

## Combined Ordinary and Extraordinary General Meeting of Shareholders on May 31, 2017

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### Report

The Combined Ordinary and Extraordinary General Meeting of Shareholders was held on May 31, 2017, chaired by Chairman and Chief Executive Officer, Mr. Gilles Schnepf.

#### **I. Value-creating business model attentive to all stakeholders, solid integrated performance and 2016 targets fully met, compensation and governance**

At the Combined Ordinary and Extraordinary General Meeting of Shareholders, Chairman and Chief Executive Officer, Gilles Schnepf, presented Legrand's development model, based on organic growth, driven by innovation, and external growth, driven by acquisitions that enable the Group to strengthen its market positions, and with them its profitability and capacity to generate high free cash flow and thus create long-term value.

Gilles Schnepf also showed how this value creation has benefited all Group stakeholders, including (i) customers, through the development of innovative products with greater value in use, notably through the Eliot program; (ii) suppliers selected under a philosophy of responsible purchasing and partnership; (iii) employees, whose development is promoted by the Group in France and abroad; and (iv) shareholders, who benefit from Legrand's stockmarket performance, as well as lenders that accompany the Group's development; states and civil society, where in particular the Legrand Foundation contributes.

Antoine Burel, Chief Financial Officer, presented the Group's 2016 integrated performance, which fully met both financial and CSR<sup>1</sup> targets for the year. More specifically, the year 2016 saw a rise in profitable growth for the Group, driven in part by accelerated pace of acquisitions. Antoine Burel also presented results for the first quarter of 2017, which showed sustained growth in sales and a rise in both adjusted operating profit and net income excluding minority interests.

Philippine Declercq, Social Responsibility Director, commented on 2016 non-financial performance, and in particular that it had exceeded the targets set in the CSR roadmap. She also presented the Group's CSR policy achievements, which was recognized by the CSR Award at Capitalcom's 2016 Annual General Meeting Grand Prix.

Then Gilles Schnepf detailed the Group's risk management mechanism, with a special presentation on risks linked to digitalization.

Lastly, Angeles Garcia Poveda, Lead Director and Chairwoman of the Compensation Committee and of the Nominating and Governance Committee, presented the components of compensation for Chairman and Chief Executive Officer and also information on Group governance.

Regarding compensation, Ms. Garcia Poveda first explained the principles underlying Legrand's compensation policy, showing that profitable growth and long-term value creation are at its core. She then detailed the components of Gilles Schnepf's compensation in respect of 2016 and the components of Chairman and Chief Executive Officer's compensation in respect of 2017, which will be submitted to shareholders' vote.

On governance, Ms. Garcia Poveda commented the composition of the Board of Directors and its evolution, underscoring the varied and complementary skills of its members. She also presented the formal process that she and the Nominating and Governance Committee use to evaluate the Board of Directors and its specialized committees and which helps them to improve their operations.

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<sup>1</sup> Corporate Social Responsibility

## II. Key outcomes of the Combined Ordinary and Extraordinary General Meeting

All resolutions submitted to shareholders by the Board of Directors were approved by a large majority.

In particular, the shareholders at the General Meetings voted to renew the directorship of **Ms. Annalisa Loustau Elia** for a four-year term. Ms. Elia is also a member of the Compensation Committee.

As a result, out of a total of ten members, the Board of Directors is composed of:

- **Seven independent directors**, i.e., a ratio of 70%, which exceeds the minimum ratio of 50% recommended by the Afep-Medef Code of Corporate Governance;
- **Five women**, i.e., a proportion of 50%, which exceeds the provisions of the French Commercial Code (40% as from 2017) and the recommendations of the Afep-Medef Code of Corporate Governance (40% as from 2016);
- **Four nationalities**: Chinese, French, Italian and Spanish.

The composition of the Board of Directors thus reflects a variety of talents, nationalities and culture, in line with the diversity policy advocated by the Group.

Shareholders' General Meeting also approved the distribution of a €1.19 per-share dividend in respect of 2016, to be paid under the same conditions as those applying the previous two years, i.e., based on the number of shares outstanding at April 30, 2017, taken from:

- distributable income<sup>1</sup> in an amount of €0.79<sup>2</sup> per share on the one hand and
- the "issue premium" account in an amount of €0.40<sup>2</sup> per share on the other.

Shares will go ex-dividend on June 2, 2017 and dividends will be paid on June 6, 2017.

All presentations made at the Combined Ordinary and Extraordinary General Meeting, results of votes, and rebroadcasts of the entire General Meeting are available on the Legrand website: [www.legrand.com](http://www.legrand.com), under *Investors-shareholders/ Shareholder's corner/ 2017 General Meeting*

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<sup>1</sup> Based on adjusted net income excluding minority interests. Adjusted net income excluding minority interests does not take into account the favorable non-recurring accounting impact of a tax income generated by the mechanical revaluation of deferred tax liabilities on trademarks that resulted from the announcement of reductions in the corporate income tax rate, mainly in France. This €61.2m tax income is adjusted as it has no cash impact, and bears no relationship to the Group's performance.

<sup>2</sup> Indicative split released for informative purposes only and likely to be amended, depending on the change in number of shares entitling their holders to the distribution by the payment date.

### Key financial dates

- Ex-dividend date: **June 2, 2017**
- Dividend payment: **June 6, 2017**
- 2017 first-half results: **July 31, 2017**  
“Quiet period<sup>1</sup>” starts July 3, 2017
- 2017 nine-month results: **November 7, 2017**  
“Quiet period<sup>1</sup>” starts October 7, 2017

### Latest publications:

- On **March 31, 2017**, Legrand filed its Registration Document with AMF and published its second integrated report

### ABOUT LEGRAND

*Legrand is the global specialist in electrical and digital building infrastructures. Its comprehensive offering of solutions for commercial, industrial and residential markets makes it a benchmark for customers worldwide. Drawing on an approach that involves all teams and stakeholders, Legrand is pursuing its strategy of profitable and sustainable growth driven by acquisitions and innovation, with a steady flow of new offerings—including Eliot\* connected products with enhanced value in use. Legrand reported sales of more than €5 billion in 2016. The company is listed on Euronext Paris and is a component stock of indexes including the CAC 40, FTSE4Good, MSCI World, Corporate Oekom Rating, DJSI World, Vigeo Euronext Eurozone 120, Europe 120-France 20 and World 120, and Ethibel Sustainability Index Excellence.*

*(code ISIN FR0010307819).*

<http://www.legrand.com>



*\*Eliot is a program launched in 2015 by Legrand to speed up deployment of the Internet of Things in its offering. A result of the group's innovation strategy, Eliot aims to develop connected and interoperable solutions that deliver lasting benefits to private individual users and professionals.*

[http://www.legrand.com/EN/eliot-program\\_13238.html](http://www.legrand.com/EN/eliot-program_13238.html)

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<sup>1</sup> Period of time when all communication is suspended in the run-up to publication of results.