



## **NASDAQ STATEMENT**

### **Statement on Corporate Governance as Required by Rule 5615(a)(3) of the NASDAQ Stock Market Listing Rules.**

Sanofi is incorporated under the laws of France, with securities listed on regulated public markets in the United States (NASDAQ Global Select Market) and France (Euronext Paris). Consequently, as described further in our annual report, our corporate governance framework reflects the mandatory provisions of French corporate law, the securities laws and regulations of France and the United States and the rules of the aforementioned public markets.

As a "foreign private issuer," as defined in rules promulgated under the US Securities Exchange Act of 1934, as amended, (the "Exchange Act"), Sanofi is permitted, pursuant to NASDAQ Stock Market Rule 5615(a)(3), to follow its home country practice in lieu of certain NASDAQ corporate governance requirements applicable to US corporations listed on the NASDAQ Stock Market. Sanofi has informed NASDAQ that it intends to follow corporate governance standards under French law to the extent permitted by the NASDAQ Stock Market rules and US securities laws, as further discussed below.

We generally follow the "AFEP-MEDEF" corporate governance recommendations for French listed issuers (hereafter referred to as the "AFEP-MEDEF Code"). As a result, our corporate governance framework is similar in many respects to, and provides investor protections that are comparable to – or in some cases, more stringent than – the corresponding rules of the NASDAQ Global Select Market. Nevertheless, there are important differences to keep in mind.

In line with NASDAQ Stock Market rules applicable to domestic issuers, a majority of Sanofi's Board of Directors is comprised of independent directors. Sanofi evaluates the independence of members of our Board of Directors using the standards of the French AFEP-MEDEF Code as the principal reference. We believe that AFEP-MEDEF's overarching criteria for independence – no relationship of any kind whatsoever with the Company, its group or the management of either that is such as to color a Board member's judgment – are on the whole consistent with the goals of the NASDAQ Global Select Market's rules although the specific tests proposed under the two standards may vary on some points. We have complied with the Audit Committee independence and other requirements of the Rule 10A-3 under the Exchange Act, adopted pursuant to the Sarbanes-Oxley Act of 2002. Our Audit Committee includes one member, Christophe Babule, who is considered non-independent under the AFEP-MEDEF Code, and which is permitted under the AFEP-MEDEF Code, although this would not be permitted under the rules of the NASDAQ Global Select Market for domestic issuers. Each member of our Compensation Committee meets the independence standards of the AFEP-MEDEF Code and the independence requirements of NASDAQ's listing rules and Rule 10A-3 promulgated under the Sarbanes-Oxley Act of 2002, as amended.

Sanofi follows the recommendation of the AFEP-MEDEF Code that at least one meeting of the Board of Directors not attended by the company's executive officers be organized each year. Accordingly, Sanofi's Board Charter provides that the Board of Directors shall organize at least two meetings a year without its executive officers, thereby providing the Chairman with the option to include or not directors representing employees or any other Group employee, as the case may require, depending on the agenda of the meeting. Sanofi's practice in that respect departs from NASDAQ's Listing Rule 5605(b)(2), which provides that independent directors must have regularly scheduled meetings at which only independent directors are present.

Under French law, the committees of our Board of Directors are advisory only, and where the NASDAQ Rule 5600 Series would vest certain decision-making powers with specific committees by delegation (e.g. the appointment of Sanofi's auditors by the Audit Committee), under French law, our Board of Directors remains the only competent body to take such decisions, albeit taking into account the recommendation of the relevant committees. Additionally, under French corporate law, it is the shareholders of Sanofi voting at the Shareholders' General Meeting that have the authority to appoint our auditors upon consideration of the proposal of our Board of Directors, although our Board Charter provides that the Board of Directors will make its proposal on the basis of the recommendation of our Audit Committee. We believe that this requirement of French law, together with the additional legal requirement that two sets of statutory auditors be appointed, is in line with the NASDAQ Global Select Market's underlying goal of ensuring that the audit of our accounts be conducted by auditors independent from company management.

In addition to the oversight role of our Compensation Committee for questions of management compensation including by way of equity, under French law any option or restricted share plans or other share capital increases, whether for the benefit of senior management or employees, may only be

adopted by the Board of Directors pursuant to and within the limits of a shareholder resolution approving the related capital increase and delegating to the Board the authority to implement such operations.

As described above, a number of issues, which could be resolved directly by a board or its committees in the United States, require the additional protection of direct shareholder consultation in France.

Because we are a "foreign private issuer" as described above, our Chief Executive Officer and our Chief Financial Officer issue the certifications required by §Section 302 and §Section 906 of the Sarbanes-Oxley Act of 2002 on an annual basis (with the filing of our annual report on Form 20-F) rather than on a quarterly basis as would be the case of a US corporation filing quarterly reports on Form 10-Q.

French corporate law provides that the Board of Directors must vote to approve a broadly defined range of transactions that could potentially create conflicts of interest between Sanofi on the one hand and its directors and Chief Executive Officer on the other hand, which are then presented to shareholders for approval at the next annual meeting. This legal safeguard operates in place of certain provisions of the NASDAQ Stock Market Listing Rules.

Sanofi is governed by the French Commercial Code, which provides that an ordinary general meeting of the shareholders may validly deliberate when first convened if the shareholders present or represented hold at least one-fifth of the voting shares. If it is reconvened, no quorum is required. The French Commercial Code further provides that the shareholders at an extraordinary general meeting may validly deliberate when first convened only if the shareholders present or represented hold at least one-quarter of the voting shares and, if reconvened, one-fifth of the voting shares. Therefore, Sanofi will not follow NASDAQ's Rule 5620(c), which provides that the minimum quorum requirement for a meeting of shareholders is 33 1/3% of the outstanding common voting shares of the company. In accordance with the provisions of the French Commercial Code, the required majority for the adoption of a decision is a simple majority (for an ordinary general meeting of the shareholders) or a two-thirds majority (for an extraordinary general meeting) of the votes cast by the shareholders present or represented.

Please refer to our annual report on Form 20-F for further details regarding our corporate governance practices.