

**INFORMATION RELATING TO THE FINANCIAL CONDITIONS OF RETIREMENT OF
MR PIERRE DUFOUR, SENIOR EXECUTIVE VICE-PRESIDENT OF L'AIR LIQUIDE S.A.**

As Pierre Dufour has decided to claim his pension entitlements, his term of office as Senior Executive Vice-President of L' Air Liquide S.A. ended at the close of the Annual Shareholders' Meeting on May 3, 2017. His term of office as managing director of the German subsidiary will end on July 14, 2017¹. Pierre Dufour remains a director of L' Air Liquide S.A, and his current term of office will end at the close of the Ordinary Shareholders' Meeting in 2020.

The financial conditions related to the end of Pierre Dufour's executive duties in the Group are as follows:

- **2017 fixed remuneration:** the fixed annual base remuneration amounts to 675,000 euros. It is due on a prorated basis to the length of time worked in respect of each of these duties.
- **2017 variable remuneration:**
 - It is limited to 140% of the fixed remuneration and is related:
 - for 85% of the fixed portion, to two financial criteria, consisting of an objective of an increase in recurring EPS and an ROCE objective;
 - for 55% of the fixed portion, to personal objectives related to the integration of Airgas, CSR, organisation and human resources and to individual performance objectives.
 - It will be due on a prorata temporis basis and paid in 2018, after approval of the financial statements by the Annual Shareholders' Meeting and subject to approval by such Annual Shareholders' Meeting of the elements of 2017 remuneration.
- **Benefits in kind and other elements of remuneration:** these elements will be paid on a prorata temporis basis and include:
 - a benefit in kind (use of a company car) for an amount valued at 12,120 euros per annum,
 - an amount of 250,000 euros per annum paid by the German subsidiary to Pierre Dufour who is responsible for managing the Frankfurt Hub and which includes, for approximately half this sum, an amount corresponding to the benefits in kind (housing) to which Pierre Dufour was previously entitled in France.
- **Stock options and performance shares:** Pierre Dufour did not receive any grant of performance shares and stock options within the scope of the annual plans of November 29, 2016, as is normal practice in the Group. He will not receive any grant in 2017.

The regulations of the Air Liquide stock option and performance share plans provide that a beneficiary who leaves the Group as a result of retirement retains the benefit of the stock options that have not yet been exercised and the performance shares that have not yet been acquired, even if the period for fulfilment of the performance conditions has not yet terminated.

On the Remuneration Committee's recommendation, after review as recommended by the AFEP/MEDEF Code, the Board of Directors confirmed its agreement for Pierre Dufour to retain the benefit of these stock options and performance shares in accordance with the terms of the original regulations. The regulations of these plans however continue to be applicable and in particular:

- The performance conditions and periods during which such conditions must be fulfilled,
- The lock-up period (stock options) and holding period (performance shares).

Stock options and performance shares for which the period of fulfilment of the performance conditions is still in progress:

- September 28, 2015 plans, for which fulfilment of the performance conditions is assessed over three years and will be recorded as of December 31, 2017 by the Board of Directors in February 2018:
 - 39,900 stock options granted. The IFRS value of these options at the date of grant is 508,765 euros.

¹ The elements of remuneration due in respect of the corporate office in Germany are included in the amounts disclosed.

- 5,700 performance shares. The IFRS value of these performance shares at the date of award is 533,121 euros.
- Airgas plan of July 29, 2016, for which fulfilment of the performance conditions is assessed over three years and will be recorded as of December 31, 2018 by the Board of Directors in February 2019:
 - 10,000 performance shares. The IFRS value of these performance shares at the date of award is 747,355 euros.
- **No exceptional remuneration will be paid.**
- **No termination indemnity or non-competition indemnity will be paid.**
- **Paid leave indemnity:** in Germany, Pierre Dufour will receive an amount of 60,667 euros corresponding to the balance of leave not taken.
- **Long-term commitments:**
 - **Pension - France:** in addition to the basic and mandatory supplementary pension schemes (Agirc/Arrco) with which he has been affiliated, Pierre Dufour benefits from pension annuities under the supplementary pension schemes set up by L'Air Liquide S.A. and approved by the Annual Shareholders' Meeting, as follows:
 - under defined benefit pension scheme "S" for the benefit of senior managers and executives and executive officers: a gross amount of 79,790 euros² per year,
 - under the defined contribution pension scheme applicable to all the employees: a gross amount of 1,663 euros² per year,
 - under the defined contribution pension scheme for senior managers and executives and executive officers: a gross amount of 94,259 euros² per year.
 - **Life insurance/Savings contract:**
 - In France, Pierre Dufour is able to claim his entitlements at any time under the collective life insurance contract entered into by L'Air Liquide S.A. and approved by the Annual Shareholders' Meeting. After conversion into a life annuity, Pierre Dufour's rights under this scheme are estimated at a gross amount of 11,571 euros per year as of December 31, 2016.
 - In Germany, under the savings contract entered into by the German subsidiary, Pierre Dufour will be eligible to receive, at the end of his contract:
 - capital corresponding to the amount of the payments made to the financial organisation, *i.e.* 1,125,000 euros at the date of his retirement. This amount was 740,000 euros as of December 31, 2016. The payments by the German subsidiary to the financial organisation are made in arrears and include, in 2017, the amounts due in respect of the 2016 financial year (250,000 euros) and in respect of the 2017 financial year (on a prorated basis to the length of time worked, *i.e.* 135,000 euros).
 - any interest on the plan accrued over the period 2014-2017. As of March 31, 2017, the interest amounts to 45,000 euros. The amount will be updated as of the date of retirement.

The long-term commitments from which Pierre Dufour benefits are set out in detail on pages 172 *et seq.* of the 2016 Reference Document.

² Estimated value as of December 31, 2016. It will be updated as of the date when Pierre Dufour obtains his pension entitlements in May 2017.