



## APPENDIX 2

### Management report of the Board of Directors on March 20, 2018 to the Annual General Meeting scheduled on May 30, 2018

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#### 1 – BUSINESS IN THE YEAR ENDED DECEMBER 31, 2017

##### 1.1 Highlights of the year

On July 6, 2017, Legrand launched two bond issues in an amount totalling €1 billion.

On October 10, 2017, Legrand launched a third bond issue in an amount of €400 million.

##### 1.2 Revenues and earnings in 2017

Revenues amounted to €17.6 million, for providing services within the Group.

Other operating income amounted to €4.9 million in the year to December 31, 2017.

Operating expense amounted to €22.1 million in the year to December 31, 2017, compared with €16.5 million in the year to December 31, 2016.

At December 31, 2017, operating profit was €0.4 million, compared with €2.3 million in the year to December 31, 2016.

Net interest and other financial items for 2017 represented income amounting to €204.1 million, compared with €199.6 million in the year to December 31, 2016. This variation resulted primarily from the interest related to bond issues.

Net exceptional items represented a profit of €1.2 million at December 31, 2017, compared with a loss of €4.2 million in the year to December 31, 2016. This variation in net exceptional items resulted mainly from the absence of buyback of shares in the context of performance share allocation plans benefiting employees based outside France.

Tax income booked in an amount of €41.5 million represents the surplus of tax paid by subsidiaries within the tax consolidation group, plus the reimbursement of dividend tax paid for years preceding 2017 in an amount of €26.8 million.

Net income for the year to December 31, 2017 amounted to €247 million.

##### 1.3 Debt

The Company's debt position is summarized in Appendix 1.

The Company's debt in 2017 was up compared to 2016.

##### 1.4 Management of financial risk

Management of these risks is described in chapter 3 of the Company's Registration Document and in note 5.1 to the consolidated financial statements, which appear in chapter 8 of this Registration Document.

##### 1.5 Business of the Group

Information on the business of the Group is presented in chapter 5 of the Company's Registration Document.

##### 1.6 Employment competitiveness tax credit

Amounts received in 2017 in respect of the 2016 employment competitiveness tax credit scheme (CICE) were allocated to funding costs related to prospecting for new markets.

#### 2 – PRINCIPAL RISKS AND UNCERTAINTIES FACED BY THE COMPANY

Risks and related Group policies are presented in chapter 3 of the Company's Registration Document.

#### 3 – RESEARCH AND DEVELOPMENT

Nil.

#### 4 – SUSTAINABLE DEVELOPMENT

Information on the Group's labour policy, environmental policy and social responsibility commitments is presented in chapter 4 of the Company's Registration Document.

#### 5 – SIGNIFICANT EVENTS SUBSEQUENT TO THE CLOSE OF THE FINANCIAL YEAR

In anticipation of redemption on March 21, 2018 of the €400 million bond issue launched on March 10, 2011, Legrand launched a new bond issue in an amount totalling €400 million with a maturity date set at March 6, 2026.

## 6 – FORESEEABLE DEVELOPMENTS AND OUTLOOK

Operating conditions and finances should be much the same in 2018 as in 2017.

## 7 – EXISTING BRANCHES

Nil.

## 8 – APPROPRIATION OF EARNINGS

We propose that the Company's earnings of €247,048,335.96 in respect of the financial year to December 31, 2017 be appropriated as follows:

- with the legal reserve exceeding company share capital by 10%, it is proposed to allocate the excess portion of €208,649.20 to "other reserves";
- reserves unavailable for treasury shares to be lowered by an amount of €674,840.26 in order to adjust it downwards to €2,714,151.67;
- the amount thus deducted from reserves unavailable for treasury shares to be appropriated to "other reserves".

In view of the above, we propose to distribute a dividend to shareholders amounting to €1.26 per share, making a total amount of €336,118,384.98 on the basis of the number of shares making up capital stock at December 31, 2017 and after deduction of treasury shares held at this date, it being specified that the share of the amount thus distributed exceeding the amount of distributable income shall be deducted in an amount of €883,489.46 from "other reserves" and for the remaining amount, *i.e.* €88,186,559.56, from the "issue premium" account.

In the event of a change before the dividend payment date in the number of shares entitling holders to a dividend, the overall amount of dividend and the amount deducted from issue premiums would both be adjusted accordingly.

No dividends will be due on any shares that may be held by the Company itself or that have been cancelled before the dividend payment date.

The dividend of €1.26 per share would be subject to two separate taxation schemes for individual shareholders residing in France:

- in the amount of €0.93<sup>(1)</sup> the dividend paid would be considered as taxable income subject to a 12.8% flat-rate income tax or, by global and irrevocable option to be exercised in the income tax declaration and no later than the time limit for said declaration, to sliding-scale income tax, and eligible, in this case, for individual shareholders residing in France, for the 40%

exemption provided for under Article 158-3-2 of the French Tax Code (*Code général des impôts*). This portion of dividend is, in principle, subject to a non-definitive flat-rate tax of 12.8% on its gross amount, excluding social security contributions, said levy being attributable to income tax on revenue received during the 2018 fiscal year. However, under article 117 *quater* of the French tax code, "natural persons belonging to a tax household whose reference fiscal income for the penultimate year, as defined in article 1417, section 4, sub-section 1, is less than €50,000 for taxpayers who are single, divorced or widowed or less than €75,000 for taxpayers subject to joint taxation, may request exemption from this levy". Such persons should, on their own initiative, submit a request for exemption according to the conditions set out in article 242 *quater* of the French tax code. This portion of dividend is also subject to a withholding tax of 17.2% for social security contributions as well as, for taxpayers whose reference fiscal income exceeds certain thresholds, to an exceptional levy on high incomes at a rate of either 3% or 4%, pursuant to article 223 *sexies* of the French tax code;

- in the amount of €0.33<sup>(1)</sup>, the dividend payment deducted from the "issue premium" account would be considered as a repayment of paid-in capital within the meaning of article 112-1 of the French Tax Code, therefore non-taxable for individual shareholders residing in France; it would however reduce the fiscal share price by the amount of €0.33 per share.

The tax-related items of information presented here are those applicable at the time of drafting this report. In the event of a significant change in the relative portions per share of the amount considered as income taxable according to the terms outlined above and the amount considered as repayment of paid-in capital, for instance due to a change in the number of treasury shares held at the ex-dividend date, additional information will be issued by the Company. As a general rule, shareholders are invited to consult their usual advisers as to applicable taxation schemes.

## 9 – EARNINGS OVER THE PAST FIVE YEARS

In accordance with Article R. 225-102 of the French Commercial Code (*Code de commerce*), we inform you of the Company's earnings over the past five years.

For the sake of clarity, this information is presented in a table (Appendix 2).

## 10 – DIVIDENDS

In accordance with the provisions of Article 243 *bis* of the French Tax Code, we inform you of the dividends made payable over the past three years.

(1) This breakdown is given for information purposes only and may be modified according to the number of shares entitling to dividend between now and the dividend payment date.



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Dividends distributed in respect of 2014, 2015 and 2016 financial years were as follows:

Financial year	Shares with dividend entitlement	Net dividend per share	Earnings distributed per share	
			Eligible for the 40% income-tax exemption provided for under Article 158-3-2 of the French Tax Code	Not eligible for the 40% income-tax exemption provided for under Article 158-3-2 of the French Tax Code
2014	266,480,956 shares with a par value of €4	€1.10*	€0.93	€0
2015	267,006,775 shares with a par value of €4	€1.15**	€0.72	€0
2016	266,508,331 shares with a par value of €4	€1.19***	€0.79	€0

\* A share of €0.17 of the dividend distributed in respect of the 2014 financial year being considered for tax purposes as a repayment of paid-in capital according to the terms of article 112-1-1 of the French Tax Code, this amount is not considered as distributed earnings.

\*\* A share of €0.43 of the dividend distributed in respect of the 2015 financial year being considered for tax purposes as a repayment of paid-in capital according to the terms of article 112-1-1 of the French Tax Code, this amount is not considered as distributed earnings.

\*\*\* A share of €0.40 of the dividend distributed in respect of the 2016 financial year being considered for tax purposes as a repayment of paid-in capital according to the terms of article 112-1-1 of the French Tax Code, this amount is not considered as distributed earnings.

### 11 – NON-TAX-DEDUCTIBLE EXPENSES

Non-deductible expenses for financial year 2017, excluding items carried over from prior years, came to €32,447, including €7,560 related to the tax on corporate vehicles (*Taxe sur les Véhicules de Tourisme et Société*) and €24,887 related to rental income and vehicle depreciation, with the corresponding tax in an amount of €11,172.

### 12 – SUBSIDIARIES AND ACQUISITIONS OF EQUITY INTERESTS OR CONTROL

For subsidiaries and equity interests, an organizational chart and a description of their business are given in sections 9.1.6 and 9.1.7 of the Company's Registration Document, which also describes their business.

In the framework of the acquisition of Milestone, Legrand SA indirectly took control of French company Procolor.

### 13 – SHAREHOLDERS AND ATTAINMENT OF LEGAL THRESHOLDS

#### a) Overview

The shareholding structure of the Company and information about the attainment of legal thresholds is presented in section 7.1 of the Company's Registration Document.

For more information on shareholders and share ownership thresholds, please consult sections 7.1.1.2 to 7.1.4 of the Company's Registration Document.

#### b) Employee share ownership

At December 31, 2017, Group employees held a total of 688,689 shares in the "Actions Legrand" investment fund, one compartment of the Group's employee share ownership program. These shares

represented 0.26% of the Company's capital and of its voting rights.

At December 31, 2017, Group employees held a total of 10,228,162 shares in application of article L. 225-197-1 of the French Commercial Code. These shares represented 3.83% of the Company's capital and of its voting rights.

### 14 – STOCK OPTION PLANS AND PERFORMANCE SHARE PLANS

Information on the Company's stock option plans and performance share plans is presented in sections 7.2 and 7.3 of the Company's Registration Document.

In compliance with Articles L. 225-184 and L. 225-197-4 of the French Commercial Code, special reports on this subject will be presented to the General Meeting of Shareholders on May 30, 2018.

Pursuant to article L. 225-181 of the French Commercial Code, the terms of dividend payment decided upon by the Combined Shareholders Meeting on May 31, 2017 required adjusting the number and price of share options in the process of vesting as well as the number of performance shares not yet definitively allocated, according to applicable legal conditions, so as to acknowledge the impact of this operation on the interests of recipients.

In view of dividend amounting to €1.19 per share in respect of the 2016 financial year, with (i) €0.79 per share coming from distributable income and (ii) €0.40 from the issue premiums account, the latter payment being considered as a repayment of paid-in capital and representing around 0.66% of the share price on the ex-coupon date, the following adjustments were made:

- for share options, the number of shares was increased by 0.66% and the exercise price lowered by 0.66%;
- for performance shares and performance units, the number of securities was increased by 0.66%.

For the purposes of this adjustment, the rule of rounding up to the next highest whole number was used, to the benefit of recipients.

After adjustment, the share option exercise prices are the following:

- 2008 Plan: €20.205;
- 2009 Plan: €12.885;
- 2010 Plan: €21.427.

On the date of the securities transaction, the number of share options in circulation was increased by 11,587 and the number of performance shares in the process of allocation was increased by 9,689.

### ■ 15 – AUTHORIZATION OF GUARANTEES, ENDORSEMENTS AND BONDS

At its meeting on February 7, 2018, the Board of Directors, acting in accordance with Article R. 225-28 of the French Commercial Code, authorized the Chief Executive Officer to grant guarantees, endorsements and bonds in the name of and on behalf of the Company, up to a limit of €100,000,000. However, this limit does not apply to guarantees, endorsements and bonds granted to tax or customs authorities, which are not subject to any limit. This authorization was granted for a term of one year.

### ■ 17 – TRANSACTIONS BY COMPANY EXECUTIVE DIRECTORS AND SIMILAR PERSONS IN COMPANY SHARES (ARTICLE L. 621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE)

Transactions reported by the Company's Executive Directors and similar persons to the French Financial Markets Authority during financial year 2017 were as follows:

Declarer	Nature of transaction	Description of securities	Number of transactions	Total amount (in euros)
Olivier Bazil	Exercise of options	Options	1	(971,265.81)
Olivier Bazil	Pledge	Shares	1	(4,162,241)
Olivier Bazil	Sale	Shares	3	(8,076,928.68)
Olivier Bazil	Donation in bare ownership	Shares	1	(25,213,032)
Patrice Soudan	Exercise of options	Options	3	(729,411.04)

### ■ 18 – DUE DATES OF ACCOUNTS PAYABLE AND CUSTOMER RECEIVABLES

In accordance with L. 441-6-1 of the French Commercial Code, the table below presents the balance of trade payables and related accounts by due date:

Due dates (D = invoice date) (in thousands of euros)	D +1 to 30 days	D +31 to 60 days	Total
Total invoices incl. VAT at December 31, 2017	351	0	351
% of total amount of purchases excl. VAT in 2017	14%	0	14%
Total invoices incl. VAT at December 31, 2016	262	0	262
% of total amount of purchases excl. VAT in 2016	10%	0	10%

### ■ 16 – SHARE BUYBACKS

In the course of 2017, the Company purchased a total of 849,133 shares at a total cost of €49,919,215 and sold 869,566 shares for a total of €51,770,110, under the liquidity contract entered into with Kepler Cheuvreux on May 29, 2007. The terms of this contract comply with the Charter of Ethics adopted by the *Association Française des Marchés Financiers* (AMAFI) which was approved by the French Financial Markets Authority (*Autorité des Marchés Financiers*) in its decision of March 22, 2005.

The average purchase price was €58.79 per share and the average sale price was €59.54 per share. There were no trading costs associated with these transactions.

At December 31, 2017, the balance on the liquidity contract stood at 40,000 shares.

Residual redemption charges for the buyback of shares in 2016 amounted to €4,877.

At December 31, 2017, the Company held 45,128 shares with a nominal value of €4 each, for a total of €180,512 or 0.02% of capital stock. Valued at cost at the time of purchase, these shares totalled €2,714,150.

Outside the scope of the liquidity contract, at December 31, 2017 the Company held 5,128 shares, representing a total value at cost of €238,047, these shares being appropriated for implementation of such performance share plans as necessary and representing %0.002 of the Company's capital and a nominal value of €20,512.



In accordance with L. 441-6-1 of the French Commercial Code, the table below presents the balance of invoices issued which were in arrears at the end of the financial year:

Due dates (D = invoice date) (in thousands of euros)	D +1 to 30 days	D +31 to 60 days	Total
Total invoices incl. VAT at December 31, 2017	274	5,616	5,890
% of total amount of sales excl. VAT in 2017	1.6%	31.9%	33.5%
Total invoices incl. VAT at December 31, 2016	0	169	169
% of total amount of sales excl. VAT in 2016	0	1%	1%

## 19 – APPOINTMENT OF STATUTORY AUDITORS

Information on renewal of appointment of principal and replacement Statutory Auditors is given in section 9.4.2 of the Company's Registration Document.

## 20 – REPORT ON CORPORATE GOVERNANCE

### 20.1 Information on corporate governance required by articles L. 225-37-4 and L. 225-37-5 of the French Commercial Code

#### 20.1.1 Appointments and positions held by each company officer

This information is given in Appendix 3.

#### 20.1.2 Agreements entered into between company officers or significant shareholders and Company subsidiaries

As stated in section 6.1.1.1 of the Company's Registration Document, none of the members of the Company's Board of Directors are engaged in any business relationships with the Company or its subsidiaries, with the sole exception of Mr. Dongsheng Li. As far as the latter is concerned, two of the Company's Chinese subsidiaries are parties to a trademark licensing agreement with TCL, and a technology agreement exists between the Legrand Chinese subsidiary Legrand (Shanghai) Management Co. Ltd. and the TCL subsidiary TCL Smart Home Technologies Co. Ltd. aimed at enhancing compatibility and communication between their respective products and applications. The financial stakes involved are significant neither for Legrand nor for TCL, as they represented less than 1/2 per mil of either group's sales in 2017.

#### 20.1.3 Delegations in connection with capital increases

This information is given in section 9.2.1.1 of the Company's Registration Document.

#### 20.1.4 Organisation of Company general management

As of December 31, 2017, the position of Chairman and Chief Executive Officer was held by Mr. Gilles Schnepf.

At its meeting on February 7, 2018, the Board of Directors, on a proposition from Gilles Schnepf and in line with a recommendation

by the Nominating and Governance Committee, decided to separate the offices of Chairman of the Board of Directors and of Chief Executive Officer with effect from February 8, 2018. The Board decided, from February 8, 2018, to renew Mr. Gilles Schnepf Chairman of the Board of Directors and to appoint Mr. Benoît Coquart as its Chief Executive Officer.

#### 20.1.5 Membership of the Board of Directors and description of the diversity policy applied to Board members

This information is provided in sections 6.1.1.1 "Composition of the Board of Directors" and 6.1.3.1 "Composition of the Board of Directors' specialized committees" of the Company's Registration Document.

#### 20.1.6 Preparation and organization of the work of the Board of Directors

This information is provided in sections 6.1.1.2 "Functioning of the Board of Directors", 6.1.3.2 "Functioning of the Board of Directors' specialized committees", 6.1.1.3 "Work done by the Board of Directors in 2017", and 6.1.3.3 "Work done by the Board of Directors' specialized committees in 2017" of the Company's Registration Document.

#### 20.1.7 Potential limits imposed by the Board on the powers of the Chief Executive Officer

This information is provided in section 6.1.4 "General Management of the Company" of the Company's Registration Document.

#### 20.1.8 Formal reference to the code of corporate governance applied by the Company and indication as to where this code of corporate governance may be accessed

The Company refers to the principles of corporate governance for listed companies set out in the Afep-Medef Code of corporate governance, which can be consulted on Medef's website at: [www.medef.com](http://www.medef.com).

#### 20.1.9 Formalities for shareholders' participation in General Meetings

Conditions for participation in the Company's General Meetings are outlined in article 12 ("General Meetings") of the Company's Articles of Association (available on the [www.legrand.com](http://www.legrand.com) website) and in section 9.3.5 "Shareholders' General Meetings" of the Company's Registration Document.

### 20.1.10 Factors that may be relevant in the event of a tender offer

Ownership of capital	The ownership of Legrand shares is presented in section 7.1.1 of the Company's Registration Document.
Statutory restrictions on the exercise of voting rights and on the transfer of shares or clauses of agreements disclosed to the Company pursuant to article L. 233-11 of the French Commercial Code	Nil.
Direct and indirect equity interests of which the Company has been apprised by virtue of articles L. 233-7 and L. 233-12 of the French Commercial Code	Changes in the ownership of Legrand shares during financial year 2017 are presented in section 7.1.1.2 of the Company's Registration Document.
Owners of any securities conferring special rights of control and description of these securities	Nil.
Control procedures provided for employee share-ownership plans when the employees do not exercise this control themselves	As provided in the regulations for the "Actions Legrand" investment fund, the voting rights attached to Company shares are exercised by the Supervisory Board of the fund.
Shareholders' agreements of which the Company is aware and that are of a nature to restrict transfers of shares and exercise of voting rights	Nil.
Appointment and replacement of members of the Board of Directors and amendment of the Company's articles of association	<p>In accordance with its articles of association, the Company is managed by a Board of Directors made up of a minimum of three members and a maximum of eighteen members, except as provided by law in the event of a merger.</p> <p>Except as provided by law, each Director must hold (in registered form) at least 500 shares of the Company throughout his or her term as Director.</p> <p>Beyond this statutory requirement, the Board of Directors regulations recommend that each Director gradually acquire, in the course of their term of office, a number of shares equivalent to the amount of one year's director's fees, the latter being calculated on the basis of an assumption of participation, throughout the year, in every meeting of the Board and of any committees the Director is a part of, with the Legrand share unit value being set at the average share price over the previous terminated financial year.</p> <p>Directors are appointed to serve four-year terms, which expire at the end of the ordinary General Meeting of shareholders called to consider financial statements for the previous financial year and held in the year in which their term of office expires. Directors may be reappointed for consecutive terms. When the legal conditions are met, the Board of Directors may appoint provisional members of the Board for the remaining term of office of their predecessor. As provided by law, provisional appointments are subject to ratification at the first shareholders' meeting after the appointment is made.</p> <p>No individual over the age of 70 may be appointed to the Board of Directors if his/her appointment results in more than one-third of the number of members of the Board of Directors having exceeded such age. If, during their term of office, the number of members of the Board of Directors over the age of 70 exceeds one-third of their total number, the oldest member will be deemed to have resigned at the end of the ordinary General Meeting of shareholders called to consider the accounts for the previous financial year and held during the year in which the age limit is reached.</p> <p>Where the Company's articles of association do not specifically provide otherwise, amendments to the articles are subject to the provisions of applicable law.</p>
Powers of the Board of Directors, in particular concerning share issuance and repurchase	This information is presented in sections 9.2.1.1 and 9.2.2.1 of the Company's Registration Document. The Company can only repurchase its own shares outside of periods during which shares are made available through public offerings.



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Ownership of capital	The ownership of Legrand shares is presented in section 7.1.1 of the Company's Registration Document.
Agreements entered into by the Company which would be amended or would lapse in the event of a change of control of the Company, except (unless disclosure is required by law) where disclosure would seriously harm its interests	The following contracts may be amended or may lapse if control of the Company changes: <ul style="list-style-type: none"><li>■ contract for the issuance of bonds on the US market by the Company's subsidiary Legrand France in an amount of \$393.5 million, in the event of a change in control due to a hostile takeover;</li><li>■ the bond issue made on March 10, 2011 in a nominal amount of €400 million;</li><li>■ the loan contract in an amount of €900 million entered into with French financial institutions on October 20, 2011 and amended on July 25, 2014;</li><li>■ the bond issue made on April 11, 2012 in a nominal amount of €400 million;</li><li>■ the bond issue made on December 9, 2015 in a nominal amount of €300 million;</li><li>■ the bond issue made on June 29, 2017 in a nominal amount of €1 billion;</li><li>■ the bond issue made on October 4, 2017 in a nominal amount of €400 million;</li><li>■ the bond issue made on February 26, 2018 in a nominal amount of €400 million.</li></ul>
Agreements providing for payment of compensation to employees or members of the Board of Directors in the event of resignation, dismissal without real and serious cause, or termination of employment due to a tender offer	Nil with respect to the Executive Directors and members of the Board of Directors.

## 20.2 Information on the compensation of Company officers required by articles L. 225-37-2 and L. 225-102-1 of the French Commercial Code

### 20.2.1 Principles and criteria for the determination, breakdown and allocation of fixed, variable and exceptional elements of compensation and any benefits due to company officers in respect of their office, and presentation of draft resolutions on the compensation policy for company officers

This information is provided in section 6.2.1 "Principles and criteria for the determination, breakdown and allocation of fixed, variable and exceptional elements of compensation and any benefits due to company officers in respect of their office" and in Appendix 4 to the Company's Registration Document.

### 20.2.2 Compensation and benefits of company officers

Information on compensation and benefits of company officers is provided in section 6.2.2 "Compensation and benefits of company officers for 2017" of the Company's Registration Document.

### 20.2.3 Undertakings made in favour of company officers

Information on undertakings made in favour of company officers is provided in sections 6.2.1 "Principles and criteria for the determination, breakdown and allocation of fixed, variable and exceptional elements of compensation and any benefits due to company officers in respect of their office", sub-section "C - Other elements of compensation"; 6.2.4 "Other benefits granted to company officers"; and 6.2.5 "Compensation policy attributable for the 2018 financial year to company officers and compensation components paid or attributed for the 2017 financial year to Mr. Gilles Schnepf submitted for the approval of shareholders."

March 20, 2018

The Board of Directors

## Appendix 1 to the Management Report

### Debt position

<i>(in € millions)</i>	12/31/2017	12/31/2016
<b>EXTERNAL DEBT</b>		
<b>Debt</b>		
Bonds	2,500.0	1,400.0
Bank borrowings	-	-
Credit Facility	-	-
<b>TOTAL EXTERNAL DEBT</b>	<b>2,500.0</b>	<b>1,400.0</b>
<b>Accrued interest</b>	<b>30.3</b>	<b>34.3</b>
<b>Finance costs</b>		
Bonds	45.4	49.4
Bank borrowings	-	-
Credit Facility	-	-
<b>TOTAL FINANCE COSTS ON EXTERNAL DEBT</b>	<b>45.4</b>	<b>49.4</b>
%	1.8%	3.5%
<b>INTRA-GROUP DEBT</b>		
<b>Debt</b>		
Advance from Legrand France	-	124.2
<b>Finance costs</b>		
Advance from Legrand France	0.3	-
%		
<b>TOTAL DEBT</b>	<b>2,530.3</b>	<b>1,558.5</b>
Equity	2,182.1	2,297.8
<b>DEBT-TO-EQUITY RATIO</b>	<b>116%</b>	<b>68%</b>



## Appendix 2 to the Management Report

<i>(in € thousands)</i>	2013	2014	2015	2016	2017
<b>Capital at December 31</b>					
Share capital	1,062,362	1,065,430	1,067,722	1,069,309	1,067,223
Number of common shares	265,590,517	266,357,615	266,930,602	267,327,374	266,805,751
Total shares outstanding	265,590,517	266,357,615	266,930,602	267,327,374	266,805,751
<i>Of which, treasury stock*</i>	170,527	493,806	156,595	1,365,561	45,128
<b>Results of operations</b>					
Net revenue	22,821	18,453	19,728	15,470	17,592
Profit before tax, employee profit-sharing, amortization and provisions	207,488	216,126	193,401	198,266	208,937
Income tax benefit (expense)	7,381	2,606	10,121	10,228	41,459
Employee profit-sharing	(79)	(97)	(84)	(125)	(115)
Net profit	211,074	215,924	198,282	207,884	247,048
Total dividend	265,131	279,254	293,129	307,058	317,413
<b>Per share data (in euros)</b>					
Earnings per share after tax, employee profit-sharing but before amortization and provisions	0.81	0.82	0.76	0.78	0.94
Earnings per share	0.79	0.81	0.74	0.78	0.93
Dividend per share	1.00	1.05	1.10	1.15	1.19
<b>Employee data</b>					
Average number of employees at December 31	34	33	33	33	33
Total payroll	5,511	5,792	6,786	5,735	6,235
Total benefits	9,952	5,624	4,157	2,487	2,690

\* No dividend entitlement or voting rights can be attached to own shares held by the Company.

## Appendix 3 to the Management Report

Director	Appointments and positions currently held in French or foreign companies	Previous appointments and positions held in the past five years
<p><b>BENOÏT COQUART</b> – Chief Executive Officer of Legrand* (since February 8, 2018) Age 44<sup>(1)</sup> A French National 128, avenue du Maréchal de Lattre de Tassigny 87000 Limoges</p> <p><b>Education</b> Benoît Coquart graduated from the <i>Institut d'Etudes Politiques de Paris</i> (Sciences Po Paris) and the <i>École Supérieure des Sciences Économiques et Commerciales</i> (ESSEC).</p> <p><b>Professional Background</b> Benoît Coquart joined Legrand immediately after completing his studies in 1997 to manage the Group's activities in South Korea. Gilles Schnepf then asked him to head up Investor Relations. Pursuing his career within the Group, Benoît Coquart has successfully held several positions, including Vice-President of Corporate Development (M&amp;A), Executive Vice-President Strategy and Development and since 2015, Executive Vice President France. Since February 8, 2018, Benoît Coquart is Chief Executive Officer.</p> <p>Benoît Coquart is a member of Legrand's Executive Committee since 2010.</p>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Mandates in various subsidiaries<sup>(2)</sup> <ul style="list-style-type: none"> <li>- Alternate Director of Legrand Colombia</li> <li>- Director of Legrand Seico</li> <li>- Manager of Legrand Data Center Solutions</li> <li>- Representative of Legrand France, President of Cofrel</li> <li>- Representative of Legrand France, President of Imesys</li> <li>- Representative of Legrand France, President of Intervox Systèmes</li> <li>- Representative of Legrand France, President of Legrand Cable Management</li> <li>- Representative of Legrand France, President of Legrand Energies Solutions</li> <li>- Representative of Legrand France, President of Ura</li> </ul> </li> </ul>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Executive VP France (until February 7, 2018)</li> <li>■ Mandates in various subsidiaries</li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Nil</li> </ul>
<p><b>GILLES SCHNEPP</b> – Chairman of Legrand* (since February 8, 2018) Age 58<sup>(1)</sup> A French national 128, avenue du Maréchal de Lattre de Tassigny 87000 Limoges</p> <p><b>Education</b> Gilles Schnepf graduated from the <i>École des Hautes Études Commerciales</i> (HEC).</p> <p><b>Professional Background</b> Gilles Schnepf's career began at Merrill Lynch France where he became Vice-President. He then joined Legrand in 1989 as Deputy Chief Financial Officer. He became Company Secretary of Legrand France in 1993, Chief Financial Officer in 1996 and Chief Operating Officer in 2000. Gilles Schnepf has been a Director of the Company since 2002 and Chairman of the Board of Directors since 2006. He was Chief Executive Officer from 2006 to February 7, 2018. Gilles Schnepf is also President of the French Federation of Electric, Electronic and Communication Industries (FIEEC) since July 2013 and Director of Saint-Gobain* (since 2009).</p> <p>Gilles Schnepf holds 2,262,835 Legrand shares.</p>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Member of the Board of Directors of Legrand* (since 2002): <ul style="list-style-type: none"> <li>- Member of the Strategy and Social Responsibility Committee</li> </ul> </li> <li>■ Executive appointments held in various subsidiaries<sup>(2)</sup> <ul style="list-style-type: none"> <li>- Representative of Legrand SNC, Chairman of Legrand Pacific</li> <li>- Chairman of Legrand Holding Inc.</li> </ul> </li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Saint-Gobain*: <ul style="list-style-type: none"> <li>- Member of the Board of Directors (since 2009)</li> <li>- Member of the Audit Committee (since 2017)</li> </ul> </li> </ul>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Chairman and Chief Executive Officer (until February 7, 2018)</li> <li>■ Mandates in various subsidiaries</li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Nil</li> </ul>

\* Listed company.

(1) The age has been fixed as on the 20th of March 2018, date on which the Board of Directors approves the annex 3 of the Management Report which contains the directors' biography.

(2) No compensation in the form of attendance fees or similar is paid or due in respect of executive appointments held in Legrand or in Group subsidiaries.



**APPENDIX**  
Appendix 2

Director	Appointments and positions currently held in French or foreign companies	Previous appointments and positions held in the past five years
<p><b>OLIVIER BAZIL</b> – Companies Director</p> <p>Age 71<sup>(1)</sup></p> <p>A French national</p> <p>128, avenue du Maréchal de Lattre de Tassigny 87000 Limoges</p> <p><b>Education</b></p> <p>Olivier Bazil graduated from the <i>École des Hautes Études Commerciales</i> (HEC) and holds an MBA (Master of Business Administration) from Harvard Business School.</p> <p><b>Professional Background</b></p> <p>Olivier Bazil joined Legrand in 1973 as Deputy Company Secretary, in charge of financial communication and development of the Group's growth strategy. He became Chief Financial Officer of Legrand Group in 1979, Deputy Chief Operating Officer in 1993, then held the position of Vice-Chairman and Chief Operating Officer from 2000 until the General Meeting on May 26, 2011.</p> <p>Olivier Bazil also holds the following positions: Member of the Supervisory Board of Michelin* and Société Civile du Château Palmer, and Chairman of Fritz SAS.</p> <p>Olivier Bazil holds 2,009,085 Legrand shares.</p>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Member of the Board of Directors of Legrand* (since 2002): <ul style="list-style-type: none"> <li>- Member of the Nominating and Governance Committee</li> <li>- Member of the Strategy and Social Responsibility Committee</li> </ul> </li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Member of the Supervisory Board of Michelin* (since 2013)</li> <li>■ Chairman of Fritz SAS (since 2009)</li> <li>■ Member of the Supervisory Board of Société Civile du Château Palmer (since 2009)</li> </ul>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Vice-Chairman and Chief Operating Officer of Legrand* (until May 2011)</li> <li>■ Mandates in various Group subsidiaries</li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Director of Firmenich International SA (until October 2016)</li> <li>■ Member of the Supervisory Board of Vallourec* (until May 2017)</li> </ul>
<p><b>ISABELLE BOCCON-GIBOD</b> – Companies Director</p> <p>Age 49<sup>(1)</sup></p> <p>A French national</p> <p>128, avenue du Maréchal de Lattre de Tassigny 87000 Limoges</p> <p><b>Education</b></p> <p>Isabelle Boccon-Gibod holds a degree from the <i>Ecole Centrale de Paris</i> and from Columbia University in the United States.</p> <p><b>Professional Background</b></p> <p>Isabelle Boccon-Gibod started her career in 1991 in the International Paper Group as industrial activities Manager of the cardboard division in the United States, then in the United Kingdom from 1997 to 2001, before becoming Head of the strategic development for Europe until 2004.</p> <p>She joined the Sequana* Group in 2006 as Special Advisor to General Management. She was nominated as Vice-Executive President of the Sequana* Group in 2008 and Executive Officer of the Arjowiggings Group in 2009.</p> <p>Isabelle Boccon-Gibod is also a photographer and an author.</p> <p>Isabelle Boccon-Gibod is a Director of Arkema*, of Sequana* and of the Paprec Group.</p> <p>Isabelle Boccon-Gibod holds 1,000 Legrand shares.</p>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Member of the Board of Directors of Legrand* (since 2016): <ul style="list-style-type: none"> <li>- Member of the Audit Committee</li> <li>- Member of the Strategy and Social Responsibility Committee</li> </ul> </li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Director of Arkema* (since 2014)</li> <li>■ Director of Paprec (since 2014)</li> <li>■ Director of Sequana* (since 2016)</li> </ul>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Nil</li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Vice- Executive President of Sequana* group (until 2013)</li> <li>■ Executive Officer of Arjowiggings (until 2013)</li> <li>■ Member of the executive Committee of Altavia (until 2016)</li> <li>■ Zodiac Aerospace*: <ul style="list-style-type: none"> <li>- Director (until March 2018)</li> <li>- Member of the Audit Committee (until March 2018)</li> </ul> </li> </ul>

\* Listed company.

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Director	Appointments and positions currently held in French or foreign companies	Previous appointments and positions held in the past five years
<p><b>CHRISTEL BORIES</b> – Chairman and Chief Executive Officer of Eramet*</p> <p>Age 53<sup>(1)</sup></p> <p>A French national</p> <p>128, avenue du Maréchal de Lattre de Tassigny 87000 Limoges</p> <p><b>Education</b></p> <p>Christel Bories graduated from the <i>École des Hautes Études Commerciales</i> (HEC).</p> <p><b>Professional Background</b></p> <p>Christel Bories began her career in 1986 as a strategy consultant with Booz-Allen &amp; Hamilton before moving to Corporate Value Associates. She subsequently held several executive positions with Umicore, then Pechiney Group. Following Pechiney's integration into the Alcan Group, Christel Bories was appointed Chairman and Chief Executive Officer of Alcan Packaging, then Chairman and Chief Executive Officer of Alcan Engineered Products and finally Chief Executive Officer of Constellium (ex Alcan), which she left in December 2011. Christel Bories was appointed Deputy Chief Executive Officer of Ipsen* on February 27, 2013, a position she held until March 2016.</p> <p>Christel Bories also serves on the Board of Directors of Smurfit Kappa* and is Chairman and Chief Executive Officer of Eramet.</p>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Member of the Board of Directors of Legrand* (since 2012):</li> <li>- Chairman of the Strategy and Social Responsibility Committee</li> <li>- Member of the Audit Committee</li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Director of Smurfit Kappa* (since 2012):</li> <li>- Member of the Audit Committee and the Compensation Committee</li> <li>■ Chairman and Chief Executive Officer of Eramet* (since 2017)</li> </ul>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Nil</li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Deputy Chief Executive Officer of Ipsen* (until March 2016)</li> <li>■ Director of Natixis* (until May 2014)</li> <li>■ Director of Cercle de l'Industrie (until May 2013)</li> <li>■ Chief Executive Officer of Constellium (until December 2011)</li> </ul>
<p>Christel Bories holds 2,190 Legrand shares</p>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Member of the Board of Directors of Legrand* (since 2012):</li> <li>- Lead Director</li> <li>- Chairman of the Compensation Committee</li> <li>- Chairman of the Nominating and Governance Committee</li> <li>- Member of the Strategy and Social Responsibility Committee</li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ EMEA Managing Director of Spencer Stuart</li> </ul>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Nil</li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Managing Director of Spencer Stuart France</li> </ul>
<p><b>ANGELES GARCIA-POVEDA</b> – EMEA Managing Director of Spencer Stuart</p> <p>Age 47<sup>(1)</sup></p> <p>A Spanish national</p> <p>128, avenue du Maréchal de Lattre de Tassigny 87000 Limoges</p> <p><b>Education</b></p> <p>Angeles Garcia-Poveda graduated from ICADE in Madrid. She also attended the Business Case Study Program at Harvard University.</p> <p><b>Professional Background</b></p> <p>Before joining Spencer Stuart in 2008, Angeles Garcia-Poveda spent 14 years with the Boston Consulting Group (BCG) working as a strategy consultant in Madrid and Paris before taking different recruiting roles at local and international levels. As BCG's global recruiting manager, she has worked on cross-border recruiting projects. Having managed the Spencer Stuart France office for five years, Angeles Garcia-Poveda currently leads the EMEA region, and as such is a member of the global Executive Committee. She has a direct responsibility over the nineteen European settlements. She assists international clients in recruitment and assessment projects of senior executives and board members and in governance advisory work.</p>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Member of the Board of Directors of Legrand* (since 2012):</li> <li>- Lead Director</li> <li>- Chairman of the Compensation Committee</li> <li>- Chairman of the Nominating and Governance Committee</li> <li>- Member of the Strategy and Social Responsibility Committee</li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ EMEA Managing Director of Spencer Stuart</li> </ul>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Nil</li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Managing Director of Spencer Stuart France</li> </ul>
<p>Angeles Garcia-Poveda holds 3,200 Legrand shares</p>		

\* Listed company.

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**APPENDIX**  
Appendix 2



Director	Appointments and positions currently held in French or foreign companies	Previous appointments and positions held in the past five years
<p><b>FRANÇOIS GRAPPOTTE</b> – Companies Director</p> <p>Age 81<sup>(1)</sup></p> <p>A French national</p> <p>128, avenue du Maréchal de Lattre de Tassigny 87000 Limoges</p> <p><b>Education</b></p> <p>François Grappotte is a graduate of the <i>Institut d'Études Politiques de Paris</i> and former student of the <i>École Nationale d'Administration</i> (ENA); he also holds a law degree and graduate degrees in political economy and economic and financial sciences from the Faculty of Law of Paris.</p> <p><b>Professional Background</b></p> <p>François Grappotte began his career at the Ministry of Industry and Treasury Department of the Ministry of the Economy and Finance. In 1970, he joined Banque Rothschild, serving successively as Assistant Director, Deputy Director and Director. In 1973, he moved to Compagnie Électro Mécanique as Company Secretary, before being appointed Chief Executive Officer and later Vice-Chairman and Chief Executive Officer. François Grappotte joined Legrand in 1983 as Chief Executive Officer, and was appointed Chairman and Chief Executive Officer in 1988, a position he held until the end of 2003. He was then Chairman of Legrand France until 2006. Since 2006, François Grappotte is Honorary Chairman of the Board of Directors of Legrand*.</p> <p>François Grappotte has also held positions as member of the Supervisory Board of Michelin*, Director of BNP Paribas*, and member of the Consultative Board of the Banque de France.</p> <p>François Grappotte holds 1,616,000 Legrand shares.</p>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Member of the Board of Directors of Legrand* (since 2002) and Honorary Chairman of the Board of Directors of Legrand* (since 2006)</li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Nil</li> </ul>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Director of Legrand France (until 2012)</li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Member of the Supervisory Board of Michelin* (until May 2013)</li> <li>■ Director of BNP Paribas* (until May 2011)</li> </ul>

\* Listed company.

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Director	Appointments and positions currently held in French or foreign companies	Previous appointments and positions held in the past five years
<p><b>THIERRY DE LA TOUR D'ARTAISE</b> – Chairman of the Board of Directors and Chief Executive Officer of SEB SA* (since 2000)</p> <p>Age 63<sup>(1)</sup></p> <p>A French national</p> <p>128, avenue du Maréchal de Lattre de Tassigny 87000 Limoges</p> <p><b>Education</b></p> <p>Thierry de La Tour d'Artaise is a graduate of the <i>École Supérieure de Commerce de Paris</i> (ESCP) business school and a chartered accountant.</p> <p><b>Professional Background</b></p> <p>Thierry de La Tour d'Artaise began his career in the United States in 1976 as a Financial Controller at Allendale Insurance. After two years in Boston, he joined the audit firm Coopers &amp; Lybrand in Paris. He then joined the Chargeurs Group in 1983, firstly as Head of Internal Audit, then as Chief Administrative and Financial Officer (1984-85), and finally as Chief Executive Officer of Croisières Paquet (1986-93).</p> <p>Thierry de La Tour d'Artaise became Chief Executive Officer of the SEB Group in 1994, before being appointed as Chairman and Chief Executive Officer of Calor SA. In 1998, he was named Chairman of the Group's "Home Appliances" division. In 1999, he was appointed Vice-Chairman and Chief Executive Officer of the Group, becoming Chairman and Chief Executive Officer as of 2000.</p> <p>Thierry De La Tour d'Artaise holds 1,250 Legrand shares.</p>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Member of the Board of Directors of Legrand* (since 2006);</li> <li>- Member of the Nominating and Governance Committee</li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ SEB: <ul style="list-style-type: none"> <li>- Chairman and Chief Executive Officer of SEB S.A* (since 2000)</li> <li>- Director of Zhejiang SUPOR* (China) (since 2008)</li> <li>- Chairman of SEB Internationale (SAS) (since 2000)</li> </ul> </li> <li>■ Other: <ul style="list-style-type: none"> <li>- Permanent representative of Sofinaction</li> <li>- Director of CIC - La Lyonnaise de Banque (since 2001)</li> </ul> </li> </ul>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Nil</li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Director of Plastic Omnium* (until October 2012)</li> <li>■ Director of Club Méditerranée* (until April 2015)</li> </ul>
<p><b>DONGSHENG LI</b> – Chairman and Chief Executive Officer and founder of TCL Corporation*</p> <p>Age 60<sup>(1)</sup></p> <p>A Chinese national</p> <p>128, avenue du Maréchal de Lattre de Tassigny 87000 Limoges</p> <p><b>Education</b></p> <p>In 1982, Dongsheng Li graduated from the Department of Radio Technology at South China University.</p> <p><b>Professional Background</b></p> <p>As a "Model Worker of the Nation" and holder of the "1st of May National Work Medal", Dongsheng Li was an elected delegate of the 16th Party Congress in China, as well as a delegate at the 10th, 11th and 12th editions of the National People's Congress.</p> <p>Dongsheng Li holds several prestigious positions, including: Chairman of China Video Industry Association, Vice Chairman of China Chamber of International Commerce, Executive Committee member of All-China Federation of Industry &amp; Commerce, and Vice Chairman of Guangdong Federation of Industry &amp; Commerce.</p> <p>In China, Dongsheng Li was named "Man of the year in the Chinese Economy" in 2002 and 2004. In 2009, Dongsheng Li was awarded "Economic Leader of the Decade" by the Chinese business channel CCTV. In the international arena, in 2004, Dongsheng Li was selected as "Asia Businessman of the Year" by Fortune Magazine and one of the "Top 25 Global Business Leaders" by Time Magazine and CNN. Moreover, Dongsheng Li received the Officier de la Légion d'Honneur (French national honor) from President Jacques Chirac in the same year. In 2013, Dongsheng Li was deservedly selected as one of the "2013 Best Chief Executive Officers of Listed Companies in China" by Forbes magazine.</p> <p>Dongsheng Li held the position of Chairman of Hong Kong listed company TCL Multimedia Technology Holdings Limited* from 2007 until September 2017. Since March 2018, Dongsheng Li holds again the position of Chairman of Hong Kong listed company TCL Multimedia Technology Holdings Limited*. He is also an Independent Director of Tencent* and of Fantasia Holdings Group Co, Ltd*.</p> <p>Dongsheng Li holds 1,000 Legrand shares.</p>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Member of the Board of Directors of Legrand* (since 2012)</li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ TCL: <ul style="list-style-type: none"> <li>- Chairman and Chief Executive Officer of TCL Corporation*</li> <li>- Chairman and executive Director of TCL Multimedia Technology Holdings Ltd* (since March 2018)</li> </ul> </li> <li>■ Other: <ul style="list-style-type: none"> <li>- Director of Tencent* (since 2004)</li> <li>- Director of Fantasia Holdings Group Co, Ltd* (since 2014)</li> </ul> </li> </ul>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Nil</li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Chairman of TCL Multimedia Technology Holding Ltd* (until September 2017)</li> </ul>

\* Listed company.

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**APPENDIX**  
Appendix 2

Director	Appointments and positions currently held in French or foreign companies	Previous appointments and positions held in the past five years
<p><b>ANNALISA LOUSTAU ELIA</b> – Chief Marketing Officer and member of the Executive Committee of Printemps (since 2008)</p> <p>Age 52<sup>(1)</sup></p> <p>A Italian national</p> <p>128, avenue du Maréchal de Lattre de Tassigny 87000 Limoges</p> <p><b>Education</b></p> <p>Annalisa Loustau Elia graduated in law from La Sapienza University in Rome.</p> <p><b>Professional Background</b></p> <p>Annalisa Loustau Elia worked for four years at Cartier in Geneva and Paris, for two years at L'Oréal's Luxury Product Division in Paris and for thirteen years at Procter &amp; Gamble in Geneva as well as in the Group's subsidiaries in Paris and Rome. Her rich and varied professional career has provided her with solid experience of marketing and product development in the luxury, retail and consumer goods sectors.</p> <p>Annalisa Loustau Elia is Chief Marketing Officer and has been a member of the Executive Committee of Printemps since 2008.</p> <p>Annalisa also serves on the Board of Directors of Campari* since 2016.</p> <p>Annalisa Loustau Elia holds 1,340 Legrand shares.</p>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Member of the Board of Directors of Legrand* (since 2013): <ul style="list-style-type: none"> <li>- Member of the Compensation Committee</li> </ul> </li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Director of Campari* (since 2016)</li> </ul>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Nil</li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Nil</li> </ul>
<p><b>ÉLIANE ROUYER-CHEVALIER</b> – Companies Director</p> <p>Age 65<sup>(1)</sup></p> <p>A French national</p> <p>128, avenue du Maréchal de Lattre de Tassigny 87000 Limoges</p> <p><b>Education</b></p> <p>Éliane Rouyer-Chevalier holds a Masters in Economics from Université Paris II Assas.</p> <p><b>Professional Background</b></p> <p>Éliane Rouyer-Chevalier joined Accor in 1983, taking responsibility for international financing and cash currency management before becoming Director of Investor Relations and Financial Communication in 1992. From 2010 to 2012, she was a member of the Executive Committee of Edenred*, a company created when the Accor Group was split up, as Vice President of Corporate and Financial Communications &amp; Social Responsibility. She is Chairman of ERC Consulting since 2013 and Consultant for the World Bank (IFC) since 2016.</p> <p>Éliane Rouyer-Chevalier is the Honorary Chairman of the French Association for Investor Relations (CLIFF) after having chaired it from 2004 to 2014 and is Vice-President of the Observatoire de la Communication Financière since 2005. She has been a Director of the Federation of Individual Investors and Investment Clubs (F2IC) since 2014 and of the Cercle de la Compliance since 2015. She is Director of Time2Start, an organization that helps young individuals from the suburbs in starting their own business, since 2016. She has been Director of the Institut Français du Tourisme from 2013 to 2016.</p> <p>Éliane Rouyer-Chevalier holds 1,350 Legrand shares.</p>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Member of the Board of Directors of Legrand* (since 2011): <ul style="list-style-type: none"> <li>- Chairman of the Audit Committee</li> <li>- Member of the Compensation Committee</li> </ul> </li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Chairman of ERC Consulting (since 2013)</li> <li>■ Consultant for the World Bank (IFC) (since 2016)</li> </ul> <p><b>Outside the Legrand Group- outside companies</b></p> <ul style="list-style-type: none"> <li>■ Vice-President of the Observatoire de la Communication Financière (since 2005)</li> <li>■ Director of the F2IC (since 2014)</li> <li>■ Director of Time2Start (since 2016)</li> </ul>	<p><b>Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Nil</li> </ul> <p><b>Outside the Legrand Group</b></p> <ul style="list-style-type: none"> <li>■ Member of the Executive Committee of Edenred* (until 2012)</li> <li>■ Chairman of CLIFF (until 2014)</li> <li>■ Director of the Institut Français du Tourisme (until 2016)</li> <li>■ Director of the Cercle de la Compliance (until 2017)</li> </ul>

\* Listed company.

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## APPENDIX 3

### Statutory Auditors' report on the financial statements Year ended December 31, 2017

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*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking users.*

*This Statutory Auditors' report includes information specifically required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

In compliance with the engagement entrusted to us by your annual general meetings, we have audited the accompanying financial statements of Legrand for the year ended December 31, 2017.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of December 31, 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

#### I. BASIS FOR OPINION

##### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

##### Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in article 5(1) of Regulation (EU) N° 537/2014 or in the French Code of ethics (*code de déontologie*) for Statutory Auditors.

Furthermore, we provided the following non-audit services to your Company and its controlled undertakings during the financial year:

- both audit firms: comfort letters provided in the context of private placement bond issues;
- Deloitte & Associés: verification of the consolidated social, environmental and societal information referred to in article L. 225-102-1 of the French Commercial Code (code de commerce), attestations on accounting information prepared at the request of entities and a reference framework appraisal assignment unrelated to the production of accounting and financial information;
- PricewaterhouseCoopers Audit: transfer pricing policy documentation review assignment.

#### II. JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.



### III. VALUATION OF SHARES IN SUBSIDIARIES AND AFFILIATES

#### Risk identified

Shares in subsidiaries and affiliates are stated at acquisition cost and impaired where necessary based on their fair value determined by reference to Legrand's equity in the investee's revalued net assets, as adjusted to reflect its earnings performance and growth outlook (Note 1.3).

As of December 31, 2017 they comprise Legrand France SA shares recorded in the balance sheet in the amount of €3,774 million (Note 2.2), that is 80% of total assets. The residual balance primarily consists of amounts receivable from this subsidiary. The correct valuation of this heading is key to the assessment of Legrand's asset and financial position.

We therefore considered the valuation of shares in subsidiaries and affiliates to be a key audit matter.

#### Our response

We verified, based on information communicated to us, that the valuation method and figures underlying the estimated value determined by management are appropriately substantiated.

Our work mainly consisted in verifying that the fair value estimated by management was based on enterprise values founded on identical assumptions to those used by the group for impairment testing on the activity scope of the Legrand France SA subsidiary and its directly and indirectly-held subsidiaries.

Finally, we verified the consistency of the fair value adopted with the group's stock market capitalization.

### IV. VERIFICATION OF THE MANAGEMENT REPORT AND OTHER DOCUMENTS PROVIDED TO SHAREHOLDERS

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

#### Information given in the management report and other documents provided to Shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to Shareholders with respect to the financial position and the financial statements.

#### Corporate governance information

Concerning the information given in accordance with the requirements of article L. 225-37-3 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

Concerning the information relating to items your Company considers likely to have an impact in the event of a public tender offer or public exchange offer, provided pursuant to article L. 225-37-5 of the French Commercial Code (*Code de commerce*), we have verified its compliance with the source documents communicated to us. Based on this work, we have no comments to make on this information.

#### Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

### V. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

#### Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Legrand by the Annual General Meeting held on December 21, 2005 for Deloitte & Associés and on June 6, 2003 for PricewaterhouseCoopers Audit.

As of December 31, 2017, Deloitte & Associés was in the 13<sup>th</sup> year of total uninterrupted engagement and PricewaterhouseCoopers Audit was in the 15<sup>th</sup> year of total uninterrupted engagement due to its merger with Coopers & Lybrand Audit in 2003, which is the 12<sup>th</sup> year since securities of the Company were admitted to trading on a regulated market for both firms.

## VI. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

## VII. STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

### Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

### Detailed description of the Statutory Auditors' responsibilities

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.



APPENDIX  
Appendix 3

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly sur Seine, April 5, 2018

The Statutory Auditors

French Original signed by

**PricewaterhouseCoopers Audit**

Edouard Sattler

**Deloitte & Associés**

Jean-François Viat