

FREE SHARES

Air Liquide regularly issues free shares to all of its shareholders: free shares have already been distributed 28 times by the Group. The Board of Directors, which met on February 14, 2017, decided the attribution in the second half of 2017 of 1 free share for every 10 shares held.



HOW IT WORKS

Expand your portfolio

For all shareholders, free share attributions enable you to expand your portfolio over time. In addition to passing on approximately 50% of profits to shareholders by paying dividends, Air Liquide distributes a portion of its retained earnings^(a) in the form of free shares. These are free shares attributed in proportion to the number of shares you already hold.

Benefit from an additional 10% of free shares

If you hold your registered shares for more than two full calendar years, the loyalty bonus gives you a 10% increase in the number of free shares you will receive^(b). For example, in the attribution in 2014, one free share was given for every 10 shares held, **each shareholder who owned 100 shares received 10 new shares. Shareholders eligible for the loyalty bonus received 1 additional free share.**

Free shares: you keep the same benefits

Free shares have the same characteristics as the shares they are derived from:

- loyalty bonus
- seniority
- voting rights
- dividend rights

PLUS



FOCUS ON

Calculating fractional rights

If the number of shares you hold is not a multiple of the attribution transaction, you will receive a cash payment for the portion of the free share that cannot be distributed. This is known as a "fractional right".

An example based on the 2014 transaction multiple:

I have 307 shares in my portfolio. I therefore receive 30 free shares (1 free share for 10 shares owned)

and 7 "ordinary" fractional rights as a cash payment.

Of these 307 shares, 205 are eligible for the loyalty bonus. I therefore receive an additional 2 free shares (1 free share for 100 shares owned) and 5 "loyalty" fractional rights from the loyalty bonus as a cash payment.

Neither of these kinds of fractional rights is fungible.

Fractional rights must be included in your total sales when paying your capital gains tax. The amounts received are taxable from the first euro. They are included on your tax reporting form (IFU). They are not subject to a tax deduction relating to their holding period (see Capital Gains and their Taxation on page 44). Don't forget to include them on your tax return.

(a) Past undistributed net profits.

(b) In accordance with Air Liquide's articles of association.