

Invitation to Shareholders' Meeting

COMBINED SHAREHOLDERS' MEETING
OF MAY 16, 2018 AT 3:00 P.M.,
AT LE PALAIS DES CONGRÈS
2, PLACE DE LA PORTE MAILLOT
75017 PARIS, FRANCE

DIGITAL VERSION OF THE ANNUAL GENERAL MEETING



Read more about the Annual General Meeting by scanning the QR code below.



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CHAIRMAN'S MESSAGE

Please join us
on May 16, 2018



“ *With your vote,
together we build* ”
Air Liquide's future.

Dear Shareholders,

Air Liquide's Combined Shareholders' Meeting will be held on Wednesday, **May 16, 2018**, at 3:00 p.m. at the Palais des Congrès in Paris, France.

The Annual Shareholders' Meeting is a **special occasion to learn more about your Company and exchange with us.**

It is also an opportunity for you to **play an active role**, through your vote, in making major decisions for your Group, regardless of the number of shares you own.

I sincerely hope you will be able to participate in this Meeting, either by your personal attendance, or by using the proxy form which allows you to **vote directly or be represented** by the Chairman, or any other person of your choice.

You also have the possibility **to vote by Internet**, prior to the Shareholders' Meeting.

In this document, you will especially find instructions on **how to participate** in this Meeting, **the agenda** and the **text of the resolutions** to be submitted for your approval.

Finally, we propose a **digital version** of this document, available on our website.

I would like to thank you in advance for your attention to this document.

Yours sincerely,

Benoît Potier
Chairman and CEO



HIGHLIGHTS AND PERFORMANCE OF THE GROUP IN 2017



Presence
in more than
80
countries



410,000
individual
shareholders holding
32% of the capital

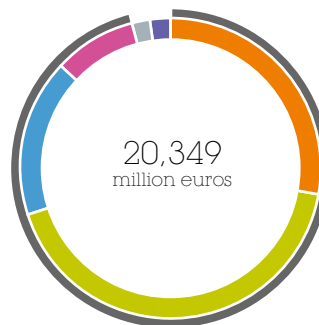


~65,000
Group employees

2017 Group revenue

BY ACTIVITY

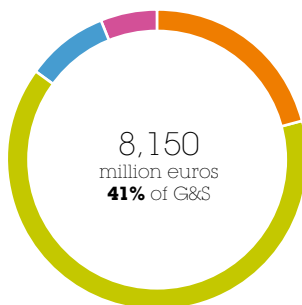
- 96% Gas & Services
- 26% Large Industries
- 45% Industrial Merchant
- 17% Healthcare
- 8% Electronics
- 2% Engineering & Construction
- 2% Global Markets & Technologies



BY REGION AND BY ACTIVITY, FOR GAS & SERVICES (G&S)

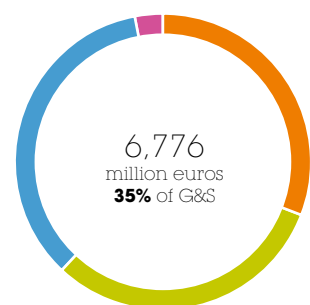
Americas

- 17% Large Industries
- 69% Industrial Merchant
- 10% Healthcare
- 4% Electronics



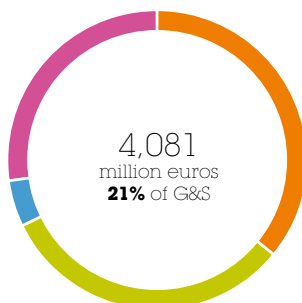
Europe

- 31% Large Industries
- 31% Industrial Merchant
- 35% Healthcare
- 3% Electronics



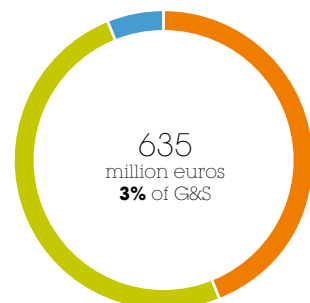
Asia-Pacific

- 37% Large Industries
- 31% Industrial Merchant
- 5% Healthcare
- 27% Electronics



Middle East & Africa

- 50% Large Industries
- 44% Industrial Merchant
- 6% Healthcare

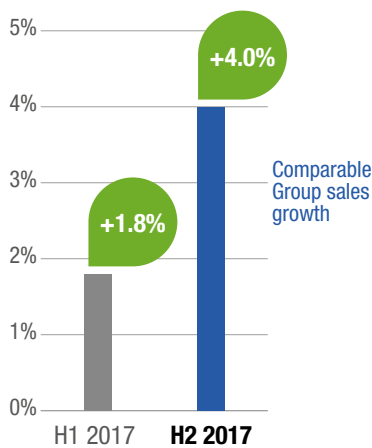




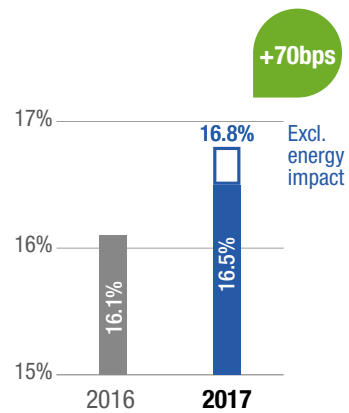
Improved Performance

STEP-UP IN SALES GROWTH IN 2ND HALF OF 2017

Group sales for 2017 surpass 20 billion euros



IMPROVED OPERATING MARGIN ^(a)



(a) Group margin vs. 2016 adjusted Group margin.

Increased Dividend Proposal

NET PROFIT (Group share)

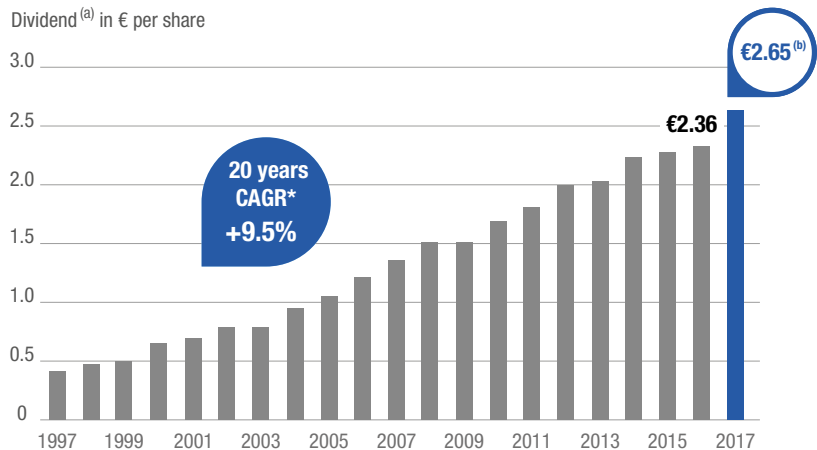
€2.2 bn
as published

+19.3%
as published

+10%

Net profit growth, excluding non-cash non-recurring items and impact of the American tax reform.

DIVIDEND GROWTH: +12.4%



* Compound Annual Growth Rate.

(a) Historical data adjusted to take into account the two-for-one share split in 2007 for attribution of free shares and the capital increase completed in October 2016.

(b) Subject to approval at the Combined Shareholders' Meeting scheduled for 16 May 2018.

Highlights 2017

- **Airgas** fully integrated, with synergies ahead of plan.
- **Long-term contracts:** steel (France and Benelux), energy and chemicals (China), chemicals (South Korea), petrochemicals (Oman), refining (Mexico), semi-conductors (Asia).
- **Portfolio management:** disposal of Air Liquide Welding and Airgas refrigerants businesses, acquisitions in Healthcare (France, Japan, Colombia, Canada), strategic asset review.
- **Innovations and new markets:** operational and optimization center for Large Industry production units (France, China), entry into the Norwegian biogas market, hydrogen charging stations for mobility (Japan, Dubai), and launch of an e-health offer in Europe.

2017 Performance

2017 was marked by an acceleration in comparable sales growth during the second half and an improvement in operating performance which was reflected in an increase in operating margin and return on capital employed, and by a high level of cash flow.

Group revenue totaled **20,349 million euros** in 2017, up **+12.2%** as published, following the consolidation of Airgas sales over 12 months. Comparable growth stood at **+2.9%** and benefited from a marked step-up in Gas & Services sales growth throughout the year. The currency impact became strongly negative in the second half and stood at -1.6% for the year as a whole. The energy impact, at +1.5% for the year, eased significantly during the second half. **Gas & Services revenue** totaled **19,642 million euros**. Comparable growth, of **+3.5%** for the year, picked-up pace in the second half (+4.2%). Sales were up across all business lines, in particular Industrial Merchant (+3.8%) which enjoyed a strong recovery in growth quarter-by-quarter. Developing economies (+8.1%) and China in particular remained growth drivers.

The 2017 **operating margin** stood at **16.5%**, up **+70 basis points** compared with the adjusted 2016 operating margin and excluding the energy impact. Productivity efforts in 2017 generated **323 million euros of efficiencies** and **170 million US dollars of Airgas synergies**, 40 million US dollars more than the initial objective. **Net profit (Group share)** amounted to **2,200 million euros**,

up **+19.3%**. Excluding the non-cash impacts of non-recurring items and the US tax reform, net profit (Group share) totaled **2,029 million euros**, up **+10.0%**. This "recurring" net profit will be the reference used to evaluate the 2018 performance.

Net cash flow after changes in working capital requirements was up **+15.1%** compared with 2016 and represented **20.9% of sales**, driven by a high level of operating cash flow and an improvement in working capital requirements. Net debt at December 31, 2017 reached 13,371 million euros, down 1,997 million euros compared with end-2016. The **debt-to-equity** ratio (gearing) stood at **80%** at the end of December 2017, down compared with 90% at the end of 2016.

The Group pursued its growth initiatives with **investment decisions** of **2.6 billion euros** compared with 2.2 billion euros in 2016. The increase is due to industrial decisions and reflects the momentum of the business in terms of biddings. **Gross industrial capital expenditure** represented **10.7% of sales** and was in line with the medium-term strategic plan.

The Board of Directors proposed a nominal **dividend** to be submitted to the Annual General Meeting of 16 May 2018 at **2.65 euros per share**. This represents a +12.4% increase taking into account the free share attribution in October 2017. The pay-out ratio is estimated at 53%.

2017 Key Figures

<i>(in millions of euros)</i>	FY 2016	FY 2017	2017/2016 published change	2017/2016 comparable change ^(a)
Total Revenue	18,135	20,349	+12.2%	+2.9%
<i>of which Gas & Services</i>	17,331	19,642	+13.3%	+3.5%
Operating income recurring	3,024	3,364	+11.2%	+7.5%
Operating income recurring <i>(as % of revenue)</i>	16.7%	16.5%	-20 bps	+70 bps ^(f)
Other non-recurring operating income and expenses	36	(344)		
Net profit (Group share)	1,844	2,200	+19.3%*	
Adjusted earnings per share <i>(in euros)</i> ^(b)	4.64	5.16	+11.2%	
Adjusted net dividend per share <i>(in euros)</i> ^(b)	2.36	2.65 ^(e)	+12.4%	
Net cash flows from operating activities ^(c)	3,697	4,254	+15.1%	
Net capital expenditure ^(d)	13,609	1,850		
Net debt	15,368	13,371		
Debt-to-equity ratio	90%	80%		

*** +10%**
Net profit growth,
excluding non-cash
non-recurring items
and impact of the
american tax reform.

- (a) Comparable growth based on 2016 adjusted figures excluding the currency, energy and significant scope impacts.
 (b) 2016 figures restated for the impact of the free share attribution on October 4, 2017.
 (c) Cash flow from operating activities after changes in working capital requirements and other elements.
 (d) Including transactions with minority shareholders.
 (e) Subject to the approval of the Annual General Meeting on May 16, 2018.
 (f) Excluding energy, variation 2017 vs. 2016 adjusted.

Strategy

For many years, Air Liquide's growth strategy has been founded on creating long-term value. To do so, the Group relies on its customers, its operational competitiveness, its targeted investments in growth markets, and innovation to open new markets and create new opportunities. The Group is committed to delivering a regular and

sustainable performance for its shareholders and maintaining its strong dividend pay-out policy year after year. This long-term performance is based on continuous growth of the industrial gases market worldwide, a solid business model and a managerial culture founded on consistent performance.

Outlook

The year 2017 marks a new step for the Group, which successfully integrated Airgas and which has acquired a new scale, with annual sales surpassing 20 billion euros.

In a more favorable global economic environment, all Gas & Services activities grew in 2017, in particular Industrial Merchant, which accounts for nearly half of the revenue and whose recovery has been confirmed quarter after quarter. On a geographic level, growth was mainly driven by the developing economies, China in particular, the solid level of activity in the Americas, and the Large Industry projects in the Middle East.

The Group's operating performance is improving, with high efficiency gains globally and synergies related to Airgas ahead of the forecast that contribute to the increase in the operating margin

and to higher net profit. The balance sheet is solid: the high level of cash flow making a significant contribution to lowering debt by nearly 2 billion euros in the year.

The Group can also rely on its investment decisions, particularly in favor of innovation, which reached a total of 2.6 billion euros in 2017, as well as on its 2.1 billion euros investment backlog to fuel its future growth. Thanks to its new size, efforts to improve competitiveness, and initiatives launched in connection with its strategic program, the Group is well-positioned for future growth and development.

Accordingly, assuming a comparable environment, Air Liquide is confident in its ability to deliver net profit growth in 2018, calculated at constant exchange rate and excluding 2017 exceptionals ^(a).

(a) 2017 exceptionals: exceptional non-cash items having a not positive impact on 2017 net profit.



VOTE OR PARTICIPATE

IN YOUR SHAREHOLDERS' MEETING

Your vote counts... by Internet too!

Only shareholders holding shares at the date below may cast a vote in the Shareholders' Meeting.

Deadlines to remember in order to participate in the Shareholders' Meeting of Wednesday, May 16, 2018^(a):

Monday, May 14, 2018, at 00:00 (that is Sunday, May 13, 2018 at midnight)

1 USING THE PAPER FORM

STEP 1

A

Request an admission card to attend the Meeting

A

Je désire assister à cette Assemblée et demande une carte d'admission : datez et signez au bas du formulaire. / I wish to attend the Meeting and request an admission card: please date and sign at the bottom of the form.
J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes. / I use the proxy voting form or the proxy form below, according to one of the 3 possibilities offered.

IMPORTANT : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso.
IMPORTANT: Before selecting, please see instructions on reverse side.
Merci de retourner ce document dans l'enveloppe T jointe. / Please, use the available prepaid envelope to return this form.



Société Anonyme pour l'Étude et l'Exploitation des Procédés Georges-Claude
au capital de 2 354 290 664,00 euros - RCS PARIS 552 096 281
Siège social : 75, quai d'Orsay - 75321 Paris Cedex 07

ASSEMBLÉE GÉNÉRALE MIXTE convoquée pour le mardi 15 mai 2018 à 15 heures, au Palais des Congrès, 2 place de la Porte Matisse, 92130 Issy-les-Moulineaux.
COMBINED SHAREHOLDERS' MEETING to convene on Tuesday, May 15, 2018 at 3.00 PM, at the Palais des Congrès, 2 place de la Porte Matisse, 92130 Issy-les-Moulineaux.

B1

Vote by post on the resolutions

B1

JE VOTE PAR CORRESPONDANCE / I VOTE BY POST (cf. renvoi (2) au verso / see reverse (2))

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, 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 ou le Directoire ou la Gérance, 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"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A	<input type="checkbox"/>	<input type="checkbox"/>	F	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	B	<input type="checkbox"/>	<input type="checkbox"/>	G	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	C	<input type="checkbox"/>	<input type="checkbox"/>	H	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	D	<input type="checkbox"/>	<input type="checkbox"/>	J	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	E	<input type="checkbox"/>	<input type="checkbox"/>	K	<input type="checkbox"/>	<input type="checkbox"/>

OU

Give your proxy to the Chairman of the Meeting

OU

Appoint a person of your choice by indicating the name and address

B3

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 Meeting to vote on my behalf
- Je m'abstiens (l'abstention équivaut à un vote contre) / I abstain from voting (is equivalent to a vote NO)
- Je donne procuration (à compléter) à M., Mme ou Melle, Raison Sociale..... pour voter en mon nom / I appoint (to be completed) Mr, Mrs or Miss, Corporate Name to vote on my behalf

Pour être prise en considération, toute formule doit parvenir au plus tard à la Société le : **12 mai 2018**

In order to be considered, this completed form must be returned at the latest to the Company: **May 12, 2018**

DATE / SIGNATURE

STEP 2

DATE AND SIGN here, whatever your choice

__ VOTE OR PARTICIPATE IN YOUR SHAREHOLDERS' MEETING __

1 VOTE BY POST

Company deadline for receiving documents:
Saturday, May 12, 2018 at midnight

or 2 VOTE BY INTERNET

Deadline for voting on the website:
Tuesday, May 15, 2018 at 3:00 p.m.

If you decide to vote by Internet, you must not return your paper voting form, and vice versa.

STEP 3

RETURN YOUR FORM in the prepaid envelope

- If you hold (direct or intermediary) **REGISTERED shares**, please return the form directly to Air Liquide.
- If you hold **shares in BEARER FORM**, please return the form to your share account manager, who will then transmit to Air Liquide.

Forms received after midnight on **Saturday, May 12, 2018^(a)** will not be considered in the voting of the Shareholders' Meeting.

PLEASE / WHICHEVER OPTION IS USED, DATE AND SIGN AT THE BOTTOM OF THE FORM

Attend the Shareholders' Meeting and request an admission card: date and sign at the bottom of the form. Refer to the postal voting form or proxy form as specified below.

mercredi 16 mai 2018
Maillot, 75017 Paris.

Wednesday, May 16, 2018
Maillot, 75017 Paris.

CADRE RÉSERVÉ À LA SOCIÉTÉ / FOR COMPANY'S USE ONLY

POUVOIR AL 2018 / version Air Liquide

B2

JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE

cochez la case ci-dessus puis datez et signez au bas du formulaire
cf. renvoi (3) au verso

I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE MEETING

tick the box above, date and sign at the bottom of the form
see reverse (3)

B3

JE DONNE POUVOIR À :
(cf. renvoi (4) au verso) **pour me représenter à l'Assemblée.**

I HEREBY APPOINT:
(see reverse (4)) **to represent me at the above mentioned Meeting.**

M., Mme ou Melle, Raison Sociale
Mr, Mrs or Miss, Corporate Name

Adresse
Address

Attention : s'il s'agit de titres au porteur, les précédentes instructions ne sont valides que si elles sont directement retournées à votre banque.
Caution: if it is about bearer securities, the present instruction will be valid only if they are directly returned to your bank.

Norm, 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. renvoi (1) au verso.
Surname, first name, address of the shareholder (changes regarding this information have to be notified to relevant institution, no change can be made using this proxy form). See reverse (1).

Veuillez plier ici / Please fold here

(a) Pursuant to articles R. 225-77 and R. 225-85 of the French Commercial Code.

(b) Shareholders acting as proxy for other shareholders and holding forms confirming their duties must also send these forms to Air Liquide by midnight on Saturday, May 12, 2018 at the latest, in order to be taken into account, it being specified that electronic proxies must reach the Company by 3:00 p.m. on Tuesday, May 15, 2018.

2 BY INTERNET



Air Liquide offers you the possibility of voting by Internet, before the Shareholders' Meeting, using the Votaccess^(a) platform that will be open from **March 27, 2018 to May 15, 2018 at 3:00 p.m., Paris time**. This platform offers you the same possibilities as the paper form. You can therefore:

- request an admission card;
- vote on the resolutions;
- authorize the Chairman of the Meeting to vote on your behalf;
- grant a proxy to the person of your choice;
- revoke and appoint a new representative.

Shareholders should enter their instructions prior to the eve of the Shareholders' Meeting so as to avoid any overload of the Votaccess platform.

STEP 1 LOG ON

YOU ARE A REGISTERED SHAREHOLDER

1 Log on to the Company's Internet site www.airliquide.com, in the Shareholders section, "Annual General Meeting", check the "Vote by Internet" banner. You will find a help manual for logging on to.

2 Identify yourself by clicking on "Access your Account" and use your usual access codes (login and password).

If you are signing in for the first time, click on "I create my online Account" and use the **login** indicated on your voting form and your **shareholder ID**:

- featured in all the letters sent by Shareholder Services, if you are a direct registered shareholder;
- featured in the letter accompanying your convocation documents, if you are an intermediary registered shareholder.

3 Once you access the home page, click on the "**I vote or I request an admission card**" button.

By clicking on "More information" you can access useful documentation for voting.

YOU ARE A BEARER SHAREHOLDER

Log on to the Internet portal of the institution responsible for managing your share account using your usual access codes.

Click on the icon that will appear on the line corresponding to your Air Liquide shares and follow the instructions posted on the screen.

Only bearer shareholders whose account manager is affiliated with the Votaccess system and who offers this service for the Air Liquide Shareholders' Meeting will have access.

Access to the Votaccess platform via the Internet portal of the shareholder's account manager may be subject to specific conditions of use defined by this institution. Consequently, bearer shareholders interested in this service are invited to contact their account manager in order to familiarize themselves with these conditions.

CONTACT US

Directly through the website

<http://contact.shareholders.airliquide.com>

STEP 2 SELECT YOUR VOTING INSTRUCTIONS

After having clicked on the "**I vote or I request an admission card**" button of the home page, indicate your voting instructions on the website and then follow the instructions posted on the screen.

Note: A shareholder who has already, by any means, voted by correspondence, filed a proxy form or requested an admission card or an attendance certificate to physically vote at the Shareholders' Meeting may not choose an alternative means of voting.

(a) Votaccess is a trademark registered by SLIB.



ADDITIONAL INFORMATION

YOU WISH TO GRANT YOUR PROXY TO ANOTHER PERSON

You may revoke a proxy granted to your representative and name another person of your choice after your initial selection.

IMPORTANT: Shareholders acting as proxy for other shareholders and holding forms confirming their duties must also send these forms to Air Liquide by midnight, Paris time, on Saturday, May 12, 2018 at the latest, in order to be taken into account, it being specified that electronic proxies must reach the Company by 3:00 p.m., Paris time, on Tuesday, May 15, 2018.

Should this be the case, refer to the practical procedures for revoking a proxy described in the Preliminary Meeting Notice published in the legal gazette (BALO – *Bulletin des annonces légales obligatoires*) on February 19, 2018 and available on www.airliquide.com, in the Shareholders section, in Shareholders' Meeting page.

N. B.: Financial service providers, eligible to act as intermediaries on behalf of shareholders who are not resident in France and benefiting from a general authorization to manage shares, may transfer or issue shareholders' votes under their own name. Under article L. 228-3-2 of the French Commercial Code, they must reveal the identity of the final shareholder to the issuer.

SALE OF YOUR SHARES

You may sell all or part of your shares even if you have cast a vote or requested an admission card. In this case, for **bearer shareholders**, the institution responsible for managing your share account should inform Air Liquide so that the number of shares you hold on 00:00, Paris time, Monday, May 14, 2018 may be known.

CERTIFICATE OF ATTENDANCE

If you hold **bearer shares** and have not received your admission card as of Monday, May 14, 2018, you must request an individual certificate of attendance from the institution responsible for managing your share account, in order to attend the Shareholders' Meeting.

ATTENDANCE FEES

A **10 euros attendance fee per person** will be paid to all shareholders present at the Shareholders' Meeting, regardless of the number of admission cards they hold or the number of shareholders they represent.

YOU WISH TO SUBMIT A WRITTEN QUESTION BEFORE THE MEETING

Questions must be sent by registered mail with acknowledgement of receipt to the Chairman at the Air Liquide head office or by e-mail at: shareholders@airliquide.com.

If you hold shares in bearer form, you must enclose proof of share ownership with your question.

Questions must be sent to Air Liquide by midnight on **Wednesday, May 9, 2018**, at the latest. Responses to written questions may be published directly on www.airliquide.com, in the Shareholders section.

SHAREHOLDERS' MEETING ON THE INTERNET

The entire Shareholders' Meeting will be **webcast live and available via playback**, in French and in English, on the Company's Internet site: www.airliquide.com.

Annual General Meeting will be broadcast in sign language.

For more detailed information on the Shareholders' Meeting voting and attendance procedures, you may refer to the Preliminary Meeting Notice published in the legal gazette (BALO) on February 19, 2018 and available on www.airliquide.com, in the Shareholders section.

TO OBTAIN THE PAPER VERSION OF THE ADDITIONAL DOCUMENTATION



(Reference Document and Annual Report), return the application form enclosed with your voting form or click on "Answer further questions" in the Internet voting website.

IF YOU ATTEND IN THE SHAREHOLDERS' MEETING

Please bring your identity card.

Voting desks will be closed at 4.00 p.m., Paris time, on May 16, 2018 day of the Shareholders' Meeting.



PROPOSED RESOLUTIONS AND PURPOSE

AGENDA

ORDINARY MEETING:

- Board of Directors' reports
- Statutory Auditors' reports
- Approval of the Company financial statements for the year ended December 31, 2017.
- Approval of the consolidated financial statements for the year ended December 31, 2017.
- Appropriation of the 2017 earnings; setting of the dividend.
- Authorisation granted to the Board of Directors for a period of 18 months to allow the Company to trade in its own shares.
- Renewal of the term of office of four Directors.
- Approval of the commitments referred to in articles L. 225-38 and L. 225-42-1 of the French Commercial Code and the Special Report of the Statutory Auditors, concerning Mr Benoît Potier's termination indemnity and defined benefit pension commitments.
- Approval of the elements of remuneration paid or awarded to Mr Benoît Potier in respect of the fiscal year ended December 31, 2017.
- Approval of the elements of remuneration paid or awarded to Mr Pierre Dufour in respect of the fiscal year ended December 31, 2017.
- Approval of the remuneration policy applicable to the executive officers.
- Setting the amount of the Directors' fees.

EXTRAORDINARY MEETING:

- Authorisation granted to the Board of Directors for a period of 24 months to reduce the share capital by cancellation of treasury shares.
- Delegation of authority granted to the Board of Directors for a period of 26 months to increase the share capital through capitalization of additional paid-in, reserves, profits or any other amounts, for a maximum amount of 300 million euros.

ORDINARY MEETING:

- Powers for formalities.



ORDINARY SHAREHOLDERS' MEETING

Resolutions 1 and 2 Approval of the financial statements for the year

PURPOSE

Shareholders are asked in the 1st and 2nd resolutions to approve both the Company and consolidated financial statements of Air Liquide for the year ended December 31, 2017.

FIRST RESOLUTION

(Approval of the Company financial statements for the year ended December 31, 2017)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, having reviewed:

- the Reports of the Board of Directors and the Statutory Auditors;
- the Company's financial statements, income statement, balance sheet and notes thereto,

approve the Company's financial statements for the year ended December 31, 2017 as presented, and approve the transactions reflected in these financial statements or mentioned in these reports.

The shareholders determined the amount of net earnings for the fiscal year at 1,149,807,331 euros.

SECOND RESOLUTION

(Approval of the consolidated financial statements for the year ended December 31, 2017)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, having reviewed:

- the Reports of the Board of Directors and the Statutory Auditors;
 - the Group's consolidated financial statements,
- approve the consolidated financial statements for the year ended December 31, 2017 as presented.

Resolution 3 Appropriation of earnings and setting of the dividend

PURPOSE

In the 3rd resolution, shareholders are asked to **approve the distribution of a dividend of 2.65 euros per share**, which represents an increase of +12.4% in shareholders' return, taking into account the attribution of one free share for 10 existing shares in 2017.

A **loyalty dividend of 10%, i.e. 0.26 euro per share**, shall be granted to shares which have been held in registered form since December 31, 2015 and which remain held in this form continuously until May 30, 2018, the dividend payment date. As of December 31, 2017, 27.35% of the shares making up the share capital are likely to benefit from this loyalty dividend.

With an **estimated pay-out ratio of 53% of the Group's net profit** (57% of "recurring" net profit), the proposed dividend is an integral part of Air Liquide's policy to reward and grow shareholder portfolios over the long term.

The ex-dividend date has been set for May 28, 2018. The dividend payment date will be set for May 30, 2018.

THIRD RESOLUTION

(Appropriation of 2017 earnings and setting of the dividend)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, having noted that, considering the fiscal year 2017 earnings of 1,149,807,311 euros and the retained earnings of 6,240,307,970 euros as of December 31, 2017, distributable earnings for the year amount to a total of 7,390,115,281 euros, approve the proposals of the Board of Directors regarding the appropriation of earnings. The shareholders hereby decide to appropriate distributable earnings as follows:

Legal reserve	21,819,319 euros
Retained earnings	6,202,582,712 euros
Dividend (including the loyalty dividend)	1,165,713,250 euros

Hence, a dividend of 2.65 euros shall be paid to each of the shares conferring entitlement to a dividend, it being specified that in the event of a change in the number of shares conferring entitlement to a dividend compared to the 428,397,550 shares making up the share capital as of December 31, 2017, the overall dividend amount would be adjusted accordingly and the amount appropriated to the retained earnings account would be determined on the basis of the dividend effectively paid.

— PROPOSED RESOLUTIONS AND PURPOSE —

The dividend payment date will be set for May 30, 2018:

- for direct registered shares: directly by the Company, based on the means of payment indicated by the holders;

- for intermediary registered shares, as well as for bearer shares which are registered in shareholder accounts: by the authorized intermediaries to whom the management of these shares has been entrusted.

The dividend distributions made with respect to the last three fiscal years are as follows:

	Total amount distributed ^(a) <i>(in euros)</i>	Number of shares concerned ^(b)	Dividend distributed eligible in its entirety for the 40% allowance referred to in article 158-3-2° of the French Tax Code <i>(in euros)</i>
Fiscal year 2014			
Ordinary dividend	879,425,851	344,872,883	2.55
Loyalty dividend	25,661,003	102,644,011	0.25
Fiscal year 2015			
Ordinary dividend	894,823,802	344,163,001	2.60
Loyalty dividend	26,751,221	102,889,311	0.26
Fiscal year 2016			
Ordinary dividend	1,011,076,979	388,875,761	2.60
Loyalty dividend	26,595,971	102,292,196	0.26

(a) Theoretical values calculated based on the number of shares as of December 31 for each fiscal year.

(b) Number of shares expressed historically as of December 31 for each fiscal year.

The amounts effectively paid after adjustment were as follows:

- fiscal year 2014 – ordinary dividend: 874,131,348 euros for 342,796,607 shares; loyalty dividend: 23,909,031 euros for 95,636,122 shares;

- fiscal year 2015 – ordinary dividend: 895,276,249 euros for 344,337,019 shares; loyalty dividend: 25,311,759 euros for 97,352,920 shares;

- fiscal year 2016 – ordinary dividend: 1,005,542,972 euros for 386,747,297 shares; loyalty dividend: 26,025,861 euros for 100,099,466 shares.

The adjustment arises from the change in the number of treasury shares, from the final determination of the loyalty dividend taking into account shares sold between January 1 and the ex-dividend date, from the exercise of options over this same period and the share capital increase reserved for employees.

Pursuant to the provisions of the articles of association, a loyalty dividend of 10%, i.e. 0.26 euro per share with a par value of 5.50 euros, shall be granted to shares which have been held in registered form since December 31, 2015, and which remain held in this form continuously until May 30, 2018, the dividend payment date.

In accordance with the provisions of article 243 bis of the French Tax Code, it is specified that the ordinary and loyalty dividends are also in their entirety eligible for the 40% allowance referred to in section 2° of paragraph 3 of article 158 of the aforementioned code.

The total amount of the loyalty dividend for the 117,152,854 shares which have been held in registered form since December 31, 2015, and which remained held in this form continuously until December 31, 2017, amounts to 30,459,742 euros.

The total loyalty dividend corresponding to these 117,152,854 shares that cease to be held in registered form between January 1, 2018 and May 30, 2018, the dividend payment date, shall be deducted from the aforementioned amount.



Resolution 4 Buyback by the Company of its own shares

PURPOSE

The 4th resolution renews the authorization granted to the Board, for a term of 18 months, to allow the Company to buy back its own shares (including under a liquidity contract).

In 2017, the buyback program resulted in the purchase of 1.5 million shares, representing 0.39% of the capital and the cancellation of 1.1 million shares.

Additionally, under the liquidity contract: 1 million shares were purchased and 1 million were sold. As of December 31, 2017, 8,000 shares were held under the liquidity contract.

As of December 31, 2017, the Company held approximately 1.4 million shares, assigned to the objective of cancellation for 440,000 shares and to the objective of implementation of any performance shares plan for 1,005,182 shares. **These shares represent 0.34% of the Company's share capital.** They do not have any voting rights and their related dividends are allocated to retained earnings.

The authorization referred to the 4th resolution provides that the maximum purchase price is set at 165 euros (unchanged amount) per share and the maximum number of shares that can be bought back is limited to 10% of the total number of shares comprising the share capital as of December 31, 2017, i.e. 42,839,755 shares for a maximum total amount of 7,068,559,575 euros.

The shares purchased may be canceled in order to offset, in the long term, the dilutive impact resulting from capital increases relating to employee share ownership transactions.

The objectives of the share buyback program are detailed in the 4th resolution and the program description is available on the Company's website, www.airliquide.com, prior to the Shareholders' Meeting.

As in previous years, the resolution stipulates that the authorization does not apply during takeover bid periods.

FOURTH RESOLUTION

(Authorization granted to the Board of Directors for a period of 18 months to allow the Company to trade in its own shares)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, after having reviewed the Report of the Board of Directors, in accordance with articles L. 225-209 et seq. of the French Commercial Code and the directly applicable provisions of European Commission Regulation No. 596/2014 of April 16, 2014, authorize the Board of Directors to allow the Company to repurchase its own shares in order to:

- cancel them, subject to the adoption of the fifteenth resolution;
- tender them following the exercise of rights attached to marketable securities conferring entitlement to Company shares by redemption, conversion, exchange, presentation of a warrant or any other means;
- implement (i) any share purchase option plans or (ii) plans for free share attribution, or (iii) any employee share ownership transactions reserved for members of a Company savings plan, performed under the terms and conditions set forth in articles L. 3331-1 et seq. of the French Labor Code through the transfer of shares bought back previously by the Company under this resolution, or providing for a free grant of these shares in respect of a contribution in shares by the Company and/or to replace the discount; or (iv) allocation of shares to employees and/or Executive Officers of the Company or affiliated companies, in accordance with the laws and regulations in force;
- maintain an active market in the Company's shares pursuant to a market liquidity contract in accordance with an Ethics Charter recognized by the French financial markets authority (Autorité des marchés financiers).

The Shareholders' Meeting will set the maximum purchase price at 165 euros (excluding acquisition costs) per share with a par value of 5.50 euros per share, and the maximum number of shares that

can be bought back at 10% of the total number of shares making up the share capital as of December 31, 2017, or 42,839,755 shares with a par value of 5.50 euros, for a maximum total amount of 7,068,559,575 euros, subject to the legal limits.

These shares can be purchased at any time, excluding the periods for takeover bids on the Company's share capital, on one or more occasions and by all available means, either on or off a stock exchange, in private transactions, including the purchase of blocks of shares, or through the use of derivative financial instruments, and, if applicable, by all third parties acting on behalf of the Company, under the conditions stipulated in the provisions of the last paragraph of article L. 225-206 of the French Commercial Code.

Shares bought back may be commuted, assigned or transferred in any manner on or off a stock exchange or through private transactions, including the sale of blocks of shares, in accordance with the applicable regulations.

Dividends on treasury shares held by the Company shall be allocated to retained earnings.

This authorization is granted for a period of 18 months starting from the date of this Shareholders' Meeting. It supersedes the authorization granted by the fourth resolution of the Ordinary Shareholders' Meeting of May 3, 2017 with respect to the non-utilized portion of such authorization.

The shareholders give full powers to the Board of Directors, with the possibility of delegating such powers, to implement this authorization, place orders for trades, enter into all agreements, perform all formalities and make all declarations with regard to all authorities and, generally, do all that is necessary for the execution of any of the Board's decisions made in connection with this authorization.

The Board of Directors shall inform the shareholders of any transactions performed in light of this authorization in accordance with applicable regulations.

Resolutions 5 to 8 Renewal of terms of office of Directors

PURPOSE

The 5th, 6th, 7th and 8th resolutions concern the **renewal**, as members of the Company's Board of Directors, for a period of four years, of the respective **terms of office** of Mr Benoît Potier, Mr Jean-Paul Agon, Ms Sin Leng Low and Ms Annette Winkler that expire at the end of this Shareholders' Meeting.

The Board of Directors confirmed its intention to renew the term of office of Mr Benoît Potier as Chairman and Chief Executive Officer at the meeting to be held at the close of this Shareholders' Meeting.

This mode of management of the Company allows in particular for **regular, personalized exchanges between shareholders and General Management through a single contact person**, with in-depth knowledge of the Group and its businesses. These exchanges ensure that the definition of the Group's strategy takes due account of the expectations and interests of shareholders over the long term. Over the past 12 years during which Mr Benoît Potier has been Chairman and Chief Executive Officer, the Group has achieved a consistent performance (an average annual growth over the 2006-2017 period of +5.8% in revenue and of +7.4% in published net profit); driven by strong organic growth and transforming acquisitions, including the largest, that of Airgas in 2016.

The combination of the roles of Chairman and Chief Executive Officer are overseen by **balanced rules of governance** which have been further strengthened in 2017. The Board is thus composed of 8 independent Directors of a total of 12 members, and brings **a complementarity of experience and expertise**. Its **Directors are highly committed**, with an average attendance rate at Board and Committee meetings in excess of 96% in 2017. Moreover, each Director was also a member of one of the four Committees. The balance of power is ensured by the presence, since 2014, of an **independent Lead Director** who has **specific powers**, including the power to ask the Chairman to convene the Board of Directors on a given agenda. Furthermore, since 2017, the Lead Director calls an **executive session** once a year of all Directors without the presence of the executive Directors (and past executives) and all persons internal to the Group. Directors may also request an individual meeting with the Lead Director as often as they judge necessary. In order to **further improve dialog with shareholders**, the Board will also now be informed of all regular contact between the Chairman and Chief Executive Officer and the major shareholders, with the latter also having the possibility to request, where necessary, a meeting with the Lead Director. These governance measures are described in detail on pages 132-133 of the 2017 Reference Document.

Mr Jean-Paul Agon, Chairman and CEO of L'Oréal, who has been a Director since 2010 and Lead Director since 2017, will continue to provide the Board of Directors with his expertise in the senior management of a major international company and his specific knowledge of consumer product markets. The Board of Directors confirmed its intention to renew Mr Jean-Paul Agon as Lead Director.

Ms Sin Leng Low, who has been a Director since 2014, will continue to bring to the Board her experience in the management of industrial activities and her knowledge of the Asian markets.

Ms Annette Winkler, Vice President of Daimler (at the head of smart), who has been a Director since 2014, will continue to bring to the Board her experience in senior management of a major German industrial group with an international reach, focused on the consumer goods market.

Furthermore and for information, the term of office of the employee Director will expire at the end of this Shareholders' Meeting. At a plenary meeting on December 6, 2017, the France Group Committee reappointed Mr Philippe Dubrulle as Director representing the employees for a term of four years expiring at the end of the Shareholders' Meeting held to approve the financial statements for the fiscal year ending December 31, 2021.

FIFTH RESOLUTION

(Renewal of the term of office of Mr Benoît Potier as Director)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, after having reviewed the Report of the Board of Directors, decide to renew the term of office of Mr Benoît Potier as a Director for a term of four years, which will expire at the end of the 2022 Shareholders' Meeting, held to approve the financial statements for the fiscal year ending December 31, 2021.

SIXTH RESOLUTION

(Renewal of the term of office of Mr Jean-Paul Agon as Director)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, after having reviewed the Report of the Board of Directors, decide to renew the term of office of Mr Jean-Paul Agon as a Director for a term of four years, which will expire at the end of the 2022 Shareholders' Meeting, held to approve the financial statements for the fiscal year ending December 31, 2021.



SEVENTH RESOLUTION

(Renewal of the term of office of Ms Sin Leng Low as Director)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, after having reviewed the Report of the Board of Directors, decide to renew the term of office of Ms Sin Leng Low as a Director for a term of four years, which will expire at the end of the 2022 Shareholders' Meeting, held to approve the financial statements for the fiscal year ending December 31, 2021.

EIGHTH RESOLUTION

(Renewal of the term of office of Ms Annette Winkler as Director)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, after having reviewed the Report of the Board of Directors, decide to renew the term of office of Ms Annette Winkler as a Director for a term of four years, which will expire at the end of the 2022 Shareholders' Meeting, held to approve the financial statements for the fiscal year ending December 31, 2021.

Resolutions 9 and 10 Regulated agreements and commitments

PURPOSE

The 9th and 10th resolutions concern two regulated commitments relating to Mr Benoît Potier which must, as provided by law, be subject to a vote by the Shareholders' Meeting at the time of the renewal of his term of office as Chairman and Chief Executive Officer.

- **Termination indemnity:** the Board of Directors has modified the termination indemnity to which Mr Benoît Potier may be entitled, taking into account the remarks of certain shareholders.
 - The termination indemnity will thus be due in the case of forced departure (removal from office, request for resignation) related to a change of strategy or a change in control. In the event of the latter, the termination indemnity will only be due if the departure takes place within six months, versus 24 months previously.
 - The termination indemnity, capped at 24 months of gross fixed and variable remuneration, is subject to performance conditions using a scale based on the average annual difference between Return On Capital Employed (ROCE) after tax and Weighted Average Cost of Capital (WACC) over three years, the thresholds for increases having been made more exacting than before. The amount of the termination indemnity decreases gradually during the two years prior to the age limit of Executive Officer defined in the Company's articles of association.
- **Defined benefit pension plan:** in response to the requirements of the 2015 Macron law, the Board of Directors decided to subject the contingent rights allocated to Mr Benoît Potier with effect from the renewal of his term of office by this Shareholders' Meeting to performance conditions similar to those for the above mentioned termination indemnity.

These agreements are included in the Statutory Auditors' Special Report on regulated agreements and commitments (see 2017 Reference Document p. 335 et seq. and the Company's website).

NINTH RESOLUTION

(Approval of commitments referred to in article L. 225-42-1 of the French Commercial Code relating to the termination indemnity of Mr Benoît Potier)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, after having reviewed the Report of the Board of Directors and the Statutory Auditors' Special Report provided for by current legal and regulatory provisions, approve, on the condition precedent of renewal of his term of office as Chairman and Chief Executive Officer, the commitments relating to the termination indemnity of Mr Benoît Potier which are subject to the provisions of articles L. 225-38 and L. 225-42-1 of the French Commercial Code, under the conditions described in these reports.

TENTH RESOLUTION

(Approval of commitments referred to in article L. 225-42-1 of the French Commercial Code relating to defined benefit pension plan commitments for Mr Benoît Potier)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, after having reviewed the Report of the Board of Directors and the Statutory Auditors' Special Report provided for by current legal and regulatory provisions, approve, on the condition precedent of renewal of his term of office as Chairman and Chief Executive Officer, the increase in future conditional rights from which Mr Benoît Potier will benefit as of the renewal of his term of office, relating to defined benefit pension scheme commitments meeting the characteristics of the schemes set out in article L. 137-11 of the French Social Security Code and subject to the provisions of articles L. 225-38 and L. 225-42-1 of the French Commercial Code, under the conditions described in these reports.

Resolutions 11 and 12 Approval of the remuneration of Executive Officers for the 2017 fiscal year

PURPOSE

Pursuant to article L. 225-100 of the French Commercial Code introduced by the law relating to transparency, the fight against corruption and the modernization of economic activity (called the Sapin 2 law), shareholders are asked in the **11th** and **12th** resolutions to approve the fixed, variable and exceptional components of the total remuneration and other benefits paid or awarded to Mr Benoît Potier in respect of the 2017 fiscal year and to Mr Pierre Dufour whose term of office as Senior Executive Vice President ended following the Shareholders' Meeting of May 3, 2017. It is specified that no exceptional remuneration has been paid or awarded in 2017.

The components of remuneration are described in the Report on corporate governance included in the 2017 Reference Document and are summarized in the 2018 Invitation to Shareholders' Meeting. They were paid or awarded in line with the remuneration policy approved by the Shareholders' Meeting on May 3, 2017.

ELEVENTH RESOLUTION

(Approval of the elements of remuneration paid or awarded to Mr Benoît Potier for the year ended December 31, 2017)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, approve, pursuant to article L. 225-100 of the French Commercial Code, the fixed, variable and exceptional components of the total remuneration and other benefits paid or awarded to Mr Benoît Potier in respect of the 2017 fiscal year, as presented in Chapter 3 "Corporate Governance", paragraph "Elements of the total remuneration and benefits of any kind paid or awarded to Benoît Potier in respect of the 2017 fiscal year and on which the Shareholders' Meeting of May 16, 2018 is invited to vote", of the Company's 2017 Reference Document.

TWELFTH RESOLUTION

(Approval of the elements of remuneration paid or awarded to Mr Pierre Dufour for the year ended December 31, 2017)

The shareholders deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, approve, pursuant to article L. 225-100 of the French Commercial Code, the fixed, variable and exceptional components of the total remuneration and other benefits paid or awarded to Mr Pierre Dufour, in respect of the 2017 fiscal year, as presented in Chapter 3 "Corporate Governance", paragraph "Elements of the total remuneration and benefits of any kind paid or awarded to Pierre Dufour in respect of the 2017 fiscal year and on which the Shareholders' Meeting of May 16, 2018 is invited to vote", of the Company's 2017 Reference Document.

Resolution 13 Approval of the remuneration policy applicable to the Executive Officers for the 2018 fiscal year

PURPOSE

Pursuant to article L. 225-37-2 of the French Commercial Code, shareholders are asked in the **13th** resolution to approve for the 2018 fiscal year, the principles and criteria for determining, distributing and allocating the fixed, variable and exceptional components of the total remuneration and other benefits allocated to Executive Officers, and applicable to Mr Benoît Potier in respect of his term of office as Chairman and Chief Executive Officer, as described in the Report on corporate governance included in the 2017 Reference Document and summarized in the 2018 Invitation to Shareholders' Meeting.

THIRTEENTH RESOLUTION

(Approval of the remuneration policy applicable to the Executive Officers)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, after having reviewed the Report of the Board of Directors mentioned in article L. 225-37-2 of the French Commercial Code, approve the

principles and criteria for determining, distributing and allocating the fixed, variable and exceptional components of the total remuneration and other benefits allocated to Executive Officers as presented in Chapter 3 "Corporate Governance" of the 2017 Reference Document, in the section covering the principles and criteria for the determination, distribution and allocation of the fixed, variable and exceptional elements of the total remuneration and the benefits of all kinds that may be granted to Executive Officers.



Resolution 14 Setting Directors' fees

PURPOSE

The **14th resolution** sets the authorized amount of Directors' fees per fiscal year. Since 2014, the amount has been 1 million euros. On the recommendation of the Remuneration Committee, the Board of Directors proposes to increase the amount of Directors' fees that may be allocated each year to the Directors to 1.15 million euros as of 2018.

The proposed increase takes into account, in particular, the creation of a fourth Committee in 2017 (the Environmental and Social Committee), the increasing number of meetings and the extension of the work handled by the Board and the Committees, as well as the desire to promote a variety of skills and nationalities within the Board for forthcoming recruitments.

The Directors' fees allocation formula comprises a fixed portion and a variable portion based on lump-sum amounts per meeting, thereby taking account of the effective participation of each Director in the work of the Board and its Committees as well as a fixed amount per trip for non-resident Directors. For further information regarding these elements, please refer to Chapter 3, p. 190-191 of the 2017 Reference Document.

FOURTEENTH RESOLUTION *(Setting the amount of the Directors' fees)*

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, after

having reviewed the Report of the Board of Directors, decides in accordance with article 16 of the articles of association, to set, from fiscal year 2018, the overall amount of Directors' fees to be allocated to Directors at the amount of 1.15 million euros per year.

EXTRAORDINARY SHAREHOLDERS' MEETING

Resolution 15 Authorization to reduce the share capital by cancellation of treasury shares

PURPOSE

As is the case each year, we ask you, in the **15th resolution**, to authorize the Board of Directors to cancel any or all of the shares purchased in the share buyback program and reduce share capital under certain conditions, particularly in order to fully offset, where necessary, any potential dilution resulting from capital increases relating to employee share ownership transactions.

The difference between the carrying amount of the canceled shares and their nominal amount will be allocated to reserve or additional paid-in capital accounts. This authorization granted to the Board of Directors will be for a period of 24 months.

FIFTEENTH RESOLUTION *(Authorization granted to the Board of Directors for a period of 24 months to reduce the share capital by cancellation of treasury shares)*

The shareholders, deliberating according to the quorum and majority required for Extraordinary Shareholders' Meetings, after having reviewed the Report of the Board of Directors and the Statutory Auditors' Special Report, authorize the Board of Directors to cancel, via its decisions alone, on one or more occasions, and within the limit of 10% of the Company's share capital per 24-month period, any or all of the shares bought back by the Company within the scope of the authorization adopted by this Ordinary Shareholders' Meeting in its fourth resolution and of those shares bought back within the scope of the authorizations adopted by the Ordinary Shareholders' Meetings of May 12, 2016 and May 3, 2017 and to reduce the share capital by this amount.

The difference between the carrying amount of the canceled shares and their nominal amount will be allocated to any reserve or additional paid-in capital accounts.

This authorization is granted for a period of 24 months starting from the date of this Shareholders' Meeting. It supersedes the authorization granted by the Extraordinary Shareholders' Meeting of May 3, 2017 in its twelfth resolution with respect to the non-utilized portion of such authorization.

Full powers are granted to the Board of Directors, with the possibility of sub-delegation under the conditions set by law, to implement this authorization, deduct the difference between the carrying amount of the shares canceled and their nominal amount from all reserve and additional paid-in capital accounts and to carry out the necessary formalities to implement the reduction in capital which shall be decided in accordance with this resolution and amend the articles of association accordingly.

Resolution 16 Share capital increase through capitalization of additional paid-in capital, reserves, profits or any other amounts

PURPOSE

The Combined Shareholders' Meeting of May 12, 2016 had granted the Board of Directors, for a period of 26 months, the authority to increase the share capital, on one or more occasions, through capitalization of additional paid-in capital, reserves, profits or any other amounts that may be capitalized, for the purposes of attributing free shares to shareholders.

This authorization was partially used in 2017 when the Company attributed 1 free share for every 10 existing shares following a share capital increase through capitalization of the sum of 218.98 million euros taken from "additional paid-in capital" thereby creating 39,814,353 new shares (amount including the loyalty bonus of 10%, i.e. 1 additional free share for every 100 existing shares).

As in 2016, in order to provide shareholders with the right to express an opinion on this share capital increase during periods of takeover bids, it is proposed that this delegation of authority be suspended during periods of takeover bids.

The purpose of the 16th resolution is to renew this authorization for a maximum amount of 300 million euros.

SIXTEENTH RESOLUTION

(Delegation of authority granted to the Board of Directors for a period of 26 months in order to increase the share capital through capitalization of additional paid-in capital, reserves, profits or any other amount that may be capitalized, for a maximum amount of 300 million euros)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, after having reviewed the Report of the Board of Directors and pursuant to articles L. 225-129-2 and L. 225-130 of the French Commercial Code:

1. delegate to the Board of Directors, with the option of sub-delegation, the authority necessary to increase the share capital on one or more occasions, according to the terms and conditions and at the time it shall determine, through capitalization of additional paid-in capital, reserves, profits or any other amount that may be capitalized, the capitalization of which will be possible under the law and the articles of association as a free share attribution to shareholders and/or an increase in the par value of existing shares;
2. the delegation thereby granted to the Board of Directors is valid for a period of 26 months starting from the date of this Shareholders' Meeting, it being specified however that the Board of Directors will not be authorized to make use of it during periods of takeover bids on the Company's share capital;
3. decide that the total amount of share capital increases likely to be performed thereby may not exceed 300 million euros, this limit being separate from and independent from the limit provided for in paragraph 2 of the thirteenth resolution passed by the Shareholders' Meeting of May 3, 2017 (or any resolution which would replace it at a later date), and may not in any case exceed the amount of the additional paid-in capital, reserve, profit or other accounts referred to above that exist at the time of the capital increase (it being specified that this amount does not include additional shares to be issued, in accordance with applicable legal and regulatory provisions, and when relevant, contractual stipulations providing for other adjustments, to preserve the rights of holders of marketable securities or other rights conferring access to share capital);
4. decide that, should the Board of Directors use this delegation, in accordance with article L. 225-130 of the French Commercial Code, fractional rights shall not be negotiable and the corresponding securities shall be sold; the sums resulting from such sale shall be allocated to the holders of rights under the applicable regulatory conditions;
5. take due note that this delegation supersedes any unused portion of the delegation granted to the Board of Directors in the seventeenth resolution voted by the Extraordinary Shareholders' Meeting of May 12, 2016;
6. grant full powers to the Board of Directors, with the option of sub-delegation under the conditions set by law, to implement this delegation and in particular to set the terms of issue, to deduct from one or more available reserves accounts the costs arising from the share capital increase, if deemed appropriate, all sums necessary to bring the legal reserve up to one tenth of the new share capital after each share issue, duly record the completion of the resulting share capital increases, make the corresponding amendments to the articles of association and generally complete all the formalities relating to the share capital increases.



ORDINARY SHAREHOLDERS' MEETING

Resolution 17 Powers

PURPOSE

The 17th resolution is a standard resolution required for the completion of official publications and legal formalities.

SEVENTEENTH RESOLUTION

(Powers for formalities)

Full powers are granted to a holder of a copy or extract of the minutes of this Shareholders' Meeting to perform all official publications and other formalities required by law and the regulations.



BOARD OF DIRECTORS

Listed companies are indicated by an asterisk (*).

MEMBERS OF THE BOARD

(Informations as of December 31, 2017)



Benoît POTIER

Chairman and Chief Executive Officer

Born in 1957

Nationality: French

Date of first appointment: 2000

End of current term: 2018^(a)

289,893 shares

Career

A graduate of École centrale de Paris, Benoît Potier joined Air Liquide in 1981 as a Research and Development engineer. After serving as a Project Manager in the Engineering & Construction Division, he was made Vice President of Energy Development in the Large Industries business line. In 1993, he became Director of Strategy & Organization and, in 1994, was put in charge of the Chemicals, Metal & Steel, Oil and Energy Markets. He was made an Executive Vice President of Air Liquide in 1995 with additional responsibilities over the Engineering & Construction Division and the Large Industries operations in Europe. Benoît Potier was appointed Chief Executive in 1997. He was appointed to the Board of Directors in 2000 and became Chairman of the Management Board in November 2001. In 2006, he was appointed Chairman and Chief Executive Officer of L'Air Liquide S.A.

Positions and activities held during 2017

Functions within the Air Liquide Group

- **Chairman and Chief Executive Officer:** L'Air Liquide S.A.* (Chairman of the Working Group "Shareholder Relations"), Air Liquide International, Air Liquide International Corporation (ALIC)
- **Director:** American Air Liquide Holdings, Inc.
- **Chairman:** Air Liquide Foundation (until March 2017)
- **Director:** Air Liquide Foundation (since March 2017)

Positions or activities outside the Air Liquide Group^(b)

- **Director:** Danone* (member of the Appointment and Remuneration Committee, member of the Strategy Committee, then Chairman of this Committee since December 2017)
- **Chairman:** European Round Table (ERT)
- **Director:** CentraleSupélec, Association nationale des sociétés par actions (ANSA)
- **Member of the Board:** Association française des entreprises privées (AFEP)
- **Member of the French Board:** INSEAD

(a) Renewal of term proposed to the Shareholders' Meeting of May 16, 2018.

(b) Mr Benoît Potier has been appointed member of the Supervisory Board of Siemens AG* during the General Assembly on January 31, 2018. He is also member of the Nominating Committee. His term of office as chairman of the ERT expires in May 2018.



Thierry PEUGEOT

Director

Born in 1957

Nationality: French

Date of first appointment: 2005

End of current term: 2021

2,011 shares

Career

A graduate of ESSEC, Thierry Peugeot began his career with the Marrel Group in 1982 as Export Manager for the Middle East and English-speaking Africa for Air Marrel, and then Director of Air Marrel America. He joined Automobiles Peugeot in 1988 as Regional Manager of the South-East Asia zone, then Chief Executive Officer of Peugeot do Brasil in 1991 and Chief Executive Officer of Slica in 1997. In 2000, he became International Key Accounts Director of Automobiles Citroën and then, in 2002, Vice President of Services and Spare Parts before being appointed to the PSA Peugeot Citroën Vice Presidents Committee. Thierry Peugeot has been Chairman of the Supervisory Board of Peugeot S.A. between 2002 and 2014.

Positions and activities held during 2017

Functions within the Air Liquide Group

- **Director:** L'Air Liquide S.A.*
(member of the Audit and Accounts Committee)

Positions or activities outside the Air Liquide Group

- **Director:** Société anonyme de participations
- **Senior Executive Vice President:**
Société anonyme de participations (since February 2017)
- **Director:** Établissements Peugeot Frères
(Chairman of the Accounts Committee)
- **Director:** Compagnie Industrielle de Delle
- **Permanent representative** of the Compagnie Industrielle de Delle on the LISI* Board of Directors
(member of the Remuneration Committee and President of the Appointments Committee)
- **Honorary Chairman:** Association nationale des sociétés par actions (ANSA)

Karen KATEN

Independent Director

Born in 1949

Nationality: American

Date of first appointment: 2008

End of current term: 2020

2,186 shares

Career

Karen Katen, a US citizen, is a graduate of the University of Chicago (BA in Political Science and MBA). In 1974, she joined Pfizer and carried out various management and executive positions during more than 30 years. In her last position with Pfizer, she was Vice Chairman of Pfizer Inc. and President of Pfizer Human Health, the Group's main operating department. Karen Katen played a major role in the introduction of new medicines for the treatment of cardiovascular and mental diseases, as well as diabetes and cancer. She also successfully oversaw the integration of Warner Lambert (acquired in 2000) and Pharmacia (acquired in 2003) in the Pfizer Group. Having retired from Pfizer in March 2007, she was Chairman of the Pfizer Foundation. Currently she is a Senior Advisor at EW Healthcare Partners, a healthcare venture and growth equity firm.

Positions and activities held during 2017

Functions within the Air Liquide Group

- **Director:** L'Air Liquide S.A.*
(member of the Appointments and Governance Committee)

Positions or activities outside the Air Liquide Group

- **Director:** Home Depot*
- **Chairman of the Board:** Armgo Pharmaceuticals
- **Chairman and Director:**
Rand Corporation's Health Board of Advisors
- **Director:** The Economic Club of New York Board of Trustees, Peterson Institute for International Studies
- **Senior Advisor:** EW Healthcare Partners
- **Trustee:** University of Chicago
- **Trustee:** University of Chicago Booth School of Business

Jean-Paul AGON

Independent Director - Lead Director

Born in 1956

Nationality: French

Date of first appointment: 2010

End of current term: 2018^(a)

1,609 shares

Career

A graduate of HEC Business School, Jean-Paul Agon began his career with the L'Oréal Group in 1978. From 1981 to 1997, he held various Senior Management positions first as General Manager of L'Oréal Greece and General Manager of L'Oréal Paris, then International Managing Director for Biotherm International, Managing Director for L'Oréal Germany and finally Managing Director for L'Oréal Asia Zone. From 2001 to 2005, he was Chairman and Chief Executive Officer of L'Oréal USA as well as several subsidiaries of the L'Oréal Group in the USA. In 2005, he was appointed Deputy Chief Executive Officer of the L'Oréal Group, and became Chairman and Chief Executive Officer of the Group in 2006. He is Chairman and Chief Executive Officer of L'Oréal since March 2011.

Positions and activities held during 2017

Functions within the Air Liquide Group

- **Director:** L'Air Liquide S.A.*
(Chairman of the Remuneration Committee, member of the Appointments and Governance Committee, then Chairman of this Committee since May 2017, Lead Director since May 2017)

Positions or activities outside the Air Liquide Group

- **Chairman and Chief Executive Officer:** L'Oréal*
- **Chairman:** L'Oréal Foundation

Siân HERBERT-JONES

Independent Director

Born in 1960

Nationality: British

Date of first appointment: 2011

End of current term: 2019

913 shares

Career

Holder of a Master of Art degree in History from Oxford University and a graduate from the Institute of Chartered Accountants in England and Wales, Siân Herbert-Jones first practiced for 13 years with the firm of PriceWaterhouseCoopers, in the London office from 1983-1993 in particular in the capacity of Corporate Finance Manager, then in the Paris office from 1993 to 1995 in the capacity of Mergers & Acquisitions Manager. She then joined the Sodexo Group in 1995 in which she was successively in charge of international development from 1995 to 1998 and the Group's Treasury Department from 1998 to 2000 then Deputy Chief Financial Officer in 2000. From 2001 to December 2015, she was Chief Financial Officer; and member of the Executive Committee of the Sodexo Group. Since 2016, she holds several positions within Board of Directors of large companies and also pursues other consulting activities in societal and environmental fields.

Positions and activities held during 2017

Functions within the Air Liquide Group

- **Director:** L'Air Liquide S.A.*
(Chairman of the Audit and Accounts Committee)

Positions or activities outside the Air Liquide Group

- **Director:** Cap Gemini*
(member of the Audit and Risks Committee);
Bureau Veritas* (member of the Appointments and Remuneration Committee until May 2017;
member of the Audit and Risks Committee since May 2017);
Compagnie Financière Aurore Internationale
(Sodexo Group – Belgium)

(a) Renewal of term proposed to the Shareholders' Meeting of May 16, 2018.



Pierre DUFOUR

Director

Born in 1955

Nationality: Canadian

Date of first appointment: 2012

End of current term: 2020

80,610 shares

Career

A graduate of École polytechnique, Montréal University, Stanford University (California) and Harvard University (Massachusetts), Pierre Dufour began his career in 1976 at Lavalin Inc. (now SNC-Lavalin Inc.), a leading engineering contractor in Montreal, Canada. From 1991 to 1997, he was Chief Executive Officer of SNC-Lavalin Inc. Pierre Dufour joined Air Liquide in 1997 as Vice President of Worldwide Engineering before his promotion to Group Industrial Director in 1998, overseeing the technical aspects of Group operations worldwide. In 2000, he was appointed Chairman and Chief Executive Officer of American Air Liquide Holdings Inc., in Houston, Texas and joined Air Liquide Group's Executive Committee. He was appointed Senior Executive Vice President in 2007 and appointed to the Board of Directors in 2012. In charge of the Frankfurt hub since inception in 2014, he is also responsible for the World Business Line Large Industries as well as Engineering & Construction, plus the Asia Pacific region. Since 2016, he is also Chairman of Airgas, Inc. Pierre Dufour has decided to claim his pension entitlement and left his executive positions within the Air Liquide Group by the end of 2017. Pierre Dufour will continue to be a Director of L'Air Liquide S.A.

Positions and activities held during 2017

Functions within the Air Liquide Group

- **Senior Executive Vice President:**
L'Air Liquide S.A.* (until May 2017)
- **Director:** L'Air Liquide S.A. (Chairman of the Environment and Society Committee since May 2017)
- **Chairman of the Board of Directors:** Airgas, Inc. (until March 2017)
- **Director:** Airgas, Inc. (since March 2017)
- **Senior Executive Vice President and Director:**
Air Liquide International (until June 2017)
- **Director:** American Air Liquide Holdings, Inc. (until June 2017), Société d'Oxygène et d'Acétylène d'Extrême-Orient (SOAEO) (until June 2017)
- **Chairman and Director:** American Air Liquide Inc. (until May 2017)
- **Managing Director:** Air Liquide Global Management Services GmbH (until July 2017)

Positions or activities outside the Air Liquide Group

- **Director:** Archer Daniels Midland Company* (member of the Audit Committee and the Compensation / Succession Committee); National Grid plc* (member of the Safety, Environment and Health Committee, Remuneration Committee and Nominations Committee since February 2017)

Sin LENG LOW

Independent Director

Born in 1952

Nationality: Singaporean

Date of first appointment: 2014

End of current term: 2018^(a)

1,371 shares

Career

Sin Leng Low is a graduate of the University of Alberta (Canada) in Electrical engineering, has a Master of Business Administration from the Catholic University of Leuven (Belgium) and completed the Advanced Management Program at Harvard Business School (USA). After spending part of her career in the Singapore government administrative service, Sin Leng Low held the duties of Executive Vice President at electricity provider Singapore Power and Managing Director of its telecommunications subsidiary from 1995 to 2000. In 2000, she joined energy, water, marine and urban development group Sembcorp Industries, where she successively held the positions of Group Chief Operating Officer and Executive Chairman of the subsidiary spearheading the industrialization and urbanization development business in China, Vietnam and Indonesia until end 2012, and Senior Advisor for four years.

Positions and activities held during 2017

Functions within the Air Liquide Group

- **Director:** L'Air Liquide S.A.*
(member of the Audit and Accounts Committee)

Positions or activities outside the Air Liquide Group

- **Member of the Board of Trustees:**
Singapore University of Technology & Design (SUTD)
- **Chairman and Director:**
Nanyang Academy of Fine Arts (NAFA)
- **Chairman:** Nanyang Fine Arts Foundation Limited, NAFA International Pte Ltd
- **Executive Board member:** China Cultural Center

(a) Renewal of term proposed to the Shareholders' Meeting of May 16, 2018.

Annette WINKLER

Independent Director

Born in 1959

Nationality: German

Date of first appointment: 2014

End of current term: 2018^(a)

685 shares

Career

Doctor in Economics from the University of Frankfurt (Germany), Annette Winkler became the Managing Shareholder of a medium-sized construction company. In 1995, she joined the Mercedes-Benz group, where she held a variety of positions and in particular that of Senior Director / Head Public Relations and Communications. After spending two years as Head of the Mercedes-Benz sales and service outlet in Braunschweig, she became Chief Executive Officer of DaimlerChrysler Belgium and Luxembourg (1999-2005), then Vice President of Global Business Management & Wholesale Europe (2006-2010). Vice President of Daimler AG, since 2010 she is Chief Executive Officer of smart (with overall responsibility for the brand, also in charge of the smart factory in Lorraine).

Positions and activities held during 2017

Functions within the Air Liquide Group

- **Director:** L'Air Liquide S.A.* (member of the Remuneration Committee; member of the Appointments and Governance Committee since May 2017)

Positions or activities outside the Air Liquide Group

- **Vice President:** Daimler AG *, head of smart
- **Member of the Counsel** for Foreign Economic Affairs of the German Ministry for Economics

(a) *Renewal of term proposed to the Shareholders' Meeting of May 16, 2018.*

(b) *At a plenary meeting on December 6, 2017, the France Group Committee reappointed Philippe Dubrulle as Director representing the employees for a term of four years expiring at the close of the Shareholders' Meeting held in 2022 to approve the financial statements for the fiscal year ending December 31, 2021.*

Philippe DUBRULLE

Director representing the employees

Born in 1972

Nationality: French

Date of first appointment by the Group Committee in France: 2014

End of current term: 2018^(b)

Career

An engineering graduate from École Supérieure de l'Énergie et des Matériaux, Philippe Dubrulle has held various positions as an engineer, Product Manager and International Sales Manager at several aeronautical groups both in France and abroad. He joined the Air Liquide group in 2008. Based in Sassenage, he is an employee of the subsidiary Air Liquide Advanced Technologies. He is Business Line Manager for "Aeronautical Systems". Philippe Dubrulle was appointed as the Director representing the employees by the Group Committee in France on June 18, 2014^(b). A Member of the French Institute of Directors, he has been a Certified Company Director – ASC France since November 2016.

Positions and activities held during 2017

Functions within the Air Liquide Group

- **Director:** L'Air Liquide S.A.* (member of the Environment and Society Committee since May 2017)
- **Business Line Manager – Aeronautical Systems:** Air Liquide Advanced Technologies

Geneviève BERGER

Independent Director

Born in 1955

Nationality: French

Date of first appointment: 2015

End of current term: 2019

550 shares

Career

With a Ph.D. in physics, holder of a thesis in physics, Doctor of Medicine and with a Ph.D. human biology, Geneviève Berger was Director of the mixed laboratory for parametric imaging CNRS-Broussais Hôtel-Dieu from 1991 to 2000. She was General Manager of the CNRS between 2000 and 2003. She served as University Professor and Hospital Managing Director at La Pitié-Salpêtrière between 2003 and 2008 before joining Unilever as Chief Research and Development Officer from 2008 to 2014. She has been the Head of the research department at the Swiss company Firmenich since July 1, 2015.

Positions and activities held during 2017

Functions within the Air Liquide Group

- **Director:** L'Air Liquide S.A.* (member of the Environment and Society Committee since May 2017)

Positions or activities outside the Air Liquide Group

- **Head of the Research Department:** Firmenich
- **Non-Executive Director and member of the Scientific Committee:** AstraZeneca*



Brian GILVARY

Independent Director

Born in 1962

Nationality: British

Date of first appointment: 2016

End of current term: 2020

619 shares

Career

A British citizen, holder of a PhD in mathematics from the University of Manchester (UK), Brian Gilvary joined BP group in 1986 where he has spent his entire career. Following a variety of roles in the upstream, downstream and trading of the oil and gas business in Europe and the United States, he became the Downstream's Chief Financial Officer and Commercial Director from 2002 to 2005. From 2005 until 2009 he was Chief Executive of the integrated supply and trading function. In 2010 he was appointed Deputy Group Chief Financial Officer with responsibility for the finance function. Brian Gilvary was appointed Chief Financial Officer of BP on January 1, 2012. Having worked in both upstream and downstream, he has a strong experience of BP oil and gas business and a significant expertise of finance and trading.

Positions and activities held during 2017

Functions within the Air Liquide Group

- **Director:** L'Air Liquide S.A.*
(member of the Audit and Accounts Committee since May 2017)

Positions or activities outside the Air Liquide Group

- **Chief Financial Officer and Director:** BP p.l.c.*
- **Director:** BP Capital Markets p.l.c., BP Car Fleet Limited, BP Corporate Holdings Limited, BP Finance p.l.c., BP Global Investments Limited, BP Holdings North America Limited, BP International Limited, BP P.L.C. (Member of the "Results Committee"), The BP Share Plans Trustees Limited
- **Vice Chairman:** the 100 Group Committee
- **Non-Executive Director:** Royal Navy (since January 2017)

Xavier HUILLARD

Independent Director

Born in 1954

Nationality: French

Date of first appointment: 2017

End of current term: 2021

8,467 shares

Career

Xavier Huillard is a graduate of the École polytechnique and the École nationale des ponts et chaussées. He has spent most of his working life in the construction industry in France and abroad. He joined Sogea in December 1996 as Deputy Chief Executive Officer in charge of international activities and specific projects, and then became its Chairman and Chief Executive Officer in 1998. He was appointed Deputy General Manager of VINCI in March 1998 and was Chairman of VINCI Construction from 2000 to 2002. He was appointed Senior Executive Vice President of VINCI and was Chairman and Chief Executive Officer of VINCI Energies from 2002 to 2004, then Chairman of VINCI Energies from 2004 to 2005. Xavier Huillard became Director and Chief Executive Officer of VINCI in 2006 and was appointed Chairman of the Board of Directors and Chief Executive Officer of VINCI on May 6, 2010. He was Chairman of the Institut de l'Entreprise from January 2011 to January 2017. Xavier Huillard is Chairman of Vinci Concessions since June 20, 2016.

Positions and activities held during 2017

Functions within the Air Liquide Group

- **Director:** L'Air Liquide S.A.*
(member of the Remuneration Committee since May 2017)

Positions or activities outside the Air Liquide Group

- **Chairman and Chief Executive Officer:** VINCI*
- **Permanent Representative** of VINCI on the Board of Directors of Aéroports de Paris* (member of the Remuneration, Nomination and Governance Committee)
- **Chairman:** VINCI Concessions SAS
- **Chairman of the Supervisory Board:** VINCI Deutschland GmbH
- **Permanent Representative** of VINCI on the Board of Directors of VINCI Énergies, and of Fabrique de la Cité
- **Permanent Representative** of Snel on the Board of Directors of ASF
- **Permanent Representative** of VINCI Autoroutes on the Board of Directors of Cofiroute
- **Chairman:** Fondation d'entreprise VINCI de la Cité
- **Director:** Kansai Airports
- **Chairman:** Institut de l'Entreprise (until January 25, 2017)
- **Member of the Bureau:** Institut de l'Entreprise (since January 25, 2017)
- **Vice Chairman:** Aurore Association



REMUNERATION OF THE EXECUTIVE OFFICERS

SUMMARY OF THE ELEMENTS OF 2017 REMUNERATION OF THE EXECUTIVE OFFICERS ON WHICH THE SHAREHOLDERS ARE INVITED TO VOTE

The elements of 2017 remuneration are available in the entirety in the 2017 Reference Document (pages 192 et seq.).

ELEMENTS OF REMUNERATION PAID OR AWARDED TO MR BENOÎT POTIER IN RESPECT OF FISCAL YEAR 2017

Fixed remuneration

Amount: €1,275,000

The new remuneration policy applicable to the Chairman and Chief Executive Officer was adopted by the Board of Directors on February 14, 2017 and approved by the Annual Shareholders' Meeting on May 3, 2017 following the acquisition of Airgas, which was a major, transforming event for the Group. It reflects the increased level of responsibility of the Group's Executive Officer and is adapted to the Group's new context, remains competitive and is an incentive to promote the Group's performance over the medium to long-term, in compliance with the Company's interests and the interests of all the stakeholders.

In this context, the fixed remuneration is determined by taking into account the level of responsibility, the experience in the executive management function and market practices. It represents approximately 25% of the total annual remuneration.

In such circumstances, it had been decided to reposition the amount of the fixed remuneration for 2017, which is + 8.5% higher than for 2016. Over the last five years, Benoît Potier's fixed remuneration has seen an annual average increase of +3%.

Variable annual remuneration

Amount: €1,950,750

The target variable remuneration represents 150% of the fixed remuneration and is limited to 167% of the fixed remuneration.

The variable remuneration is linked in 2017:

- for 105% of the fixed remuneration (with a maximum of 122% of the fixed remuneration), to **three financial criteria (quantifiable)** and
- for 45% of the fixed remuneration (target variable and maximum remuneration), to **personal criteria (qualitative)**.

Assessment for 2017

With regard to the financial criteria, the results in 2017 were above the target set for the criterion of recurring EPS and close to the target set for the ROCE and the growth in consolidated revenue criteria. The amount of the variable remuneration in respect of these criteria is as follows:

- Recurring EPS: 47% of the fixed remuneration (117.5% of the target remuneration for this criterion),
- ROCE: 43.7% of the fixed remuneration (97% of the target remuneration for this criterion),
- Revenue: 19.6 % of the fixed remuneration (98% of the target remuneration for this criterion).

The performance, with regard to the **personal criteria**, was considered to be excellent. The amount of the variable remuneration for these criteria is as follows:

- Integration of Airgas, CSR, Organization/Human resources: 27.8% of the fixed remuneration (92.5% of the target remuneration for this criterion),
- Individual performance: 15% of the fixed remuneration (100% of the target remuneration for this criterion).

In total, the variable remuneration with regard to the personal objectives amounts to 42.75% of the fixed remuneration (95% of the target remuneration for these objectives).

When assessing performance with regard to personal criteria, the Board of Directors noted the following:

- **Integration of Airgas and synergies:** the integration of operations is completely finalized and a shared organization, supported by integrated systems, is now in place. The Air Liquide processes are also gradually implemented at Airgas (in particular safety, human resources policy and Research and Development).

Airgas synergies represent 215 million US dollars cumulatively since the acquisition of Airgas in May 2016 and 170 million US dollars in 2017 alone - 40 million more than initial objectives.

- **CSR:** in 2017, with regard to safety, lost-time accidents were reduced in terms of their frequency (drop from 1.76 in 2016 to 1.61 in 2017) and in terms of their number (drop from 229 in 2016 to 198 in 2017). A significant drop in the number of accidents has been noted at Airgas, together with a drop in the number of business-related and process related incidents.

Moreover, the Environment and Society Committee is now in place and has already met on two occasions during the second half of 2017. It is responsible for the deployment of the Corporate Sustainability Program, and tackles those issues which are a priority for Air Liquide: energy transition and development of chronic diseases. Quantitative objectives linked to the climate are in the process of being drawn up, a task force having been set up for this purpose. Moreover, Benoit Potier is Co-Chair of the Hydrogen Council created in January 2017. First global initiative of its kind, the Hydrogen Council is determined to position hydrogen among the key solutions of the energy transition; it was represented at the COP23 and the One Planet Summit. An investor day was organized in September in New York.

- **Organization/Human Resources:**
 - Implementation of organizational changes in the management teams: following the recent retirements of Pierre Dufour, Senior Executive Vice President, and Jean-Pierre Duprieu, Executive Vice President, three Executive Vice Presidents and two new Company Directors were appointed on July 1, 2017. The method of operational management was also changed in mid-2017 in order to promote interaction and to allow for more agility in decision-making; it proved to be successful right from the 2nd part of the year. In line with these changes, succession plans have been determined.
 - A program dedicated to young managers who show potential is in place and ensures their advancement within the organization. For the last few years, more employees have been involved with the Company's long-term objectives through the performance share program.
- **Individual performance:** the year 2017, which saw an improvement in the macro-economic climate, was also marked by continued geopolitical uncertainty (which affected the Group's activities, particularly in Eastern Europe and the Middle East) and an unfavourable foreign exchange impact for the year (which affected the Group, in particular as a result of the consolidation of activities in the USA). Against this background, the individual performance of Benoit Potier was considered to be excellent. Moreover, was emphasised the strong commitment of Benoit Potier to long-term investments (development of the Hydrogen Energy business, Group innovation in particular through the renewal of the research centers).

In total, the amount of the variable remuneration represents 153% of the fixed remuneration (compared to a target of 150% and a maximum of 167%), which is 55.1% higher than the variable remuneration for 2016. This variation can be explained by the fact that, although the variable remuneration for 2017 is on target in light of the 2017 results, on the contrary in 2016, the results obtained were lower than the objectives and the amount of the variable remuneration decreased by -24% as compared to the amount of the variable remuneration for 2015, which led to a mechanical (but non-significant) increase of the variable remuneration between 2016 and 2017.

As an annualized average, Benoit Potier's variable remuneration increased by +4% over 3 years, by +3.4% over 5 years and by +3.2% over 10 years.

The total amount of the variable remuneration due for the 2017 fiscal year in respect of the term of office will be paid in 2018, after approval of the financial statements by the Annual Shareholders' Meeting it being noted that its payment is conditional on approval by an Annual Shareholders' Meeting of the elements of Benoit Potier's remuneration for 2017, under the conditions provided by article L. 225-100 of the French Commercial Code.

There is no deferred annual variable remuneration, multi-annual variable remuneration mechanism or exceptional remuneration.

Stock options, performance shares or any other element of long-term remuneration

September 20, 2017 plans (stock options and performance shares)

23,100 stock options - accounting valuation of the options (according to IFRS2): €424,809

17,980 performance shares - accounting valuation of the performance shares (according to IFRS2): €1,675,017

Performance conditions

The stock options and performance shares awarded are all accompanied by performance conditions which are common to both tools and are calculated over three years:

- Recurring EPS;
- TSR, including an element of relative comparison.

Directors' fees

Benoit Potier does not receive any Directors' fees with regard to his term of office as Director.

Other benefits

Amount: €10,338

The benefits in kind (accounting valuation) include the use of a company car and the payment of contributions to a third party in respect of the unemployment insurance for company managers and corporate officers.

Termination indemnity

€0 received

Supplementary pension plans

Collective life insurance plan

Collective death and disability benefits plan

(regulated agreements and commitments)

— REMUNERATION OF THE EXECUTIVE OFFICERS —

ELEMENTS OF REMUNERATION PAID OR AWARDED TO MR PIERRE DUFOUR IN RESPECT OF FISCAL YEAR 2017

Since Pierre Dufour had decided to claim his pension entitlements, his term of office as Senior Executive Vice President of L'Air Liquide S.A. came to an end at the close of the Annual Shareholders' Meeting on May 3, 2017. His term of office as managing director of the German subsidiary ALGMS came to an end on July 14, 2017. The fixed and variable remuneration and the other elements of his remuneration are calculated pro rata the amount of time he worked in 2017.

Fixed remuneration	<p>Amount: €320,663 (pro rata the amount of time he worked)</p> <p>The fixed remuneration is determined by taking into account the level of responsibility, the experience in the executive management function and market practices.</p> <p>On an annual basis, the amount of Pierre Dufour's fixed remuneration is 675,000 euros, i.e. an amount that is unchanged when compared to 2016.</p>
Variable annual remuneration	<p>Amount: €436,981 (pro rata the amount of time he worked)</p> <p>The variable remuneration is limited to 140% of the fixed remuneration.</p> <p>The variable remuneration is linked in 2017:</p> <ul style="list-style-type: none"> ● for 85% of the fixed remuneration, to two financial criteria (quantifiable), and ● for 55% of the fixed remuneration, to personal objectives (quantitative). <p>Assessment for 2017</p> <p>With regard to the financial criteria, the results were above the objective set for the criterion of recurring EPS and almost met the objective set for the ROCE. The amount of the variable remuneration of Pierre Dufour in respect of these criteria is as follows:</p> <ul style="list-style-type: none"> ● Recurring EPS: 50% of his fixed remuneration, ● ROCE: 34% of his fixed remuneration. <p>The performance, with regard to the personal criteria, was considered to be excellent. The amount of the variable remuneration for these criteria represents 52.3% of Pierre Dufour's fixed remuneration.</p> <p>When assessing performance with regard to personal criteria, the Board of Directors noted the following:</p> <ul style="list-style-type: none"> ● Integration of Airgas and synergies: the integration of operations is completely finalised and a shared organization, supported by integrated systems, is now in place. The Air Liquide processes are also gradually implemented at Airgas (in particular safety, human resources policy and Research and Development). Airgas synergies represent 215 million US dollars cumulatively since the acquisition of Airgas in May 2016 and 170 million US dollars in 2017 alone - 40 million more than initial objectives. ● CSR: in 2017, with regard to safety, lost-time accidents were reduced in terms of their frequency (drop from 1.76 in 2016 to 1.61 in 2017) and in terms of their number (drop from 229 in 2016 to 198 in 2017). A significant drop in the number of accidents has been noted at Airgas, together with a drop in the number of business-related and process-related incidents. Moreover, the Environment and Society Committee is now in place and has met on two occasions during the second half of 2017. It is responsible for the deployment of the Corporate Sustainability Program, and tackles those issues which are a priority for Air Liquide: energy transition and development of chronic diseases. Quantitative objectives linked to the climate are in the process of being drawn up, a task force having been set up for this purpose. ● Organization/Human Resources: <ul style="list-style-type: none"> - Implementation of organizational changes in the management teams: three Executive Vice Presidents and two new Company Directors were appointed on July 1, 2017. The method of operational management was also changed in mid-2017 in order to promote interaction and to allow for more agility in decision-making; it proved to be successful right from the 2nd part of the year. In line with these changes, succession plans have been determined. - A program dedicated to young managers who show potential is in place and ensures their advancement within the organization. For the last few years, more employees have been involved with the Company's long-term objectives through the performance share program. ● Individual performance: the year 2017, which saw an improvement in the macro-economic climate, was also marked by continued geopolitical uncertainty (which affected the Group's activities, particularly in Eastern Europe and the Middle East) and an unfavourable foreign exchange impact for the year (which affected the Group, in particular as a result of the consolidation of activities in the USA). Against this background, the individual performance of Pierre Dufour was considered to be excellent.



In total, the amount of the variable remuneration represents 136.25% of the fixed remuneration (compared to a maximum of 140%), which is 63.1% higher than the variable remuneration for 2016 (on an annual basis for 2017). This variation can be explained by the fact that, although the variable remuneration for 2017 meets the objectives set in light of the 2017 results, on the contrary in 2016, the results obtained were lower than the objectives and the amount of the variable remuneration decreased by -24% as compared to the amount of the variable remuneration for 2015, which lead to a mechanical (but non-significant) increase of the variable remuneration between 2016 and 2017.

As an annualized average, Pierre Dufour's variable remuneration increased by +6.8% over 3 years and by +4.8% over 5 years.

The variable remuneration due for the 2017 fiscal year in respect of the term of office as Senior Executive Vice President (pro rata the amount of time he worked in the fiscal year) will be paid in 2018, after approval of the accounts by the Annual Shareholders' Meeting, it being noted that its payment is conditional on approval by an Ordinary General Meeting of the elements of remuneration of the Senior Executive Vice President for 2017, under the conditions provided by article L. 225-100 of the French Commercial Code.

There is no deferred annual variable remuneration, multi-annual variable remuneration mechanism or exceptional remuneration.

Stock options, performance shares or any other element of long-term remuneration	No grant to Pierre Dufour Since Pierre Dufour's term of office came to an end in 2017, he was not granted any stock options or performance shares under the 2017 plans.
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Directors' fees	Pursuant to the Group's internal practice, Pierre Dufour did not receive any directors' fees up until the end of his executive duties in the Group on July 14, 2017.
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Other benefits	Amount: €5,444 The benefits in kind (accounting valuation) include the use of a company car during the time he worked in 2017. Amount: €195,588 Pierre Dufour, who was responsible for the management of the Frankfurt hub, also received an annual amount paid by the German subsidiary which included, in particular, for approximately half, an amount corresponding to the benefits in kind (housing) (paid pro rata the amount of time he worked in 2017) which he previously benefitted from under his employment contract in France. The amount stated above also includes 60,667 euros, which corresponds to the balance of paid leave which had not yet been used by Pierre Dufour on the expiry of the service agreement entered into with the German subsidiary ALGMS.
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Termination indemnity:	€0 received
Non-competition indemnity	
Supplementary pension plans:	€0 received from the company
Collective life insurance plan	
Collective death and disability benefits plan (regulated agreements and commitments)	

SUMMARY OF THE PRINCIPLES AND CRITERIA FOR THE DETERMINATION, ALLOCATION AND DISTRIBUTION OF THE FIXED, VARIABLE AND EXCEPTIONAL ELEMENTS WHICH MAKE UP THE TOTAL REMUNERATION AND THE BENEFITS OF ANY KIND WHICH MAY BE GRANTED TO THE EXECUTIVE OFFICERS

The principles and criteria established in compliance with Article L. 225-37-2 of the French Commercial Code are described in their entirety in the Reference Document 2017 (pages 201 et seq.).

The new remuneration policy, approved by the Annual Shareholders' Meeting on May 3, 2017, was adopted following the acquisition of Airgas, which was a major, transforming event for the Group. It reflects the increased level of responsibility of the Group's Executive Officers and is adapted to the Group's new context, remains competitive and is an incentive to promote the Group's performance over the medium to long-term, in compliance with the Company's interests and the interests of all the stakeholders.

This remuneration policy, which is applicable to the Chairman and Chief Executive Officer, applies whether the Group's senior Executive Officer is the Chairman and Chief Executive Officer or, should circumstances so require, the Chief Executive Officer of the Company. In such circumstances, a Chairman not holding the duties of Chief Executive Officer would receive fixed remuneration to the exclusion of any variable remuneration.

Furthermore, if such a situation were to arise, the remuneration policy applicable to a Senior Executive Vice President would be determined on the basis of the policy applicable to a Chief Executive Officer of the Company, after taking account, however, of the difference in the level of responsibility, consistent with the earlier practices applied at the Company for this type of Executive Officer.

1. In keeping with the remuneration policy defined in 2017, the structure of the total annual remuneration is as follows:

- the variable remuneration and the combined elements of long-term incentive (or "LTI") continues to represent approximately 75% of the total annual remuneration. Accordingly, the fixed remuneration represents approximately 25%, the variable remuneration 35% and the LTI 40% of the total remuneration (slightly greater weight given to the LTI);
- to maintain unchanged the structure of the annual variable part of remuneration, while making certain improvements to take account of the remarks made by certain shareholders. Accordingly:
 - the variable remuneration continues to be expressed as a target variable remuneration (150% of the fixed remuneration) and also as a maximum (167% of the fixed remuneration);

- there are three quantifiable criteria including the growth in revenue and the ROCE, which are part of the strategic objectives for the NEOS Plan,
- a greater relative weight is still given to the quantifiable criteria as compared to the qualitative criteria,
- a weight is now allocated to each of the qualitative criteria, in order to take account of the expectations of certain shareholders,
- each quantifiable criterion is assigned a target weighting corresponding to 100% achievement of the target objective set at the beginning of the year, and a maximum weighting,
- the rate of achievement of the objectives for the variable remuneration as a % of the fixed remuneration and, hence as a % of the target variable remuneration for this criterion, will be communicated ex post.

Finally, following the remarks made by certain shareholders, the Board meeting in February 2018 decided, for the LTI, to introduce for any Executive Officer, in the event of his departure (other than resignation or removal from office for serious cause which are events of loss of the LTI) between the initial allocation and the expiry of the period of assessment of the performance conditions, the principle of a proration on the basis of his actual presence. This rule, which makes it possible to justify with precision the percentage of LTI granted in respect of the period of presence, replaces the previous practice of not allocating any LTI in the year prior to retirement. As before, no allocation is granted in the year of departure. Accordingly, the total rate of allocation (after applying the performance conditions) is reduced on a prorated basis to the number of months during which the Executive Officer was effectively present at the Group during the period of assessment of the performance criteria.

2. Implementation for determination of the 2018 remuneration

2.1. Fixed remuneration

Fixed remuneration is determined based on the level of responsibility and experience in the executive management function and current market practices.

The fixed remuneration will represent approximately 24% of the total target annual remuneration.

— REMUNERATION OF THE EXECUTIVE OFFICERS —

2.2. Variable remuneration

The 2018 variable remuneration is as follows:

Criteria	Target		Maximum	
	As a % of the fixed remuneration	As a % based on 100	As a % of the fixed remuneration	As a % based on 100
Financial criteria (quantifiable)				
Recurring EPS	40	26.7	47	28.1
ROCE	45	30	52	31.1
Revenue	20	13.3	23	13.8
Sub-total	105	70	122	73
Personal criteria (qualitative)				
CSR (Safety and reliability / Deployment of the Corporate Sustainability Program)	15	10	15	9
Organization / Human Resources	15	10	15	9
Individual performance	15	10	15	9
Sub-total	45	30	45	27
TOTAL	150	100	167	100

These objectives are not made public for confidentiality reasons. Nonetheless, the rates of achievement of the objectives for the variable remuneration as a % of the fixed remuneration and, hence, as a % of the target remuneration for this criterion, will be communicated ex post.

2.3. Other components of annual remuneration

The benefits in kind paid include the use of a company car as well as contributions to the unemployment insurance for company managers and corporate officers.

In accordance with the Group's internal practice, the Chairman of the Board of Directors, like any other corporate officer, does not receive any Directors' fees, if he holds executive duties at LAir Liquide S.A.

2.4. Long-term remuneration components

- The Board is continuing with the policy initiated in 2015 aimed at giving preference to performance shares rather than stock options in the volumes granted. The award of performance shares and the grant of stock options to the executive officers and the changes therein over time will be assessed in terms of the IFRS value (and no longer in terms of the volumes granted), for all stock option and performance share plans combined.
- All the stock options and performance shares granted are subject to performance conditions that apply to both the stock option and performance share plans and are calculated over a period of three years and to a presence/continued employment requirement.
- Within the scope of the sublimits authorized for 38 months by the Annual Shareholders' Meeting, the Board of Directors sets significantly lower annual limits for the grants to the executive officers, expressed (i) as a percentage of the share capital, and for each executive officer (ii) as a multiple of their remuneration, in accordance with the recommendations of the AFEP/MEDEF Code, it being noted that in accordance with the 2018 remuneration policy referred to above, the grant of LTI represents approximately 40% of the Executive Officer's total annual remuneration.

3. Other remuneration components

The Board of Directors takes into account, in the overall assessment and determination of the Executive Officers' remuneration, the

other elements of remuneration submitted for the approval of the Annual Shareholders' Meeting within the scope of the regulated agreements and commitments procedure.

As provided by law, at the time of the renewal of his term of office as Chairman and Chief Executive Officer, two regulated commitments relating to Benoît Potier must, be subject to a vote by the Shareholders' Meeting:

- **Termination indemnity:** the Board of Directors has modified the termination indemnity to which Mr Benoît Potier may be entitled, taking into account the remarks of certain shareholders:
 - The termination indemnity will thus be due in the case of forced departure (removal from office, request for resignation) related to a change of strategy or a change in control. In the event of the latter, the termination indemnity will only be due if the departure takes place within six months, versus 24 months previously.
 - The termination indemnity, capped at 24 months of gross fixed and variable remuneration, is subject to performance conditions using a scale based on the average annual difference between Return On Capital Employed (ROCE) after tax and Weighted Average Cost of Capital (WACC) over three years, the thresholds for increases having been made more exacting than before. The amount of the termination indemnity decreases gradually during the two years prior to the age limit of Executive Officers defined in the Company's articles of association.
- **Defined benefit pension scheme:** in response to the requirements of the 2015 Macron law, the Board of Directors decided to subject the increase in conditional rights allocated to Benoît Potier with effect as of the renewal of his term of office by this Shareholders' Meeting to performance conditions similar to those for the abovementioned termination indemnity.

These agreements are included in the Statutory Auditors' Special Report on regulated agreements and commitments (see 2017 Reference Document p. 335 et seq. and the Company's website).

FURTHER INFORMATION ON THE REMUNERATION OF EXECUTIVE OFFICERS

Summary of remuneration and stock options and performance shares granted to each Executive Officer

<i>(in thousands of euros, rounded off)</i>	2015	2016	2017
Benoît Potier – Chairman and Chief Executive Officer:			
Remuneration due in respect of the fiscal year	2,757	2,443	3,236
Value of stock options granted during the fiscal year	893	619	425
Value of performance shares granted during the fiscal year:			
■ Annual Plan	935	1,275 ^(a)	1,675
■ July 29, 2016 “Airgas” Plan	N/A	1,495	N/A
TOTAL	4,585	5,832	5,336
Pierre Dufour – Senior Executive Vice President: ^(b)			
Remuneration due in respect of the fiscal year	1,653	1,498	959
Value of stock options granted during the fiscal year	509	N/A	N/A
Value of performance shares granted during the fiscal year:			
■ Annual Plan	533	N/A ^(a)	N/A
■ July 29, 2016 “Airgas” Plan	N/A	747	N/A
TOTAL	2,695	2,245	959

(a) November 29, 2016 plan.

(b) Pierre Dufour has decided to claim his pension entitlements in 2017 and his terms of office of Senior Executive Vice President and of Managing Director of the German subsidiary ALGMS came to an end respectively on May 3 and July 14, 2017. His fixed and variable remuneration and the other elements of his remuneration for 2017 depend upon the amount of time he worked in 2017. Furthermore, Pierre Dufour was not granted any performance shares or stock options in 2017.

Further Cautionary note regarding forward-looking statements

This document contains information on the Group's prospects, objectives and trends for growth. These forward-looking statements can be identified by the use of the future tense, conditional or of forward-looking terms such as "consider", "intend", "anticipate", "believe", "estimate", "plan", "expect", "think", "aim", or, as the case may be, the negative of these words, or any other terms with a similar meaning. This information is not based on historical data and should not be considered as a guarantee that the prospects and objectives described will be achieved. These statements are based on data, assumptions and estimates considered reasonable by the Group as of the date of this document. They may be affected by known or unknown risks, uncertainties and other factors which might impact future results, performances and achievements of the Group in a way that is substantially different from the objectives described. This information might therefore change due to uncertainties relating notably to the economic, financial, competitive and regulatory environment or due to the occurrence of certain risks described in Chapter 1 of the Reference document. This information is given solely as of the date of this Reference document. All forward-looking statements contained in this Reference document are qualified in their entirety by this cautionary note.

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Air Liquide - Company established for the study and application of processes developed by Georges Claude
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