3.3: Authorizations to issue shares

The Ordinary and Extraordinary Shareholders’ Meetings of April 25, 2016 authorized the board of directors:

1) to grant existing or shares to be issued to employees and corporate officers of the Company and its affiliates under the provisions of Article L.225-197-1 et seq. of the French Commercial Code, within a limit of 2% of the Company’s issued share capital as of April 25, 2016;
2) to grant stock options or share purchase options to employees and corporate officers of the Company and its affiliates under the provisions of articles L.225-177 and L.225-180 of the French Commercial Code, within a limit of 0.5% of the issued share capital as of April 25, 2016;

In addition, the Ordinary and Extraordinary Shareholders’ Meetings of April 25, 2017 authorized the board of directors:

1) to increase the Company’s capital by capitalizing reserves, earnings or additional paid-in-capital;
2) to increase the share capital by a maximum nominal value of EUR800 million (200 million shares) by issuing shares or share equivalents with a ceiling of:
   – in the case of an issue with preferential subscription rights, the ceiling stands at a nominal value of EUR800 million (200 million shares),
   – in the case of an issue without preferential subscription rights, the ceiling stands at a nominal value of EUR230 million (57.5 million shares) through public offering with the possibility of:
     (i) proceeding to issue by private placements of shares subject to a ceiling with a nominal value of EUR115 million (28.7 million shares),
     (ii) to pay for securities contributed to the Company in connection with a public exchange offer initiated by the Company,
     (iii) within the limit of 9.7% of capital, making payment for contributions in kind of shares or share equivalents of unlisted companies.

These authorizations include, in case of oversubscription, the power to increase the nominal amount of the issues within the limit set on the ceiling on the number of shares or share equivalents to be issued.

Lastly, the Ordinary and Extraordinary Shareholders’ Meetings of April 24, 2018 authorized the board of directors:

1) to issue new shares to members of the Company Savings Plan, within a limit of 2% of the issued capital on the date of the implementation of the authorization;
2) to issue new shares under programs to promote share ownership among employees in non-French companies of the Group, within a limit of 1% of the Company’s share capital as of April 24, 2018 to be applied to the ceiling for the authorization given in 1 above.

At its meeting of December 12, 2018, the board of directors authorized the issue of new shares to employees, within a limit of 0.64% of the capital. These capital increases reserved for employees, whether part of the Company Savings Plan or not, will take place in June 2019; the subscription prices will be set on that date.

The Annual Shareholders’ Meeting to be held on April 25, 2019 (see pages 380 to 395) will be requested to renew all of the authorizations for share capital increase, the authorizations for granting free or performance shares to corporate officers and employees of the Company and its affiliates as well as the authorization for share capital increase reserved for employees.
This table is part of the board of directors’ governance report.

<table>
<thead>
<tr>
<th>I – Issues with preferential subscription rights for shares or warrants</th>
<th>Maximum par value of authorized capital increases</th>
<th>Number of shares (millions)</th>
<th>Authorization date/authorization expires</th>
<th>Amount used at Dec. 31, 2018 (in millions of shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>or other securities, giving access immediately or in the future to the capital</td>
<td>800 million(1)</td>
<td>200</td>
<td>Apr. 25, 2017</td>
<td>6.1(3)</td>
</tr>
<tr>
<td>II – Issues without preferential subscription rights</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) for the issue, in cash or in compensation of listed securities, of shares, warrants and other securities giving access immediately or in the future to the capital</td>
<td>230 million(1)</td>
<td>57.5</td>
<td>Apr. 25, 2017</td>
<td>6.1(3)</td>
</tr>
<tr>
<td>b) to make private placements of shares</td>
<td>115 million(1)(2)</td>
<td>28.75</td>
<td>Apr. 25, 2017</td>
<td></td>
</tr>
<tr>
<td>c) to issue new shares as consideration for unlisted securities</td>
<td>9.7% of the capital(1)(2)</td>
<td>57.5</td>
<td>Apr. 25, 2017</td>
<td></td>
</tr>
<tr>
<td>III – Employee share issues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company Savings Plan</td>
<td>2% of the capital(6)</td>
<td>11.50</td>
<td>Apr. 24, 2018</td>
<td>3.7(3)</td>
</tr>
<tr>
<td>Share issues to promote share ownership among employees in foreign companies of the Group</td>
<td>1% of the capital(6)</td>
<td>5.75</td>
<td>Apr. 24, 2018</td>
<td>–(3)</td>
</tr>
<tr>
<td>Stock options</td>
<td>0.5% of the capital(7)</td>
<td>2.9</td>
<td>Oct. 23, 2019</td>
<td>–</td>
</tr>
<tr>
<td>Free shares or performance shares</td>
<td>2% of the capital(7)</td>
<td>11.78</td>
<td>Apr. 25, 2016</td>
<td>4.9(5)</td>
</tr>
</tbody>
</table>

(1) The overall ceiling for issues is capped at EUR800 million in aggregate.
(2) Within the limit of the common ceiling for all issues of EUR230 million as mentioned under II°, a) + b) + c) being limited to EUR230 million.
(3) At its meeting of December 12, 2018, the board of directors authorized capital increases reserved for employees, within a limit of a global amount of 3.7 million shares, i.e. 0.64% of the capital. These capital increases reserved for employees, whether part of the Company Savings Plan or not, under a non-leveraged stock ownership plan, will take place in June 2019. The subscription prices will be set on that date. The capital increase reserved for employees participating in the Company Savings Plan will be deducted from the amount of the authorizations referred to in I and II a). In addition, capital increases reserved for employees issued in 2018 are counted towards these amounts, and resulted in the issue of 2.4 million shares. However, capital increases reserved for employees issued in 2017, resulting in the issue of 2.4 million shares, are not counted towards these amounts, which were implemented in pursuance of the 21th resolution of the Annual Shareholders’ Meeting of April 25, 2016 but canceled by the new authorization granted by the Annual Shareholders’ Meeting of April 25, 2017 (25th resolution).
(4) Issuances of shares reserved for employees in non-French subsidiaries will be deducted from the ceiling for capital increases reserved for employees participating in a Company Savings Plan.
(5) At the board of directors’ meeting of October 26, 2016, 35,700 shares were granted under the 2016 long-term incentive plan. At the board of directors’ meeting of March 24 and October 25, 2017, 2.4 million and 32,400 shares were granted respectively under the 2017 long-term incentive plan. At the board of directors’ meeting of March 26 and October 24, 2018, 2.3 million and 28,000 shares were granted respectively under the 2018 long-term incentive plan. In addition, at the board of directors’ meeting of February 13, 2019, the principle was agreed that a maximum of 2.4 million shares would be granted under the 2019 long-term incentive plan.
(6) On the date of the 2018 annual shareholder’s meeting, the share capital was EUR2,360 million.
(7) On the date of the 2016 annual shareholder’s meeting, the share capital was EUR2,355 million.