equity instruments to be issued by companies of which the Company directly or indirectly owns more than half of the share capital at the date of issue (18th resolution);
- in accordance with Articles L. 228-93 paragraph 3 of the French Commercial Code, securities which are equity instruments of the Company may give access to existing equity instruments issued by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue and/or to debt instruments of such companies;
- in accordance with Articles L. 228-94 of the French Commercial Code, securities which are equity instruments of the Company may give access to existing equity instruments and/or debt instruments of companies of which the Company does not directly or indirectly own more than half of the share capital at the time of issue;
- the issue, with preemptive rights cancelled, via private placement(s) in accordance with Article L. 411-2 II of the French Monetary and Financial Code, within the limit of 20% of share capital (17th resolution) of (i) ordinary shares of the Company, (ii) securities governed by articles L. 228-91 and following of the French Commercial Code which are equity instruments of the Company that give access to other equity instruments of the Company and/or that give entitlement to the allotment of debt instruments of the Company (iii) debt securities representing a debtor claim and giving access or potentially giving access to future

equity instruments of the Company; such securities may also give access to existing equity instruments and/or that give entitlement to the debt instruments of the Company:

- in accordance with Articles L. 228-93 paragraph 1 of the French Commercial Code, securities to be issued may give access to future equity instruments to be issued by companies of which the Company directly or indirectly owns more than half of the share capital at the date of issue (18th resolution);
 - in accordance with Articles L. 228-93 paragraph 3 of the French Commercial Code, securities which are equity instruments of the Company may give access to existing equity instruments issued by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue and/or to debt instruments of such companies;
 - in accordance with Articles L. 228-94 of the French Commercial Code, securities which are equity instruments of the Company may give access to existing equity instruments and/or debt instruments of companies of which the Company does not directly or indirectly own more than half of the share capital at the time of issue;
- the issue with preemptive rights cancelled, of ordinary shares or of the securities mentioned in above items (ii) and (iii), to be carried out further to the issue, by companies of which the Company directly or indirectly owns more than half of the share capital at the time of issue, of securities giving access to future ordinary shares of the Company (16th resolution).
- that it be empowered, for a period of twenty-six months, for implementation, with a view to contributing in kind made to the company and consisting of equity securities or securities giving access to the capital, to carry out the issue of (i) ordinary shares of the Company, and/or (ii) securities governed by articles L. 228-91 and following of the French Commercial Code which are equity instruments of the Company that give access to other equity instruments of the Company and/or that give entitlement to the allotment of debt instruments of the Company (iii) debt securities giving access or potentially giving access to future equity instruments of the Company; such securities may also give access to existing equity instruments and/or that give entitlement to the allocation of debt instruments of the Company (20th resolution), within the limit of 10% of the share capital;
 - in accordance with Articles L. 228-93 of the French Commercial Code, securities which are equity instruments of the Company may give access or potentially giving access to future existing equity instruments issued by companies of which the

Company directly or indirectly owns more than half of the share capital at the time of issue and/or to debt instruments of such companies;

- in accordance with Articles L. 228-94 of the French Commercial Code, securities which are equity instruments of the Company may give access to existing equity instruments and/or debt instruments of companies of which the Company does not directly or indirectly own more than half of the share capital at the time of issue.

The aggregate par value of immediate and/or deferred share capital increases that may be carried out shall not exceed €1,289,000,000 in accordance with the 15th, 16th, 17th, 18th, 19th, 20th, 21th and 22th resolutions. The maximum of share capital increases that may be carried out may not exceed €1,289,000,000 in accordance with the 15th resolution and €240,000,000 in accordance with 16th and 17th resolutions.

The maximum aggregate par value of immediate and/or deferred securities representing debt instruments likely to be issued, shall not exceed €7,000,000,000 in accordance with the 15th, 16th, 17th, 18th, 19th and 20th resolutions.

These caps take into account the additional marketable securities to be issued in the framework of the empowerment described in the 15th, 16th, 17th and 18th resolutions according to the conditions stated by the article L. 225-135-1 of the French Commercial Code (19th resolution).

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 and following of French Commercial Code. Our role is to report on the fairness of the financial information taken from the financial statements, on the proposed cancellation of preemptive rights and on other information relating the share issuance, provided in this report.

We have performed those procedures which we considered necessary in accordance with professional guidance issued by the national auditing body (*Compagnie nationale des commissaires aux comptes*) relating to this operation. These procedures are designed to verify the information provided in the Board of Directors' report relating to these operations and the methods used to determine the issuance price.

Subject to a subsequent examination of the terms and conditions for those proposed issues of shares and other securities, we have nothing to report on the methods used for determining the issuance price provided in the Board of Directors' report in accordance with the 16th, 17th and 18th resolutions.

As the issuance price for the equity securities to be issued has not yet been determined, we cannot express opinion on the final terms and conditions of the share issues and, consequently, on the proposed cancellation of preemptive rights presented in Resolution 15 and 20.

As the final conditions under which the issues are made are not set, we do not express an opinion on them and, as a result, on the proposal to waive the preferential subscription right 16th, 17th and 18th resolutions.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare an additional report, if necessary, if your Board of Directors exercises its

delegation for the issuance of ordinary shares and securities giving access to the capital of the Company and/or giving entitlement to the allotment of debt securities, in the event of the issuance of securities giving access to the equity securities to be issued and in the event of the issuance of shares with cancellation of preferential subscription rights.

Neuilly-sur-Seine and Paris-La Défense, March 6, 2017

The statutory auditors
(French original signed by)

PricewaterhouseCoopers Audit

ERNST & YOUNG et Autres

Philippe Vogt

Stéphane Basset

Nicolas Pfeuty

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

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

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

The maximum amount of the capital increases likely to result from the implementation of the twenty-second resolution is set at 1% of the share capital as of the date of the Board of Directors' decision. With regard to employees of companies operating in the United States, the Board of Directors also proposes that you delegate it the authority to decide, where it deems appropriate, to apply the special implementation conditions as stated in its report, up to a limit of 0.2% of the share capital as of December 31, 2016.

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

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

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

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

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

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

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

In accordance with Article R. 225-116 of the French Commercial Code, we will issue an additional report if and when the Board of Directors exercises this delegation of authority to carry out the issue of shares or securities carrying rights to other securities or the issue of securities carrying rights to securities to be issued.

Neuilly-sur-Seine and Paris-La Défense, March 6, 2017

The statutory auditors
(French original signed by)

PricewaterhouseCoopers Audit

Philippe Vogt

Stéphane Basset

ERNST & YOUNG et Autres

Nicolas Pfeuty

STATUTORY AUDITORS' SPECIAL REPORT ON SHARE CAPITAL REDUCTION

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Sanofi and in accordance with the provisions of Article L. 225-209 of the French Commercial Code (*Code de commerce*), applicable in the event of a share capital reduction, we hereby report to you on our assessment of the reasons for and conditions of the planned share capital reduction.

The Board of Directors proposes that, for a period of twenty-six (26) months as from this meeting, the

shareholders delegate to the Board of Directors full powers to cancel treasury shares, pursuant to an authorization granted within the framework of the abovementioned article, up to a maximum of ten percent (10%) of the shares comprising the share capital of the Company over a period of twenty-four (24) months.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the reasons for and the terms and conditions of the proposed share capital reduction, which is not considered to affect shareholder equality, comply with the applicable legal provisions.

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

Neuilly-sur-Seine and Paris-La Défense, March 6, 2017

The statutory auditors
(*French original signed by*)

PricewaterhouseCoopers Audit

Philippe Vogt

Stéphane Basset

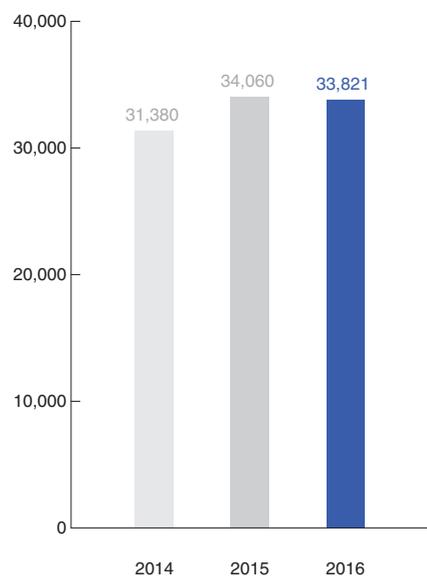
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Nicolas Pfeuty

OVERVIEW OF SANOFI IN 2016

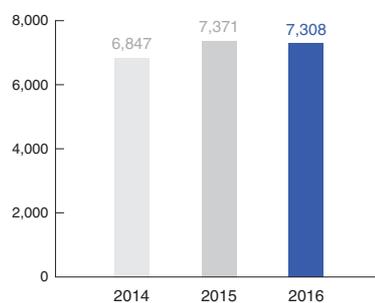
NET SALES (*)

(€ million)



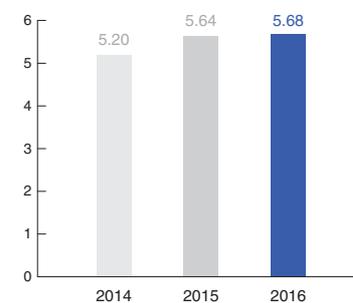
OTHER KEY INDICATORS

BUSINESS NET INCOME ⁽¹⁾
(€ million)



(1) See "Definitions" section below

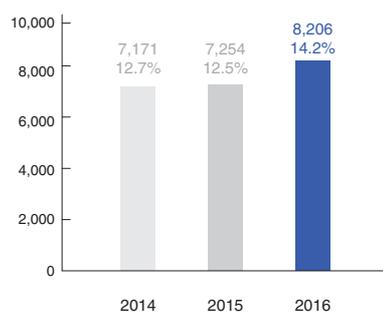
BUSINESS EARNINGS PER SHARE ⁽¹⁾
(€)



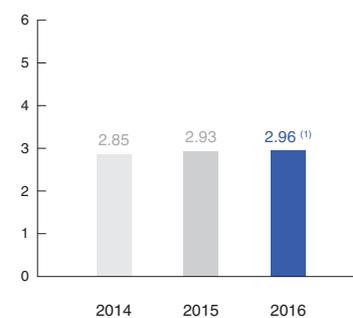
(1) See "Definitions" section below

DEBT, NET OF CASH AND CASH EQUIVALENTS
AS OF DECEMBER, 31
(€ million)

GEARING RATIO
(%)



DIVIDEND PER SHARE
(€)



(1) Dividend submitted for approval at the AGM of May 10, 2017.

(*) Sanofi and Boehringer Ingelheim (BI) having closed the transaction involving the exchange of Sanofi's Animal Health business for BI's Consumer Healthcare business, these items are presented excluding the Animal Health business.

SIGNIFICANT EVENTS

- Throughout 2016 we continued to make progress towards our key strategic objectives: reorganizing our operations, successfully launching new products, enhancing innovation in R&D and streamlining our organization.
- During 2016, Sanofi and Boehringer Ingelheim (BI) finalized the negotiations initiated in December 2015 with a view to swapping our Animal Health business for BI's Consumer Healthcare business. This transaction closed on January 1, 2017, strengthening our position in the consumer healthcare market⁽¹⁾. In 2016, the portfolio of BI Consumer Healthcare products acquired by Sanofi generated net sales estimated to be approximately €1.5 billion.
- At the end of December 2016, Sanofi Pasteur and MSD (known as Merck in the United States and Canada) ended their European joint venture Sanofi Pasteur MSD (SPMSD). This transaction involves the divestment of our share in the joint venture and the acquisition of the vaccines portfolio that reverts to Sanofi. We estimate that the additional annual net sales derived from this transaction will be approximately €280 million, based on 2016 figures.
- During 2016, we continued our policy of securing research and development alliances and making targeted acquisitions. In immuno-oncology, we entered into a collaboration and license agreement with Innate Pharma, and extended our collaboration with Warp Drive Bio to discover novel oncology therapeutics and antibiotics. In diabetes, we joined forces with Verily Life Sciences LLC (formerly Google Life Sciences) to form Onduo, a joint venture to develop comprehensive diabetes management solutions.
- Successes for our R&D efforts in 2016 included the entry into Phase III of dupilumab in nasal polyposis, sotagliflozin in type 2 diabetes, isatixumab for patients with relapsed and refractory multiple myeloma and GZ402666 (NeoGAA) in the treatment of Pompe disease which is a rare disease caused by the deficiency of the enzyme acid alpha-glucosidase. A number of launches were carried out during the year following the granting of regulatory approvals, in particular Praluent[®] (hypercholesterolemia) in Japan and Adlyxin[™] (diabetes) in the United States, followed by Soliqua[™] 100/33 (insulin glargine and lixisenatide for diabetes) in the United States at the start of 2017. The launch of Suliqua[™], the European trade name for the same association, is planned in Europe in 2017.
- Since January 2016, we have been streamlining our organization and rolling out our new structure, composed of five global business units (GBUs): General Medicines & Emerging Markets, Sanofi Genzyme (Specialty Care), Diabetes & Cardiovascular, Sanofi Pasteur (Vaccines), and Animal Health. Following the transaction with BI, this last GBU has been replaced by the Consumer Healthcare GBU, which has been operational since January 1, 2017. To support this new organizational structure, we have embarked on a program to improve the excellence of our delivery by implementing a global information systems solution and by standardizing and consolidating our processes.
- Net sales for the year ended December 31, 2016 were €33,821 million, 0.7% lower than in 2015, but 1.2% higher at constant exchange rates (CER). This CER growth was driven mainly by the Sanofi Genzyme (Specialty Care) and Sanofi Pasteur (Vaccines) GBUs.

⁽¹⁾ The closing of the acquisition of Merial in Mexico and the exchange of Merial with BI's Consumer Healthcare operations in India have been delayed, and should be finalized in 2017.

1. Business overview

1.1. PHARMACEUTICALS SEGMENT

1.1.1. Filings for marketing authorization for new products

The main developments in filings for marketing authorization for new products during 2016 are described below.

- On July 5, 2016, Sanofi and Regeneron announced that the Ministry of Health, Labor and Welfare in Japan had granted marketing and manufacturing authorization for **Praluent®** (alirocumab) for the treatment of uncontrolled low-density lipoprotein (LDL) cholesterol, in certain adult patients with hypercholesterolemia at high cardiovascular risk.
- At the end of July 2016, the European Medicines Agency (EMA) accepted for review the Market Authorization Application (MAA) for **sarilumab**, a monoclonal antibody against the Interleukin-6 Receptor for the treatment of rheumatoid arthritis. The US Food and Drug Administration (FDA) had already (on January 8, 2016) accepted for review the Biologics License Application (BLA) submitted for the product by Sanofi and Regeneron. On October 28, 2016, the FDA issued a Complete Response Letter (CRL) regarding the BLA, referring to certain deficiencies identified during a routine good manufacturing practice inspection of the Sanofi Le Trait facility where sarilumab is filled and finished. The FDA having classified Sanofi's corrective actions as "acceptable" at the start of 2017, Sanofi plans to re-submit the sarilumab BLA in the first quarter of 2017 subject to successful FDA preapproval inspection of Le Trait.
- On July 27, 2016, the FDA approved **Adlyxin™** (lixisenatide), a once-daily mealtime GLP-1 receptor agonist injection indicated as an adjunct to diet and exercise for the treatment of adults with type 2 diabetes. Lixisenatide is currently approved in more than 60 countries worldwide under the proprietary name **Lyxumia®**.
- On September 26, 2016, the FDA accepted for priority review the Biologics License Application (BLA) for **dupilumab** in the treatment of adult patients with inadequately controlled moderate-to-severe atopic dermatitis (AD), a serious, chronic inflammatory skin disease. On December 8, 2016, the EMA accepted for review the MAA for dupilumab for the treatment of adults with moderate-to-severe AD who are candidates for systemic therapy. The EMA and FDA have provisionally accepted **Dupixent™** as the brand name for dupilumab.
- On November 11, 2016, the Committee for Medicinal Products for Human Use (CHMP) of the EMA adopted a positive opinion recommending marketing approval of **Suliqua™**, a once-daily titratable fixed-ratio combination of insulin glargine 100 Units/mL and

lixisenatide. On November 21, 2016, the FDA approved **Soliqua™** 100/33, the same combination of basal insulin glargine and lixisenatide (see also "Recent Events Subsequent to December 31, 2016" below).

1.1.2. Research and development

Our research and development portfolio is presented in "Item 4.B. – Business Overview – B.5. Global Research and Development", in our 2016 Annual Report on form 20-F.

During 2016, we reported the results of numerous clinical trials, including **Praluent®** (alirocumab), **Dupixent™** (dupilumab), and **Kevzara™** (sarilumab), all three in collaboration with Regeneron, and **Lemtrada®** (alemtuzumab), **Suliqua™/Soliqua™ 100/33** (the titratable fixed-ratio combination of basal insulin glargine 100 Units/mL and the GLP-1 receptor agonist lixisenatide) and the investigational novel enzyme replacement therapy **GZ402666** (neoGAA).

It was decided to discontinue development of **SAR438544**, a stable glucagon analog, in diabetes; **SAR366234**, an EP2 receptor agonist, in the treatment of high intra-ocular pressure; **SAR113244**, an anti-CXCR5 humanized monoclonal antibody, in the treatment of systemic lupus erythematosus; and revusiran in the treatment of familial amyloidotic cardiomyopathy.

1.1.3. Acquisitions and alliances

We made a number of acquisitions and alliances during 2016. The principal transactions are described below:

- On January 11, 2016, Sanofi announced a collaboration and licensing agreement in immuno-oncology with **Innate Pharma**. Under the terms of the licensing agreement, Sanofi will be responsible for the development, manufacturing and commercialization of products resulting from the collaboration.
- Also on January 11, 2016, Sanofi and **Warp Drive Bio** (Warp Drive) announced that they had extended and reshaped their existing collaboration utilizing Warp Drive's proprietary SMART™ (Small Molecule Assisted Receptor Targeting) and Genome Mining platforms to discover novel oncology therapeutics and antibiotics. Under the terms of the agreement, Warp Drive will lead the research collaboration for a period of five years and Sanofi will receive worldwide exclusive licenses to develop and commercialize the candidates discovered during the research term.
- On March 16, 2016, Sanofi and **DiCE Molecules** announced a five-year global collaboration to discover

potential new therapeutics for up to 12 targets that encompass all disease areas of strategic interest to Sanofi. DiCE's directed chemical evolution platform is expected to shorten drug development timelines through the rapid and efficient discovery of a greater breadth of molecules for each target in the collaboration.

- On September 12, 2016, Sanofi and **Verily Life Sciences LLC** (formerly Google Life Sciences), an Alphabet company, announced the launch of **Onduo**, a joint venture created through Sanofi and Verily's diabetes-focused collaboration. The joint venture is headquartered at Kendall Square in Cambridge, Massachusetts (United States). Onduo's mission is to help people with diabetes live full, healthy lives by developing comprehensive solutions that combine devices, software, medicine and professional care to enable simple and intelligent disease management.
- On December 5, 2016, Sanofi and **JHL Biotech, Inc.** (JHL), a company based in mainland China and Taiwan, announced an alliance to collaborate on developing and commercializing biopharmaceutical products in China, with the potential for international expansion. Under the terms of the agreement Sanofi subscribed to a share issue by JHL, valued at €58 million as of December 31, 2016, and made an upfront payment to acquire the rights to the rituximab biosimilar and other products in the JHL portfolio. JHL will handle development, registration and production, while Sanofi will be responsible for commercialization in China.

1.2. VACCINES SEGMENT

1.2.1. Vaccines in Europe

On March 8, 2016, Sanofi Pasteur and MSD (known as Merck in the United States and Canada) announced their intention to end Sanofi Pasteur MSD (SPMSD), their joint venture in vaccines, in order to pursue their own distinct growth strategies in Europe. SPMSD, owned on a 50/50 basis by Sanofi Pasteur and MSD, was originally created in 1994 to develop and commercialize vaccines originating from the two companies' pipelines. The dissolution of SPMSD became effective on December 30, 2016.

1.2.2. Filings for marketing authorization for new vaccines

PR5i (DTP-HepB-Polio-Hib), a new hexavalent pediatric vaccine, was approved in the European Union in February 2016.

On April 15, 2016, the Strategic Advisory Group of Experts on Immunization (SAGE) issued recommendations to the World Health Organization (WHO) on the use of **Dengvaxia**[®] dengue vaccine. SAGE advised that endemic countries consider introducing the vaccine as part of an integrated disease prevention strategy including vector control to effectively lower their dengue disease burden. Successful introduction of dengue immunization alongside

other prevention efforts should help endemic countries to achieve the WHO objectives of reducing dengue morbidity by 25% and mortality by 50% by 2020. The first public dengue vaccination started in the Philippines in April 2016. In August 2016, Paraná state (Brazil) took delivery of 500,000 doses of **Dengvaxia**[®] for a large-scale dengue vaccination program. In September 2016, **Dengvaxia**[®] became available through private clinics in Mexico for people aged 9 to 45 years.

1.2.3. Research and development

Men Quad TT, a second generation combined ACYW meningococcal vaccine indicated for a broader population (children to seniors), entered phase III.

Shan6, a hexavalent pediatric vaccine developed by Sanofi Pasteur's subsidiary Shantha that protects against diphtheria, pertussis, tetanus, polio, Hib and hepatitis B, entered Phase II.

A viral vector primary series and recombinant gp120 protein booster vaccine against HIV entered phase II.

The inactivated Zika virus vaccine entered Phase I.

The pediatric respiratory syncytial virus (RSV) vaccine entered Phase I.

1.2.4. Partnerships and collaborations

On January 14, 2016, Sanofi Pasteur signed an agreement with the **Human Vaccines Project**, a consortium bringing together academic researchers and industrial partners to decode the human immune system and encourage the development of vaccines and immunotherapy. Sanofi Pasteur supported the project by providing research funding to oversee, coordinate and conduct the scientific and administrative activities of the Human Vaccines Project Research Program during 2016. The funds were used by the project to launch and execute pilot studies, build partnerships with and across the stakeholder community, and set up the infrastructure and operational support needed for the Human Vaccines Project Research Program.

On February 2, 2016, Sanofi Pasteur announced the launch of a vaccine research and development project targeting the prevention of **Zika virus** infection and disease. On July 6, 2016, Sanofi announced a Cooperative Research and Development Agreement (CRADA) with the Walter Reed Army Institute of Research (WRAIR), a biomedical research laboratory run by the US Defense Department, to jointly develop a Zika vaccine candidate. On September 26, 2016, the Biomedical Advanced Research and Development Authority (BARDA) of the US Department of Health and Human Services agreed to provide funding for the manufacture of the inactivated Zika vaccine developed by WRAIR so that it can be tested in Phase II trials. On October 27, 2016, Sanofi Pasteur announced that it had agreed to Principles of Collaboration with WRAIR and the Oswaldo Cruz Foundation (via its Immuno-Biological Technology

Institute, Bio-Manguinhos/Fiocruz) to increase the likelihood of successfully developing and licensing a safe and effective Zika vaccine.

1.3. SIGNIFICANT EVENTS SUBSEQUENT TO DECEMBER 31, 2016

On January 2, 2017, Sanofi and Boehringer Ingelheim (BI) confirmed the closing of the strategic deal agreed between them in June 2016, involving the exchange of Sanofi's Animal Health business (Merial) for BI's Consumer Healthcare (CHC) business, with effect from January 1, 2017 in most countries. This marks the final phase in a transaction that began when exclusive negotiations started in December 2015. Closing of the acquisition of Merial in Mexico, and of the exchange of Merial for BI's CHC business in India, have been delayed and are due to be finalized in 2017. After taking account of preliminary enterprise value adjustments, the exchange values of the two businesses have been provisionally determined at €10.3 billion for Merial and €6.2 billion for BI's CHC business. Those values differ from those announced when the exclusivity agreement was signed in that they have been adjusted for working capital items of the two businesses and exclude business transfers that have been delayed in certain countries. The divestment of the Animal Health business will generate an after-tax gain of approximately €4.3 billion in 2017, excluding the impact of subsequent price adjustments and business transfers. The provisional purchase price allocation for BI's CHC business will lead to the recognition of goodwill amounting to approximately €2 billion, after allocation of €4 billion to acquired intangible assets.

On January 4, 2017, Soliqua™ 100/33 (insulin glargine 100 units/ml and lixisenatide 33 mcg/ml injectable solution) became available on medical prescription in pharmacies in the United States. Soliqua™ 100/33 is indicated for the treatment of adults with type 2 diabetes inadequately

controlled on basal insulin (less than 60 units daily) or lixisenatide. On January 18, 2017, the European Commission granted marketing approval within Europe for Suliqva™, the same titratable fixed-dose once-daily combination of insulin glargine and lixisenatide, to treat adults with type 2 diabetes. Suliqva™ has been approved for use in combination with metformin to improve glycemic control when this has not been provided by metformin alone or metformin combined with another oral glucose-lowering medicinal product or with basal insulin⁽¹⁾.

In January 2017, a US District Court granted an injunction banning from February 21, 2017 the marketing, selling or manufacturing of Praluent® in the United States during the term of two patents held by Amgen. Sanofi and Regeneron filed a motion to stay the injunction pending the outcome of the appeal against (i) the judgment upholding the validity of the Amgen patents for PCSK9 inhibitors and (ii) the injunction. On February 8, 2017, the US Court of Appeals for the Federal Circuit stayed (suspended) the permanent injunction for Praluent® (alirocumab) Injection pending Sanofi and Regeneron's appeal. For more information, refer to Note D.22.b to our consolidated financial statements and to "Item 8 – Financial Information – Information on Legal or Arbitration Proceedings" in our 2016 Annual Report on Form 20-F.

In January 2017, Kevzara™ (sarilumab) was approved in Canada for the treatment of adults with moderate-to-severe rheumatoid arthritis.

In January 2017, the FDA approved the marketing of Xyzal® Allergy 24HR as an over-the-counter (OTC) treatment for the relief of symptoms associated with seasonal and year-round allergies. Two formulations of Xyzal® will now be available as self care products: 5 mg tablets for age 6 years and over, and 0.5 mg/ml oral solution for age 2 years and over. Xyzal® is an oral antihistamine with a proven 24-hour effect.

2. Operating and financial review

2.1. NET SALES

Net sales for the year ended December 31, 2016 were €33,821 million, 0.7% lower than in 2015. Exchange rate fluctuations had a negative effect of 1.9 percentage points overall, with adverse trends in the Argentine peso, Chinese yuan renminbi, Mexican peso and pound sterling outweighing the positive effect of the Japanese yen and US dollar. At constant exchange rates (CER), net sales rose by 1.2%.

This performance includes the negative effects of a change in the exchange rate applied in translating the results of our Venezuelan operations into euros. This change reflects reforms to the Venezuelan foreign exchange system in February 2016, and the continued impossibility of converting bolivars to US dollars at the official preferential exchange rate⁽²⁾. In addition, in the first half of 2015, Sanofi benefited from a significant increase in product demand in Venezuela, due to buying patterns associated with local market conditions. As a result, our net sales in Venezuela amounted to €18 million in 2016, compared with €455 million in 2015. Excluding Venezuela, our net sales increased by 2.6% CER.

⁽¹⁾ EU Summary of Product Characteristics for Suliqva™, 2017

⁽²⁾ The exchange rate used in 2016 was the "DICOM" rate of 710 bolivars per US dollar, as opposed to the "SICAD" administered exchange rate of 13.5 bolivars per US dollar used in 2015.

(€ million)	2016 ^(a)	2015 ^{(a)(b)}	Change
Net sales	33,821	34,060	-0.7%
Effect of exchange rates	661		
Net sales at constant exchange rates	34,482	34,060	+1.2%

(a) In accordance with the presentation requirements of IFRS 5, the consolidated income statement line item **Net sales** does not include the net sales of the Animal Health business.

(b) Due to a change in accounting presentation, VaxServe sales of non-Sanofi products are included in **Other revenues** from 2016 onwards. The presentation of prior period **Net sales** and **Other revenues** has been amended accordingly.

2.2. NET SALES BY OPERATING SEGMENT

Our net sales comprise the net sales generated by our Pharmaceuticals and Human Vaccines (Vaccines) segments.

(€ million)	2016 ^(a)	2015 ^{(a)(b)}	Change
Pharmaceuticals	29,244	29,799	-1.9%
Vaccines	4,577	4,261	+7.4%
Net sales	33,821	34,060	-0.7%

(a) In accordance with the presentation requirements of IFRS 5, the consolidated income statement line item **Net sales** does not include the net sales of the Animal Health business.

(b) Due to a change in accounting presentation, VaxServe sales of non-Sanofi products are included in **Other revenues** from 2016 onwards. The presentation of prior period **Net sales** and **Other revenues** has been amended accordingly.

2.3. NET SALES BY GLOBAL BUSINESS UNIT (GBU)

The table below presents net sales for our Global Business Units (GBUs) reflecting the new structure intended to streamline our organization, sharpen our focus and concentrate our efforts on growth drivers. Within this new structure, Emerging Markets sales of Diabetes & Cardiovascular and Specialty Care products are included in the General Medicines & Emerging Markets GBU. Following the creation of the Consumer Healthcare GBU, sales of that GBU's products – previously included in the General Medicines & Emerging Markets GBU – are presented for information purposes on a separate line for 2016 and prior periods, in the interests of comparability.

Net sales by Global Business Unit (GBU) (€ million)	2016	2015	Change on a reported basis	Change at constant exchange rates
Sanofi Genzyme GBU ^(a) (Specialty Care) ^(b)	5,019	4,275	+17.4%	+17.3%
Diabetes & Cardiovascular GBU ^(a)	6,397	6,517	-1.8%	-2.0%
General Medicines & Emerging Markets GBU ^{(c)(d)}	14,498	15,515	-6.6%	-3.3%
Consumer Healthcare GBU	3,330	3,492	-4.6%	-1.6%
Total Pharmaceuticals	29,244	29,799	-1.9%	+0.2%
Sanofi Pasteur (Vaccines) GBU^(e)	4,577	4,261	+7.4%	+8.8%
Total Net Sales^(f)	33,821	34,060	-0.7%	+1.2%

(a) Does not include Emerging Markets net sales.

(b) Rare Diseases, Multiple Sclerosis, Oncology and Immunology.

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

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

(e) Due to a change in accounting presentation, VaxServe sales of non-Sanofi products are included in **Other revenues** from 2016 onwards. The presentation of prior period **Net sales** and **Other revenues** has been amended accordingly.

(f) In accordance with the presentation requirements of IFRS 5, the consolidated income statement line item **Net sales** does not include the net sales of the Animal Health business. The net sales of the Animal Health business (equivalent to the net sales of the Animal Health GBU) are presented for information purposes in – “1/ Net Sales by Operating Segment” in our 2016 Annual Report on Form 20-F.

2.4. NET SALES BY FRANCHISE

The table below sets forth our 2016 net sales by franchise in order to facilitate comparisons with our peers.

Net Sales by Franchise (€ million)	2016	2015	Change on reported basis	Change at constant a exchange rates
Rare Diseases	2,777	2,550	+8.9%	+11.7%
Multiple Sclerosis	1,720	1,114	+54.4%	+56.1%
Oncology	1,453	1,504	-3.4%	-2.2%
Total Specialty Care	5,950	5,168	+15.1%	+17.2%
<i>of which Developed Markets (Sanofi Genzyme GBU)</i>	<i>5,019</i>	<i>4,275</i>	<i>+17.4%</i>	<i>+17.3%</i>
<i>of which Emerging Markets^{(a)(b)}</i>	<i>931</i>	<i>893</i>	<i>+4.3%</i>	<i>+16.7%</i>
Diabetes	7,341	7,580	-3.2%	-1.8%
Cardiovascular	458	350	+30.9%	+31.1%
Total Diabetes & Cardiovascular	7,799	7,930	-1.7%	-0.4%
<i>of which Developed Markets (Diabetes & Cardiovascular GBU)</i>	<i>6,397</i>	<i>6,517</i>	<i>-1.8%</i>	<i>-2.0%</i>
<i>of which Emerging Markets^{(a)(b)}</i>	<i>1,402</i>	<i>1,413</i>	<i>-0.8%</i>	<i>+7.2%</i>
Established Prescription Products ^(a)	10,311	11,292	-8.7%	-6.8%
Consumer Healthcare (Consumer Healthcare GBU)	3,330	3,492	-4.6%	-1.6%
Generics ^(a)	1,854	1,917	-3.3%	+0.7%
Total Pharmaceuticals	29,244	29,799	-1.9%	+0.2%
Vaccines (Sanofi Pasteur GBU)^(c)	4,577	4,261	+7.4%	+8.8%
Total Net Sales^(d)	33,821	34,060	-0.7%	+1.2%

(a) These items are aggregated to form the General Medicines and Emerging Markets GBU.

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

(c) Due to a change in accounting presentation, VaxServe sales of non-Sanofi products are included in **Other revenues** from 2016 onwards. The presentation of prior period **Net sales** and **Other revenues** has been amended accordingly.

(d) In accordance with the presentation requirements of IFRS 5, the consolidated income statement line item **Net sales** does not include the net sales of the Animal Health business. The net sales of the Animal Health business (equivalent to the net sales of the Animal Health GBU) are presented for information purposes in – “1/ Net Sales by Operating Segment” above.

2.4.1. Pharmaceuticals segment

In 2016, net sales for the Pharmaceuticals segment were €29,244 million, down 1.9% on a reported basis and up 0.2% at constant exchange rates (CER). The year-on-year decrease of €555 million reflects the negative effect of exchange rates (€604 million), and the following impacts at CER:

- growth in net sales for the Multiple Sclerosis franchise (up €625 million), the Rare Diseases franchise (up €298 million) and the Cardiovascular franchise (up €109 million); and
- lower net sales for Established Prescription Products (down €770 million), the Diabetes franchise (down €137 million), Consumer Healthcare (down €56 million) and the Oncology franchise (down €33 million).

Excluding Venezuela, pharmaceuticals net sales rose by 1.6% CER. Comments on the performances of major Pharmaceuticals segment products are provided below.

Net sales for the **Rare Diseases** franchise reached €2,777 million in 2016, up 8.9% on a reported basis and 11.7% CER.

Net sales for the **Multiple Sclerosis** franchise reached €1,720 million, up 54.4% on a reported basis and 56.1% CER. This progression is mainly due to the net sales of **Aubagio**[®] which advanced by 49.7% CER to €1,295 million.

The **Oncology** franchise generated net sales of €1,453 million, down 3.4% on a reported basis and 2.2% CER, reflecting lower sales of Taxotere[®], Eloxatin[®] and Zaltrap[®], though the effect was partially compensated by increased sales of Jevtana[®], Thymoglobulin[®] and Mozobil[®].

Net sales for the **Diabetes** franchise amounted to €7,341 million, down 3.2% on a reported basis and 1.8% CER. The main factor was reduced sales of Lantus[®] in the United States, where net sales for the Diabetes franchise

fell by 4.6% CER to €4,127 million. Outside the United States, Diabetes franchise net sales reached €3,214 million, driven by Emerging Markets (+7% CER at €1,395 million, or +10.7% CER excluding Venezuela). In Europe, net sales were €1,319 million, down 0.4% CER, as a strong performance from Toujeo® canceled out lower sales of Lantus®.

Net sales of **Cardiovascular** franchise reached €458 million, up 30.9% (31.1% CER).

Net sales of **Established Prescription Products** amounted to €10,311 million, down 8.7% on a reported basis and 6.8% CER. This mainly reflects the situation in Venezuela (net sales were down 4.9% CER excluding Venezuela), and competition from generics of Plavix® in Japan. In Europe and the United States, net sales of established prescription products fell by 4.8% (to €3,642 million) and 2.4% (to €1,490 million), respectively.

Consumer Healthcare products generated net sales of €3,330 million, down 4.6% on a reported basis and 1.6% CER. Excluding Venezuela, net sales of Consumer Healthcare products were up 1.4% CER. Net sales in the United States were €938 million, up 3.8% CER, despite lower sales of Allegra® OTC (-4.7% CER, at €243 million) and Nasacort® (-9.2% CER, at €90 million) due to an increased competitive environment. In Emerging Markets, net sales slipped by 7.9% CER to €1,238 million, reflecting the impact of Venezuela but also lower sales in Russia and China.

Net sales of **Generics** amounted to €1,854 million, down 3.3% on a reported basis but up 0.7% CER and 2.5% CER if Venezuela is excluded. Emerging Markets generated net sales of €785 million (+1.8% CER, or +6.1% CER excluding Venezuela), boosted by Latin America (other than Venezuela), Turkey and China. In Europe, net sales were flat at €802 million. In line with our “Strategic Roadmap 2020”, we have been examining all options and have decided to initiate a carveout process in order to divest our European Generics business. We will be looking for a potential purchaser who can leverage the mid-to-long-term sustainable growth opportunities for this business. We have also confirmed our commitment to our Generics business in other parts of the world, and will focus more on Emerging Markets in order to develop the business in those countries.

2.4.2. The Human Vaccines (Vaccines) segment

In 2016, net sales for the **Vaccines** segment were €4,577 million, up 7.4% on a reported basis and 8.8% CER. This rise was driven mainly by sales of influenza vaccines in the United States and Polio/Pertussis/Hib vaccines in Emerging Markets plus sales of Dengvaxia®, the world’s first dengue vaccine.

2.5. NET SALES BY GEOGRAPHICAL REGION

In the **United States**, net sales rose by 5.1% CER to €12,391 million. Lower sales for the Diabetes franchise

(-4.6% CER, at €4,127 million) and Established Prescription Products (-2.4% CER, at €1,490 million) were more than compensated for by solid performances for the Vaccines segment (+8.3%, at €2,540 million), and for the Multiple Sclerosis (+52.7%, at €1,141 million) and Rare Diseases (+9.4% CER, at €1,014 million) franchises.

In **Emerging Markets**, net sales reached €9,593 million, up 2.4% CER (but +7% CER excluding Venezuela). Growth in Emerging Markets was driven by increased sales for Vaccines (+12.4% CER, at €1,478 million), and the Rare Diseases (+22.9% CER, at €507 million), and Diabetes (+7% CER, at €1,395 million) franchises. In **Asia**, net sales amounted to €3,109 million (including €2,039 million in China), representing a rise of 4.5% CER; a good performance in Pharmaceuticals (+8.4%, at €2,711 million) more than offset a decline in Vaccines sales (-16.4% CER, at €398 million), especially in China (-52.6%, at €153 million) due to disruption in the local market. In the **Africa, Middle East and South Asia** region, net sales were up 9.9% at €2,764 million, driven by the Middle East (+8.5% CER, at €1,226 million) and South Africa (+26.2% CER, at €253 million). Net sales in **Latin America** totaled €2,503 million, a fall of 7.1% CER, due mainly to the situation in Venezuela; excluding Venezuela, net sales were up 8.5% CER. The main driver of Latin American sales growth (excluding Venezuela) was the increase in sales in Mexico (+5.8% CER, at €548 million), Argentina (+47.3% CER, at €267 million), and Colombia (+10% CER, at €268 million). In Brazil, net sales were €983 million (+1.7% CER) thanks to the performances of the Rare Diseases franchise, Generics, and the contribution from Dengvaxia®. In the **Eurasia** region net sales were up 5.2% CER at €1,090 million, reflecting strong sales growth in Turkey and Ukraine, which more than compensated for lower sales in Russia (-7.1% CER, at €499 million). Net sales in Russia were adversely affected by a dip in sales for Consumer Healthcare and the Oncology franchise, partially offset by strong performances from Established Prescription Products, Vaccines, and the Diabetes franchise. In **Europe**, net sales reached €8,679 million (+0.6% CER). Positive performances from the Multiple Sclerosis franchise (+62.2% CER, at €459 million) and the Rare Diseases franchise (+8.6% CER, at €922 million) offset weaker sales in Established Prescription Products (-4.8% CER, at €3,642 million) and Vaccines (-5.3% CER, at €268 million). Net sales in France were €2,206 million, down 1.9% CER, mainly reflecting lower sales of Lantus®, Plavix® and Aprovel®.

In the **Rest of the World** region, net sales fell by 13.4% CER to €3,158 million. This reflects negative performances for Established Prescription Products (-25.7% CER, at €1,420 million), and the Diabetes (-6.5% CER, at €500 million) and Oncology (-30.3% CER, at €173 million) franchises, partially offset by positive performances for the Multiple Sclerosis and Rare Diseases franchises and for Consumer Healthcare. In Japan, net sales were €1,688 million (-24.8% CER) reflecting the negative impact of competition from generics of Plavix® (-54% CER, at

€355 million), though the effect was somewhat cushioned by the performances of the Rare Diseases franchise and Consumer Healthcare.

2.6. NET INCOME

Net income amounted to €4,800 million in 2016, compared with €4,388 million in 2015. Basic earnings per share for 2016 was €3.66, 11.6% higher than the 2015 figure of €3.28, based on an average number of shares outstanding of 1,286.6 million in 2016 (1,306.2 million in 2015).

Business net income is a non-GAAP financial measure that we use to evaluate our performance⁽¹⁾. Our business net income for 2016 was €7,308 million, 0.9% lower than in 2015 (€7,371 million). These figures include the business net income of the Animal Health business (€476 million in 2016, €368 million in 2015). Excluding Animal Health, our business net income was €6,832 million in 2016 (20.2% of net sales) and €7,003 million in 2015 (20.6% of net sales).

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

Business earnings per share was €5.68 in 2016, 0.7% higher than the 2015 figure of €5.64, based on an average number of shares outstanding of 1,286.6 million in 2016 and 1,306.2 million in 2015.

2.7. CONSOLIDATED STATEMENT OF CASH FLOWS

Net cash provided by operating activities excluding the held-for-exchange Animal Health business amounted to €7,838 million in 2016, versus €8,290 million in 2015.

Operating cash flow before changes in working capital (excluding the net income or loss of the held-for-exchange Animal Health business) for 2016 was €7,010 million, versus €7,235 million in 2015. Working capital requirements fell by €828 million in 2016, compared with a reduction of €1,055 million in 2015, mainly reflecting a €447 million increase in accounts payable and a €168 million reduction in accounts receivable.

Net cash used in investing activities excluding the held-for-exchange Animal Health business amounted to €2,511 million in 2016, compared with €3,011 million in 2015.

Acquisitions of property, plant and equipment and intangible assets totaled €2,083 million, compared with €2,772 million in 2015. The main items were investments in industrial and research facilities (€1,267 million, versus €1,163 million in 2015) and contractual payments for intangible rights, primarily under license and collaboration agreements (€668 million, versus €1,465 million in 2015).

Acquisitions of investments during 2016 amounted to €634 million, net of cash acquired and after including

assumed liabilities and commitments, versus €362 million in 2015. In 2016, these acquisitions included our contribution to the Onduo joint venture, and purchase of additional shares in Regeneron.

After-tax proceeds from disposals amounted to €209 million, and arose mainly from the sale of the equity interest in Nichi-Iko Pharmaceutical Co., Inc. and of product rights relating to Oenobiol®.

Net cash used in financing activities excluding the held-for-exchange Animal Health business amounted to €4,101 million in 2016, compared with €3,578 million in 2015. The 2016 figure includes net external debt finance raised of €2,293 million (€1,346 million in 2015); the effect of changes in our share capital (repurchases of own shares, net of capital increases), amounting to €2,603 million (€1,211 million in 2015); and the dividend payout to our shareholders of €3,759 million (€3,694 million in 2015).

The net change in cash and cash equivalents excluding the held-for-exchange Animal Health business was an increase of €1,125 million in 2016, compared with an increase of €1,469 million in 2015.

Net cash flows for the held-for-exchange Animal Health business represented net cash inflows of €339 million in 2016 and €361 million in 2015. This comprised a net cash inflow from operating activities of €346 million in 2016 (€630 million in 2015); a net cash outflow from investing activities of €126 million (€246 million in 2015); and a net cash outflow from financing activities of €111 million (€23 million in 2015).

2.8. CONSOLIDATED BALANCE SHEET AND DEBT

Total assets were €104,672 million as of December 31, 2016, versus €102,321 million as of December 31, 2015, an increase of €2,351 million.

Our debt, net of cash and cash equivalents was €8,206 million as of December 31, 2016, compared with €7,254 million as of December 31, 2015. We believe the presentation of this non-GAAP financial indicator reviewed by our management is useful as it provides information to measure overall liquidity and capital resources. It is defined as (i) the sum total of short-term debt, long-term debt and interest rate and currency derivatives used to hedge debt, minus (ii) the sum total of cash and cash equivalents and interest rate and currency derivatives used to hedge cash and cash equivalents. In order to assess the Company’s financing risk, we also use the “gearing ratio”. Our gearing ratio (debt, net of cash and cash equivalents as a proportion of total equity) rose from 12.5% in 2015 to 14.2% in 2016.

We expect that the future cash flows generated by our operating activities will be sufficient to repay our debt. The financing arrangements in place as of December 31, 2016 at Sanofi parent company level are not subject to covenants regarding financial ratios and do not contain

⁽¹⁾ See “Definitions” section below.

any clauses linking credit spreads or fees to our credit rating. Other key movements in the balance sheet are described below.

Total equity amounted to €57,724 million as of December 31, 2016, versus €58,210 million as of December 31, 2015. The net year-on-year decrease in equity was attributable primarily to:

- increases: our net income for the year ended December 31, 2016 (€4,800 million), and the change in currency translation differences (€1,090 million, mainly on the US dollar);
- decreases: the dividend payout to our shareholders in respect of the 2015 financial year (€3,759 million), repurchases of our own shares (€2,905 million), and actuarial losses (€128 million).

As of December 31, 2016, we held 20.0 million of our own shares, recorded as a deduction from equity and representing 1.55% of our share capital.

Goodwill and **Other intangible assets** (€51,166 million in total) decreased by €417 million year-on-year, mainly reflecting:

- decreases: amortization and impairment losses recognized during the period (€2,012 million);
- increases: the transfer to Sanofi of the vaccines portfolio previously held by the SPMSD joint venture (€465 million), and currency translation differences on assets denominated in foreign currencies (€938 million, mainly on the US dollar).

Investments in associates and joint ventures increased by €214 million to €2,890 million, due primarily to our share of profits from Regeneron.

Other non-current assets were €95 million higher at €2,820 million. The main movements during the year were the impairment loss taken against the investment in Alnylam (€457 million), and the deferred consideration recognized on the divestment of the SPMSD joint venture (€458 million).

Provisions and other non-current liabilities were €335 million lower at €8,834 million, mainly as a result of reversals of tax-related provisions.

Deferred taxes represented a net asset of €2,377 million, a year-on-year increase of €558 million, mainly due to reversals of deferred tax liabilities on the remeasurement of acquired intangible assets (€573 million).

Liabilities related to business combinations and to non-controlling interests were €325 million higher at €1,576 million. As of December 31, 2016, this line item included contingent consideration liabilities of €354 million based on a percentage of future sales made by Sanofi Pasteur of products formerly held by the SPMSD joint venture.

Assets held for sale or exchange (€6,421 million) and **Liabilities related to assets held for sale or exchange** (€1,195 million) mainly comprise the assets and liabilities of the held-for-exchange Animal Health business.

3. Outlook

3.1. IMPACT OF COMPETITION FROM GENERICS AND BIOSIMILARS

Some of our flagship products continued to suffer sales erosion in 2016 due to competition from generics and biosimilars. While we do not believe it is possible to state with certainty what level of net sales would have been achieved in the absence of generic competition, we are able to estimate the impact that generic competition has had on each product.

A comparison of our consolidated net sales for the years ended December 31, 2016 and 2015 shows that in 2016, generic competition led to a loss of €676 million of net sales on a reported basis⁽¹⁾.

We expect the erosion caused by generic competition to continue in 2017, with a negative impact on our net income. The products likely to be impacted are those that already faced generic competition in 2016, but whose sales can reasonably be expected to be subject to further sales erosion in 2017: Aprovel®, Lantus®, Lovenox®,

Plavix® and Renagel®/Renvela® in Europe; Ambien®, Lantus®, Lovenox® and Taxotere® in the United States; and Allegra®, Amaryl®, Aprovel®, Myslee®, Lantus®, Plavix® and Taxotere® in Japan. We also anticipate generic competition for Renagel®/ Renvela® in the United States in the first half of 2017. Regarding Lantus® in the United States, Lilly began commercializing its insulin glargine in mid- December 2016.

In 2016, the consolidated net sales of these products in countries where generic competition currently exists or is expected in 2017 amounted to €7,567 million; this comprises €4,434 million in the United States (including €3,528 million in net sales of Lantus® and €764 million in net sales of Renagel®/Renvela®); €2,276 million in Europe; and €857 million in Japan. The negative impact on our 2017 net sales is expected to represent a substantial proportion of this amount, but the actual impact will depend on a number of factors such as the actual launch dates of generic products in 2017, the prices at which they are sold, and potential litigation outcomes.

⁽¹⁾ Lantus® in the United States is not included in this sum because we believe it would be inaccurate to associate the decline in sales of this product in the United States during 2016 with competition from biosimilars, the decline having been primarily due to a fall in the average selling price of the product.

3.2. 2017 OUTLOOK

At constant exchange rates, Sanofi expects 2017 business earnings per share (business EPS)⁽¹⁾ to be in a range from stable to -3% (versus 2016), barring unforeseen major adverse events. Applying the average December 2016 exchange rates, the currency impact on 2017 Business EPS is estimated to be +3% to +4%.

In 2016, business net income was €7,308 million, giving business EPS of €5.68 per share.

4. Definitions

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

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

When we refer to changes in our net sales on a **constant structure basis**, that means that we eliminate the effect of changes in structure by restating the net sales for the previous period as follows:

- by including sales generated by entities or product rights acquired in the current period for a portion of the previous period equal to the portion of the current period during which we owned them, based on sales information we receive from the party from whom we make the acquisition;
- similarly, by excluding sales for a portion of the previous period when we have sold an entity or rights to a product in the current period; and
- for a change in consolidation method, by recalculating the previous period on the basis of the method used for the current period.

4.2. SEGMENT RESULTS

4.2.1. Business Operating Income

We report segment results on the basis of “Business operating income”. This indicator is used internally by the chief operating decision maker of the Company to measure the performance of each operating segment and to allocate resources, in accordance with IFRS 8.

Business operating income is derived from **Operating income**, adjusted as follows:

- the amounts reported in the line items **Restructuring costs and similar items**, **Fair value remeasurement of contingent consideration liabilities** and **Other gains and losses, and litigation** are eliminated;

⁽¹⁾ See “Definitions” section below.

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

Certain information, assumptions and estimates are wholly or partly derived from or reliant upon judgments and decisions reached by Sanofi management that may be subject to change or adjustment in the future.

- amortization and impairment losses charged against intangible assets (other than software and other rights of an industrial or operational nature) are eliminated;
- the share of profits/losses of associates and joint ventures (excluding restructuring costs relating to associates and joint ventures) is added;
- net income attributable to non-controlling interests is deducted; and
- other acquisition-related effects (primarily the workdown of acquired inventories remeasured at fair value at the acquisition date, and the impact of acquisitions on investments in associates and joint ventures) are eliminated.

4.2.2. Business net Income

We believe that understanding of our operational performance by our management and our investors is enhanced by reporting “business net income”. This non-GAAP financial measure represents business operating income, less financial income/(expense) and the relevant income tax effects. For the year ended December 31, 2016 and comparative periods, “Business net income” consists of (i) “Business net income excluding Animal Health”, determined as described above and (ii) “Animal Health business net income”, determined on a similar and comparable basis.

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

Business net income is defined as **Net income attributable to equity holders of Sanofi** determined under IFRS, excluding the following items:

- amortization and impairment losses charged against intangible assets (other than software and other rights of an industrial or operational nature);

- fair value remeasurements of contingent consideration liabilities relating to business combinations;
- other impacts associated with acquisitions (including impacts of acquisitions on associates and joint ventures);
- restructuring costs and similar items⁽¹⁾;
- other gains and losses (including gains and losses on major disposals of non-current assets⁽²⁾);
- other costs and provisions related to litigation⁽³⁾;
- the tax effects related to the items listed above;
- the effects of major tax disputes;
- the 3% tax on the distribution of dividends to equity holders of Sanofi;
- those Animal Health items that are not included in business net income⁽⁴⁾;
- the portion attributable to non-controlling interests of the items listed above; and
- the impairment loss taken against our shares in Alnylam in 2016 to reflect a decline in the market value of those shares as of the reporting date relative to their historical cost, mostly resulting from Alnylam's decision to discontinue the revusiran development program on October 5, 2016.

Business net income also includes our share of the business net income of the SPMSD joint venture with effect from the date on which Sanofi and Merck announced their intention to end the joint venture.

The most significant reconciling items between our business net income and **Net income attributable to equity holders of Sanofi** relate to the purchase accounting effects of our acquisitions and business combinations, particularly the amortization and impairment of intangible assets (other than software and other rights of an industrial or operational nature). We believe that excluding those non-cash charges enhances an investor's understanding of our underlying economic performance because we do not consider that the excluded charges reflect the combined entity's ongoing operating performance. Rather, we believe that each of the excluded charges reflects the decision to acquire the businesses concerned.

The principal purchase accounting effects of acquisitions and business combinations on net income are:

- amortization and net impairment losses charged against intangible assets (other than software and other rights of an industrial or operational nature), net of taxes and non-controlling interests; and

- the incremental cost of sales incurred on the workdown of acquired inventories remeasured at fair value, net of taxes.

We believe (subject to the limitations described below) that disclosing our business net income enhances the comparability of our operating performance, for the following reasons:

- the elimination of charges related to the purchase accounting effect of our acquisitions (particularly amortization and impairment of finite-lived intangible assets, other than software and other rights of an industrial or operational nature) enhances the comparability of our ongoing operating performance relative to our peers in the pharmaceutical industry that carry these intangible assets (principally patents and trademarks) at low book values either because they are the result of in-house research and development that has already been expensed in prior periods or because they were acquired through business combinations that were accounted for as poolings-of-interest;
- the elimination of selected items such as the incremental cost of sales arising from the workdown of inventories remeasured at fair value, gains and losses on disposals of non-current assets, and costs and provisions associated with major litigation improves comparability from one period to the next; and
- the elimination of restructuring costs and similar items enhances comparability because those costs are directly and only incurred in connection with transformation and reorganization processes intended to optimize our operations.

We remind investors, however, that business net income should not be considered in isolation from, or as a substitute for, **Net income attributable to equity holders of Sanofi** reported in accordance with IFRS. In addition, we strongly encourage investors and potential investors not to rely on any single financial measure but to review our financial statements, including the notes thereto, and our other publicly filed reports, carefully and in their entirety.

We compensate for the material limitations described above by using business net income only to supplement our IFRS financial reporting and by ensuring that our disclosures provide sufficient information for a full understanding of all adjustments included in business net income.

Because our business net income is not a standardized measure, it may not be comparable with the non-GAAP financial measures of other companies using the same or a similar non-GAAP financial measure.

⁽¹⁾ Presented in the line item **Restructuring costs and similar items** in the consolidated income statement.

⁽²⁾ Presented in the line item **Other gains and losses, and litigation** in the consolidated income statement.

⁽³⁾ Presented in the line item **Other gains and losses, and litigation** in the consolidated income statement.

⁽⁴⁾ Impact of discontinuation of depreciation and impairment of property, plant and equipment from the start date of application of IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), amortization and impairment of intangible assets until the start date of IFRS 5 application, costs incurred as a result of the divestment, and the tax effects of these items.

4.2.3. Business operating income for the year ended December 31, 2016

(€ million)	Pharmaceuticals	Vaccines ^(a)	Other	Total
Net sales	29,244	4,577	-	33,821
Other revenues	274	613	-	887
Cost of sales	(8,349)	(2,353)	-	(10,702)
Research and development expenses	(4,618)	(554)	-	(5,172)
Selling and general expenses	(8,743)	(743)	-	(9,486)
Other operating income and expenses	(1)	(14)	(112)	(127)
Share of profit/(loss) of associates and joint ventures	129	48	-	177
Net income attributable to non-controlling interests	(112)	(1)	-	(113)
Business operating income	7,824	1,573	(112)	9,285

(a) Due to a change in accounting presentation, VaxServe sales of non-Sanofi products are included in **Other revenues** from 2016 onwards. The presentation of prior period **Net sales** and **Other revenues** has been amended accordingly.

4.2.4. Business operating income for the year ended December 31, 2015

(€ million)	Pharmaceuticals	Vaccines ^(a)	Other	Total
Net sales	29,799	4,261	-	34,060
Other revenues	288	513	-	801
Cost of sales	(8,788)	(2,131)	-	(10,919)
Research and development expenses	(4,530)	(552)	-	(5,082)
Selling and general expenses	(8,656)	(726)	-	(9,382)
Other operating income and expenses	(121)	27	(114)	(208)
Share of profit/(loss) of associates and joint ventures	146	23	-	169
Net income attributable to non-controlling interests	(125)	(1)	-	(126)
Business operating income	8,013	1,414	(114)	9,313

(a) Due to a change in accounting presentation, VaxServe sales of non-Sanofi products are included in **Other revenues** from 2016 onwards. The presentation of prior period **Net sales** and **Other revenues** has been amended accordingly.

4.2.5. Reconciliation of Business net income to Net income attributable to equity holders of Sanofi

(€ million)	2016 ^(a)	2015 ^(a)
Business net income	7,308	7,371
Total reconciling items	(2,599)	(3,084)
Amortization of intangible assets ^(b)	(1,692)	(2,137)
Impairment of intangible assets	(192)	(767)
Fair value remeasurement of contingent consideration liabilities	(135)	53
Restructuring costs and similar items	(879)	(795)
Other gains and losses, and litigation ^(c)	211	-
Tax effects ^(d) :	841	1,331
– amortization of intangible assets	647	757
– impairment of intangible assets	47	262
– fair value remeasurement of contingent consideration liabilities	24	39
– restructuring costs and similar items	95	273
– other tax effects	28	-
Other tax items	(113)	(111)
Share of items listed above attributable to non-controlling interests	22	25
Associates and joint ventures: restructuring costs and expenses arising from the impact of acquisitions	9	(191)
Items relating to the Animal Health business ^(e)	(162)	(492)
Other items relating to the Sanofi Pasteur MSD joint venture ^(f)	(52)	-
Impairment loss charged against the investment in Alnylam	(457)	-
Net income attributable to equity holders of Sanofi	4,709	4,287
Average number of shares outstanding (million)	1,286.6	1,306.2
Business earnings per share (in euros)	5.68	5.64
Reconciliation items per share (in euros)	(2.02)	(2.36)
Net income attributable to equity holders of Sanofi per share (in euros)	3.66	3.28

(a) The Animal Health business is presented separately in accordance with IFRS 5.

(b) Includes amortization expense generated by the remeasurement of intangible assets in connection with business combinations: €1,550 million in 2016 and €1,770 million 2015.

(c) Pre-tax gain on disposal of our interest in the Sanofi Pasteur MSD joint venture.

(d) This line includes the impact on deferred tax assets and liabilities arising from the reconciling items (in particular amortization and impairment of intangible assets and restructuring costs) following the change in tax rates, mainly in France (28% standard rate effective as of January 1, 2020) and in Japan.

(e) Impact of discontinuation of depreciation and impairment of property, plant and equipment from the start date of application of IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), amortization and impairment of intangible assets until the start date of IFRS 5 application, costs incurred as a result of the divestment, and the tax effects of these items.

(f) Includes the following items: impact of the discontinuation of the equity accounting of the Sanofi Pasteur MSD business net income since the announcement by Sanofi and Merck of their intent to end their joint vaccine operations in Europe.

CONSOLIDATED INCOME STATEMENT

(€ million)	2016 ^(a)	2015 ^{(a)(b)}	2014 ^{(a)(b)}
Net sales	33,821	34,060	31,380
Other revenues	887	801	619
Cost of sales	(10,702)	(10,919)	(10,230)
Gross profit	24,006	23,942	21,769
Research and development expenses	(5,172)	(5,082)	(4,667)
Selling and general expenses	(9,486)	(9,382)	(8,425)
Other operating income	355	254	301
Other operating expenses	(482)	(462)	(157)
Amortization of intangible assets	(1,692)	(2,137)	(2,081)
Impairment of intangible assets	(192)	(767)	31
Fair value remeasurement of contingent consideration liabilities	(135)	53	(303)
Restructuring costs and similar items	(879)	(795)	(404)
Other gains and losses, and litigation	211	-	-
Operating income	6,534	5,624	6,064
Financial expenses	(924)	(559)	(598)
Financial income	68	178	192
Income before tax and associates and joint ventures	5,678	5,243	5,658
Income tax expense	(1,326)	(709)	(1,214)
Share of profit/(loss) of associates and joint ventures	134	(22)	(52)
Net income excluding the held-for-exchange Animal Health business	4,486	4,512	4,392
Net income/(loss) of the held-for-exchange Animal Health business	314	(124)	117
Net income	4,800	4,388	4,509
Net income attributable to non-controlling interests	91	101	119
Net income attributable to equity holders of Sanofi	4,709	4,287	4,390
Average number of shares outstanding (million)	1,286.6	1,306.2	1,315.8
Average number of shares outstanding after dilution (million)	1,296.0	1,320.7	1,331.1
– Basic earnings per share (in euros)	3.66	3.28	3.34
– Basic earnings per share excluding the held-for-exchange Animal Health business (in euros)	3.42	3.38	3.25
– Diluted earnings per share (in euros)	3.63	3.25	3.30
– Diluted earnings per share excluding the held-for-exchange Animal Health business (in euros)	3.39	3.34	3.21

(a) The results of the Animal Health business are presented separately in accordance with IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations);

(b) Due to a change in accounting presentation, VaxServe sales of non-Sanofi products are included in **Other revenues** from 2016 onwards. The presentation of prior period **Net sales** and **Other revenues** has been amended accordingly.

NON-CONSOLIDATED FINANCIAL DATA OF SANOFI (PARENT COMPANY) FOR THE LAST FIVE YEARS

(€ million)	2016	2015	2014	2013	2012
Capital at period-end					
Share capital	2,584	2,611	2,639	2,649	2,653
Number of shares in issue	1,292,022,324	1,305,696,759	1,319,367,445	1,324,320,881	1,326,342,959
Income statement data					
Net sales	406	403	339	298	289
Net income before tax and non-cash charges (depreciation, amortization and provisions)	4,398	9,202	3,392	4,006	5,083
Income tax	171	174	214	210	267
Employee profit-sharing	-	-	-	-	-
Net income after tax and non-cash charges (depreciation, amortization and provisions)	4,542	9,323	3,499	3,626	3,666
Dividends paid		3,759	3,694	3,676	3,638
Per share data (in euros)					
Net income after tax but before non-cash charges (depreciation, amortization and provisions)	3.27	6.91	2.41	2.87	3.63
Net income after tax and non-cash charges (depreciation, amortization and provisions)	3.52	7.14	2.67	2.74	2.76
Dividend per share (net)		2.93	2.85	2.80	2.77
Employee data					
Number of employees at period-end	18	19	18	20	20
Payroll cost for the year	31	27	39	34	33
Employee benefits for the year (social security and other welfare benefits)	9	17	16	12	11

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REQUEST FOR ADDITIONAL DOCUMENTS AND INFORMATION



COMBINED GENERAL MEETING ON MAY 10, 2017

These documents are available on our website:
(www.sanofi.com/AGM2017)

I, the undersigned Mrs., Mr,

Last name or company name _____

First name _____

Address _____

Town/City _____

ZipCode _____

Owner of _____ Sanofi registered shares,

Owner of _____ Sanofi bearer shares (attach a copy of the shareholding certificate "*attestation de participation*" issued by your financial intermediary),

hereby request that I be sent the documents and information relating to the Combined General Meeting to be held on May 10, 2017, as specified in Article R. 225-83 of the French Commercial Code.

Place of signature _____ Date of signature _____ 2017

Signature

Send this request form to: BNP Paribas Securities Services
CTS Assemblées – Les Grands Moulins de Pantin – 9 rue du Débarcadère
93761 Pantin Cedex – France
or to the financial intermediary keeping your share account.

NOTICE: In accordance with Article R. 225-88 of the French Commercial Code, owners of shares may by a single request have the Company send them the documents and information specified in Articles R. 225-81 and R. 225-83 of the French Commercial Code in advance of all subsequent general meetings. Shareholders wishing to benefit from this option must indicate on this request form that they wish to do so.

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