

Board of Directors' Report on the resolutions

submitted to the Ordinary and Extraordinary
Shareholders' Meeting of May 17, 2019

Board of Directors report on the resolutions presented to the Ordinary Shareholders' Meeting

Approval of transactions and annual financial statements for fiscal year 2018 (1st resolution)

The Shareholders are asked to approve ENGIE's transactions and parent company financial statements for the fiscal year 2018, which resulted in a net income of €1,102,065,471.

Approval of the consolidated financial statements for fiscal year 2018 (2nd resolution)

The Shareholders are asked to approve the ENGIE group's consolidated financial statements for the year ended December 31, 2018, which resulted in a consolidated net income, Group share, of €1,033,270,412.

Appropriation of net income and declaration for fiscal year 2018 (3rd resolution)

The purpose of the 3rd resolution is to appropriate the net income and declare the dividend for fiscal year 2018.

The dividend distributed comprises an ordinary dividend of €0.75 per share, in accordance with the Group's goal stated on March 8, 2018 when the 2017 full-year results were announced, and confirmed on July 26, 2018 when the 2018 half-year results were announced.

As from 2020, the annual dividend will be paid once, at the end of the Ordinary Shareholders' Meeting to approve the annual financial statements. To absorb the impact of this transition on shareholders in 2019, an exceptional dividend of €0.37 per share is submitted for shareholder approval, which will bring the total dividend distribution decided by this Shareholders' Meeting to €1.12 per share.

(in euros)

Distributable amount	
Net income for fiscal year 2018	1,102,065,471
Previous retained earnings	288,976,415
Other reserves	255,692,382
Share premium account	32,565,413,573
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	34,212,147,840

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(in euros)

Proposed distribution

(Including the supplementary dividend): ⁽¹⁾

• interim dividend of €0.37 per share paid on October 12, 2018 as part of the 2018 dividend	891,697,196
• final dividend to be paid out for 2018 ⁽¹⁾	1,850,805,602
THE TOTAL DIVIDEND FOR FISCAL YEAR 2018 OF	2,742,502,798

will be paid out of

• net income for the period, in the amount of	1,102,065,471
• retained earnings, in the amount of	288,976,415
• reserves, in the amount of	255,692,382
• merger premium, in the amount of	1,095,768,530

(1) Based on the number of shares comprising the share capital at December 31, 2018, i.e. 2,435,285,011 shares in total, including 217,337,896 registered shares at December 31, 2018 granting access to the 10% dividend supplement, following application of the ceiling of 0.5% of share capital per shareholder.

If the Shareholders approve this proposal, the dividend for 2018 will be set at €1.12 per share, and the supplementary dividend will be set at €0.112 per share, for a total dividend payout of €2,742,502,798.

In accordance with Article 26.2 of the bylaws, a 10% supplementary dividend amounting to an additional €0.112 per share, will be allocated to shares that have been registered for at least two years as of December 31, 2018, and which will be held in registered form by the same shareholder until May 23, 2019, the dividend payment date. This increase may not apply for a single shareholder to a number of shares representing more than 0.5% of the share capital.

After deduction of the interim dividend of €0.37 per share, paid on October 12, 2018, from the total dividend for fiscal year 2018, and corresponding to the number of shares carrying dividend rights at

that date, or 2,409,992,421 shares, the final net dividend for 2018 amounts to €0.75 per share for shares carrying rights to an ordinary dividend, plus the supplementary dividend of €0.112 per share for shares carrying rights to the supplementary dividend.

On the date of the dividend payment, the dividend corresponding to the Company's treasury shares will be allocated to "Other reserves." As of February 26, 2019, the Company held 23,891,178 of its own shares.

Similarly, if some of the 217,337,896 registered shares carrying rights to the supplementary dividend as of December 31, 2018 ceased to be held in registered form between January 1, 2019 and May 23, 2019, the amount of the supplementary dividend corresponding to such shares will be allocated to "Other reserves."

Approval of benefit and healthcare coverages of the Board of Directors, pursuant to Article L. 225-38 of the French Commercial Code (4th resolution)

In accordance with Articles L. 225-38 et seq. of the French Commercial Code, the Board of Directors proposes that you approve the following regulated agreements, as described in the Statutory Auditors' special report found in Section 4.1.7.1 of the 2018 Registration Document:

- benefit coverage;
- healthcare coverage.

Following the *ex ante* vote on the remuneration policy at the Shareholders' Meeting of May 18, 2018, the Board of Directors

decided, on June 19, 2018, to grant Jean-Pierre Clamadieu benefit coverage with immediate effect.

Likewise, at its meeting of December 11, 2018 the Board of Directors decided to grant him healthcare coverage which was arranged on March 4, 2019.

These two plans, which are contained in a group insurance policy subscribed by ENGIE, are equivalent to those in place for all senior managers of ENGIE in France.

Authorization of the Board of Directors to trade in the Company's shares (5th resolution)

On May 18, 2018, the Shareholders' Meeting authorized the Company to trade in its own shares under the following terms and conditions:

- maximum purchase price: €30 per share (excluding transaction costs);
- maximum shareholding: 10% of the share capital;
- maximum percentage of shares purchased during the term of the program: 10% of the shares comprising the share capital as of the date of this Shareholders' Meeting;
- maximum amount of purchases: €7.3 billion.

Between the Shareholders' Meeting of May 18, 2018 and February 26, 2019, the Company has:

- purchased 20,845,759 shares for a total value of €279.5 million (an average price of €13.4 per share), of which 9,734,648 shares under the liquidity agreement and 11,111,111 shares under the share buyback program;
- sold 9,734,648 shares for a total value of €128 million (an average price of €13.5 per share) under the liquidity agreement.

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The authorization granted by the Shareholders' Meeting of May 18, 2018 to trade in the Company's shares will expire on November 17, 2019.

Consequently, the Shareholders are now asked to grant the Board of Directors a new authorization to trade in the Company's shares, with corresponding cancellation of the unused portion of the previous authorization, for an additional period of **18 months**, as from the date of this Shareholders' Meeting.

For the purposes mentioned hereinafter, this new authorization complies with the terms and conditions set forth in Articles L. 225-209 et seq. of the French Commercial Code, European Regulation No. 596/2014 of April 16, 2014 on market abuse, related regulations of the European Commission, Articles 241-1 et seq. of the General Regulations of the *Autorité des Marchés Financiers* (AMF – French Financial Markets Authority), and market practices accepted by the AMF.

Share purchases help in stimulating the share price on the Paris and Brussels stock exchanges by an independent investment services provider that complies with the Code of Ethics recognized by the *Association Française des Entreprises d'Investissement* (AFEI). They also allow the subsequent cancellation of shares in order to improve the return on equity and earnings per share. The shares purchased may also be used to implement programs for employees or corporate officers, including stock option plans to purchase or subscribe for shares, bonus share awards, or employee share ownership plans set up for company-sponsored employee savings plans. They may also be used to carry out financial transactions, including transfers, sales or exchanges, and to ensure coverage of

securities convertible into Company shares. The Company may hold and subsequently deliver such shares in exchange, payment, or other, in connection with external growth transactions, within the limit of 5% of the share capital, or to implement any other market practices allowed or that may be allowed by the authorities, subject to communicating such information to the Company's shareholders.

This resolution could be used in the implementation of employee savings plans through the transfer of treasury shares to employees, instead of through the capital increases which are subject of the **14th and 15th resolutions** submitted to this Shareholders' Meeting.

This resolution shall not apply during a public tender offer for the shares of the Company.

The proposed terms and conditions of the new authorization are as follows:

- maximum purchase price: **€30** per share (excluding transaction costs);
- maximum shareholding: 10% of the share capital;
- maximum percentage of shares acquired during the term of the program: 10% of shares comprising the share capital as of the date of this Shareholders' Meeting;
- maximum amount of purchases: €7.3 billion.

It is, however, specified that with respect to the particular case of shares purchased under the liquidity contract, the number of shares taken into account for calculating the 10% limit shall correspond to the number of shares purchased minus the number of shares resold during the term of the authorization.

Reappointment of 4 Directors (6th to 9th resolutions)

The directorships of Mses Ann-Kristin Achleitner, Catherine Guillouard, Barbara Kux, Mari-Noëlle Jégo-Laveissière, Françoise Malrieu and Marie-José Nadeau, and of Mrs Edmond Alphandéry, Aldo Cardoso and Patrice Durand expire at the end of this Shareholders' Meeting.

Given that some directors have expressed a wish not to be reappointed and that other members are no longer independent, the Board of Directors, on the recommendation of the Appointments, Compensation and Governance Committee, has made reducing its own size a priority.

As a result of the 2008 merger between Gaz de France and SUEZ, the Group's Board of Directors is currently larger than is generally observed in CAC 40 companies. The reduction in size is a response to a request regularly made by shareholders. This initial step to resize the Board will be assessed on conclusion of the 2019 fiscal year and, if necessary, will be adapted to suit the implementation of the new strategic plan. It has been defined with a view to preserving balanced diversity on the Board.

If these resolutions are approved, and given the designation by ministerial order of the State representative pursuant to Article 4 of Ordinance 2014-948 of August 20, 2014 relating to the governance and transactions on the capital of partially state-owned companies, the Board of Directors will be composed of 14 members. This reduction from 19 to 14 members includes a reduction from 4 to 3 of the number of seats reserved for members that the State may designate or nominate pursuant to Articles 4 and 6 of the aforementioned ordinance.

REAPPOINTMENT OF TWO DIRECTORS (6th and 7th RESOLUTIONS)

Based on the recommendations of the Appointments, Compensation and Governance Committee, under the 6th and 7th resolutions, the Shareholders are asked to reappoint Mses Françoise Malrieu and Marie-José Nadeau as independent Directors, for a four-year term expiring at the end of the Ordinary Shareholders' Meeting that will be convened in 2023 to approve the financial statements for the fiscal year ended December 31, 2022.

REAPPOINTMENT OF TWO DIRECTORS PROPOSED BY THE STATE (8th and 9th RESOLUTIONS)

At the proposal of the State, in accordance with Article 6 of Ordinance 2014-948 of August 20, 2014, concerning governance and transactions involving the share capital of partially State-owned companies, under the 8th and 9th resolutions, the Shareholders are asked to reappoint M. Patrice Durand and Ms. Mari-Noëlle Jégo-Laveissière as Directors, for a four-year term expiring at the end of the Ordinary Shareholders' Meeting that will be convened in 2023 to approve the financial statements for the fiscal year ended December 31, 2022.

Their biographies are set out on pages 12 to 15 of the Notice of Meeting.

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Approval of the components of compensation due or awarded for 2018 to each Corporate Officer of the Company (10th and 11th resolutions)

In accordance with Article L. 225-100 II of the French Commercial Code, the Shareholders' Meeting of May 17, 2019 will vote on the fixed, variable and extraordinary components of the total compensation and benefits in kind paid or awarded to Jean-Pierre Clamadieu, Chairman of the Board of Directors, and Isabelle Kocher, Chief Executive Officer, for 2018.

Under Article R. 225-29-1 of the French Commercial Code, the components of total compensation and benefits of any kinds are as follows:

- directors' fees;
- annual fixed compensation;
- annual variable compensation;
- multi-annual variable compensation;
- stock subscription or purchase option awards;
- bonus share awards;
- extraordinary compensation;
- compensation or benefits due or likely to be due on commencement of function;
- the commitments mentioned in the first and sixth paragraphs of Article L. 225-42-1 of the French Commercial Code;
- compensation components and benefits of any kind due or likely to be due to one of the persons mentioned in the first paragraph of Article L. 225-37-2 of the French Commercial Code, by virtue of the agreements entered into, directly or through an intermediary, because of the person's office, with the company in which the corporate office is held, any company controlled by it within the meaning of Article L. 233-16 of the French Commercial Code, any company that controls it, within the meaning of the same Article, or any company placed under the same control as it, within the meaning of the that Article;
- any other compensation component that can be awarded by virtue of the office;
- benefits of any kind.

The variable or extraordinary compensation components, the payment of which was subject to approval by an Ordinary General Shareholders' Meeting, may only be paid after the compensation components of the person concerned have been approved by a Shareholders' Meeting.

As a reminder, Gérard Mestrallet, Chairman of the Board of Directors until May 18, 2018, received no compensation in respect of his office in 2018.

COMPENSATION COMPONENTS DUE OR AWARDED FOR 2018 TO JEAN-PIERRE CLAMADIEU, CHAIRMAN OF THE BOARD OF DIRECTORS

Compensation components	Amount	Details
Fixed compensation	€217,339	The fixed compensation of Jean-Pierre Clamadieu amounts to €350,000 for a complete year, i.e €217,339 for the period from May 18, 2018 to December 31, 2018.
Annual variable compensation	None	Jean-Pierre Clamadieu receives no annual variable compensation.
Employer contribution to a retirement plan	None	Jean-Pierre Clamadieu receives no employer pension contribution.
Multi-annual variable compensation	None	Jean-Pierre Clamadieu receives no multi-annual variable compensation.
Directors' fees	None	Jean-Pierre Clamadieu receives no directors' fees.
Extraordinary compensation	None	Jean-Pierre Clamadieu receives no extraordinary compensation.
Allocation of stock options, Performance Shares and any other long-term compensation	None	Jean-Pierre Clamadieu is not allocated stock options, Performance Shares or any other long-term compensation.
Compensation associated with the commencement or termination of duties	None	Jean-Pierre Clamadieu receives no compensation associated with the commencement or termination of duties.
Supplementary pension plan	None	Jean-Pierre Clamadieu is not a beneficiary of any supplementary pension plan.
Benefits in kind	None	Jean-Pierre Clamadieu did not benefit from the use of a company vehicle.

COMPENSATION COMPONENTS DUE OR AWARDED FOR 2018 TO ISABELLE KOCHER, CHIEF EXECUTIVE OFFICER

Compensation components	Amount	Details
Fixed compensation	€1,000,000	The fixed remuneration of Isabelle Kocher was set at €1,000,000.
Annual variable compensation	€641,760	<p>Isabelle Kocher's variable compensation for 2018 to be paid in 2019 is broken down into two components: a quantifiable component (60%) and a qualitative component (40%).</p> <p>For the quantifiable component, the criteria used are net recurring income, Group share, per share (50%), and free cash flow, ROCE (return on capital employed) and net debt (each counting for one-sixth of the overall total) (50%). The quantifiable targets for 2018 were based on the Group's budget as presented to the Board of Directors on March 7, 2018.</p> <p>For the qualitative component, the criteria used were as follows:</p> <ol style="list-style-type: none"> 1. Develop long-term growth drivers (40%) <ul style="list-style-type: none"> Pursue and strengthen organic growth via existing offerings and by developing new skills and customer solutions. Contribute to growth through acquisitions in the BtoB, BtoT and high-tech business lines. 2. Prepare post-2025 options in Belgium (20%) 3. CSR, emphasizing the employer's social responsibility (20%) <ul style="list-style-type: none"> Make employee engagement and commitment one of the main levers for the Group's transformation and performance (employee survey). Continue to adapt internal skills to meet organizational and customer solutions needs. Embed new management practices and the concept of organizational agility within the Group's culture. 4. Develop the Digital & Innovation road map (10%) <ul style="list-style-type: none"> Define the strategy for the three-year plan and the 2030 targets. Adapt the internal organization and partnerships based on the objectives set. 5. Make the customer's perception of the brand and the image a key element in the Group's transformation and performance (10%) <ul style="list-style-type: none"> Continue to bring the commercial offerings into line the Group's strategy. Develop a communication program and build brand awareness. Develop Know Your Customer (KYC) and make customer satisfaction a drive of cultural change (NPS: net promoter score). <p>At its meeting of February 27, 2019, the Board of Directors, on the recommendation of the Appointments, Compensation and Governance Committee:</p> <ul style="list-style-type: none"> noted that the success rate of the quantifiable criteria was 85.46%⁽¹⁾; set the success rate of the qualitative criteria at 101.00%. <p>Based on the respective weightings of the quantifiable (60%) and qualitative (40%) criteria, the overall success rate was determined to be 91.68%.</p> <p>The variable component for 2018 is therefore €641,760. It will only be paid to Isabelle Kocher if approved by the shareholders at the Shareholders' Meeting of May 17, 2019.</p>

(1) For the quantifiable component (representing 60% of the variable compensation), the results achieved were: Net recurring income Group share per share (1/2): 82.52%, ROCE (1/6): 94.06%; Free cash flow (1/6): 105.51%; Net debt (1/6): 65.63%.

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Compensation components	Amount	Details
Employer contribution to retirement plan	€410,440	At its meeting of May 3, 2016, the Board of Directors voted to maintain the employer contribution arrangement from which Isabelle Kocher benefited when she was Chief Operating Officer. Under this supplementary pension plan system, the Company does not guarantee the amount of pension but pays an annual employer contribution, half of which comprises contributions paid to a third-party organization under an optional defined contribution pension plan (Article 82) and half is a cash sum, given the immediate taxation on commencement of this new mechanism. The employer contribution corresponds to 25% of the sum of the fixed compensation and the actual variable compensation accrued for the given year. It also depends on the Company's performance, since the calculation base already includes the variable portion linked to the Group's results. For 2018, this employer contribution is €410,440, paid subject to shareholder approval at the Shareholders' Meeting of May 17, 2019.
Multi-annual variable compensation	None	Isabelle Kocher receives no multi-annual variable compensation.
Directors' fees	None	Isabelle Kocher receives no directors' fees.
Extraordinary compensation	None	Isabelle Kocher receives no extraordinary compensation.
Allocation of stock options, Performance Shares and any other long-term component of compensation	Valuation ⁽¹⁾ : €789,600	On the recommendation of the Appointments, Compensation and Governance Committee, the Board of Directors, at its meeting of March 7, 2018, voted to award 120,000 Performance Units to Isabelle Kocher for 2018. On December 6, 2011, the Board of Directors decided that the value of this element of compensation should not exceed 40% of the total compensation.
Compensation associated with the commencement or termination of duties	None	Isabelle Kocher's employment contract has been suspended since January 1, 2015. The Afeq-Medef Code recommends that when an employee becomes an executive corporate officer, their employment contract with the company should be terminated. While this recommendation does not apply to deputy CEOs, it does apply to Chief Executive Officers. When Isabelle Kocher was appointed Chief Executive Officer after serving as Chief Operating Officer, the Board of Directors nevertheless deemed it appropriate to maintain the suspension of her employment contract. The Board decided that the rights accrued by Isabelle Kocher in respect of the supplementary collective pension plans for executive officers up until December 31, 2014, which is the period prior to the suspension of her employment contract, would remain frozen and preserved, which implied keeping her employment contract suspended. ENGIE's internal promotion policy assigns corporate officer positions to experienced executives with in-depth knowledge of the industry and markets in which ENGIE operates and who have had successful career paths within the Group. For these executives, the loss of rights associated with their employment contract and length of service would be a hindrance and counterproductive. The suspended employment contract of Isabelle Kocher does not provide for specific compensation under a no-compete or golden parachute clause. As part of the Company's human resources policies, all employees of ENGIE Management Company receive severance compensation when their employment contract is terminated. Compensation due under said policies amounts to 3/5 of the monthly salary per year of service in the company or Group and is capped at 18 months' salary. "Monthly salary" is understood to mean one-twelfth of the annual fixed compensation of the current year plus the last variable component that was paid. Isabelle Kocher's length of service at the time of her appointment as Chief Executive Officer on May 3, 2016 was 13 years and seven months. Note that there is no system of hiring bonuses or golden parachutes in place for executive corporate officers at ENGIE and that no compensation is provided in respect of non-compete clauses.

(1) See note about this theoretical valuation in Section 4.1.4.1.7.

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Compensation components	Amount	Details
Supplementary pension plan	None	<p>In addition to mandatory pension plans, until December 31, 2014, Isabelle Kocher benefited from the supplementary collective pension plans of the former SUEZ group (which she joined in 2002), consisting of a defined-contribution plan and a defined-benefit plan.</p> <p>The defined contribution plan (Article 83) is based on her gross annual compensation and the following contribution rates: 5% tranche A (equivalent to the annual social security limit), 8% tranche B (between one and four times the social security limit), 8% tranche C (between four and eight times the social security limit).</p> <p>The defined benefit plan (Article 39) is governed by Article L. 137-11 of the French Social Security Code. It is managed by ENGIE Management Company, a wholly owned French subsidiary of ENGIE. The beneficiaries of this plan are the executives and corporate officers of ENGIE Management Company who are registered with the French social security system and meet the following three conditions: (i) they received gross compensation above the limit for tranche B contributions to the AGIRC executive supplementary pension plan, <i>i.e.</i> over four times the annual Social security limit, (ii) they were working for a Group company when they retired, and (iii) they have wound up at least one basic pension plan. The annuity is calculated on the gross compensation received during the year in question, capped at 50 times the social security limit. The amount of compensation is that which is used to calculate social security contributions as defined in Article L. 242-1 paragraph 1 of the French Social Security Code.</p> <p>This plan provides for the payment of an annuity equal to the sum of the annual pension components calculated on 2% of the portion of gross annual compensation between four and eight times the social security limit (designated tranche C) and 4% of the portion of gross annual compensation between eight and fifty times the social security limit (designated tranche D), minus the above defined contribution plan calculated on tranche C of the compensation. If the plan beneficiary has continuous service of at least 10 years, the total annuity cannot be less than 20% of bracket C of average compensation for the last five years plus 30% of bracket D for the same compensation, nor more than 30% of bracket C plus 40% of bracket D. If their continuous service is less than 10 years, the corresponding rights are calculated pro rata on the basis of actual time worked.</p> <p>The rights under the defined benefit plan are "not guaranteed" since they require the employee to be employed by the Group at the time his or her pension is claimed under a mandatory for pension insurance plan.</p> <p>ENGIE Management Company is responsible for financing these plans and pays premiums to a third-party insurance company which it has contracted to manage the pensions, calculate the actuarial provisions for the annuities, and manage the payments. The corresponding social security costs borne by the Company amount to 24%.</p> <p>In accordance with the decisions of the Board of Directors on March 10 and May 3, 2016, Isabelle Kocher's entitlement to the supplementary collective defined contribution and defined benefit pension plans were frozen on suspension of her employment contract, <i>i.e.</i> at December 31, 2014.</p> <p>The rights accumulated from 2002 to 2014 under the collective defined benefit plan would result, subject to the condition of continuous service in the Group, in an annual annuity, estimated at year-end 2015, at the end of her career aged 65, of €145,456, before tax and social security deductions.</p>
Benefits in kind	€6,012	Isabelle Kocher benefits from the use of a company vehicle.

It should be noted that Isabelle Kocher was awarded 61,121 Performance Units for fiscal year 2015. At its meeting of February 27, 2019, the Board of Directors noted that the success rate for the performance conditions for these Performance Units was 33.33%⁽¹⁾, *i.e.* 20,371 Performance Units. As of March 15, 2019, the share price of the underlying ENGIE share amounts to €13.26 per share.

Isabelle Kocher will have a period of three years, that is, until March 14, 2022, in which to exercise these Performance Units. If she exercises them, she must reinvest in ENGIE shares two-thirds of the income from the exercise of the PUs, net of tax and social security withholding, until the shareholding target for ENGIE shares is equal to two years of her fixed compensation.

(1) Final vesting depended on a triple performance condition, with each criterion accounting for one third of the total:

- TSR (Total Shareholder Return) of the ENGIE share price compared with those companies on the Eurostoxx Utilities (Eurozone) sectorial index for the period December 2018 to January 2019, compared with November to December 2015;
- RNRPG (Net Recurring Income, Group share) for 2017 and 2018, compared with the target RNRPG set out in the budget for the same years (*pro forma*);
- 2018 ROCE compared with the target 2018 ROCE in the MTBP presented to the Board of Directors on February 24, 2016.

Only the criterion on RNRPG was achieved, resulting in a success rate of 33.33%.

Approval of the principles and criteria for the determination, distribution and allocation of the fixed, variable, and exceptional components of the total compensation and benefits of any kind attributable to the Corporate Officers (12th and 13th resolutions)

COMPENSATION OF THE CHAIRMAN OF THE BOARD FOR 2019

As recommended by the Appointments, Compensation and Governance Committee, the Board of Directors, at its meeting of February 27, 2019, approved the principles and criteria for determining, structuring and awarding the fixed, variable and exceptional components of the total compensation and benefits of any kind attributable to the Chairman of the Board of Directors in respect of this mandate for the 2019 financial year.

The compensation of the Chairman of the Board of Directors includes a fixed annual salary. It does not include any annual or multi-year variable compensation or long-term incentive plan.

The Board of Directors decided to increase the fixed annual compensation from €350,000 to €450,000 prorata temporis as from March 2, 2019, when Jean-Pierre Clamadieu's duties as executive corporate officer at another company come to an end.

In accordance with current policy, executive corporate officers do not receive directors' fees for their participation in the work of the Board and its committees.

The Chairman of the Board receives benefit coverage and, as from March 4, 2019, healthcare coverage.

He may benefit from the use of a company vehicle.

COMPENSATION OF THE CHIEF EXECUTIVE OFFICER FOR 2019

As recommended by the Appointments, Compensation and Governance Committee, the Board of Directors, at its meeting of February 27, 2019, decided to maintain unchanged the various components of the compensation policy for the Chief Executive Officer.

This policy will be submitted for shareholder approval at the Ordinary Shareholders' Meeting to be held on May 17, 2019, in accordance with Article L. 225-37-2 of the French Commercial Code.

The policy, which is reviewed annually by the Appointments, Compensation and Governance Committee, is based in particular on specific studies carried out by an external firm specializing in this area.

In its recommendations to the Board of Directors, the Appointments, Compensation and Governance Committee seeks to propose a compensation policy in line with the practices of comparable major international groups for similar positions, based on a benchmark established by a specialized external firm that includes companies listed on the CAC 40, Eurostoxx 50 (excluding companies in the financial sector) and Eurostoxx Utilities indices.

Specific, stringent quantifiable and qualitative performance criteria are set both for the variable portion of compensation and for long-term incentive plans, helping to maintain a link between the Group's performance and the compensation of the Chief Executive Officer in the short, medium and long-term.

The Chief Executive Officer's compensation includes a fixed component, a variable annual component and a long-term incentive component.

The fixed component is reviewed annually. It does not change unless the Board of Directors, on the recommendation of the Appointments,

Compensation and Governance Committee, votes otherwise, in particular with regard to the market context, or any changes in ENGIE's profile, or Group employee compensation.

The annual variable component is designed to reflect the executive's personal contribution to the Group's development and results. It is balanced in relation to the fixed component and determined as a percentage of fixed compensation. It also includes criteria aligned with the assessment, conducted annually, of the Chief Executive Officer's performance and with the Company's strategy. Sixty percent of its criteria are quantifiable, to reward economic performance, and 40% are qualitative. The qualitative criteria include at least one corporate, societal and environmental responsibility target. The quantifiable and qualitative targets have sub-weightings.

The long-term incentive component takes the form of Performance Units that are subject to performance conditions comparable to those of the performance share plans for which Company executive corporate officers are not eligible. The performance conditions are quantifiable only and include at least one external condition relating to the relative change in total shareholder return and an internal condition relating to value creation. This long-term incentive component is designed to encourage executives to make a long-term commitment as well as to increase their loyalty and align their interests with the Company's corporate interests and the interests of shareholders. This particular component may not account for more than 40% of the executive's total compensation at the initial award. When Performance Units are exercised, the Chief Executive Officer is required to reinvest a portion of the income for the year in Company shares until said officer's share portfolio is equal to two years' fixed compensation.

The payment of the variable and extraordinary compensation components for 2019 is contingent on the approval of the shareholders at the 2020 Ordinary Shareholders' Meeting. This applies to the annual variable component and the employer contribution to the pension plan of the Chief Executive Officer for 2020, payment of which will only occur following approval at the aforementioned Shareholders' Meeting.

Lastly, the Chief Executive Officer will continue to benefit from a supplementary pension plan system, under which the Company does not guarantee the amount of pension but pays an annual employer contribution, half of which comprises contributions paid to a third-party organization under an optional defined contribution pension plan (Article 82) and half is a cash sum, given the immediate taxation on commencement of this mechanism. The employer contribution will correspond to 25% of the sum of the fixed compensation and the actual variable compensation accrued for the given year. It will also depend on the Company's performance, since the calculation base already includes the variable portion linked to the Group's results. The Chief Executive Officer will also continue to be eligible for the collective pension and health care plan for executive officers in order to ensure that they are compensated under terms that are in line with market conditions.

The Chief Executive Officer is a member of the Board of Directors but does not receive any directors' fees in this regard.

Pursuant to these principles, the Chief Executive Officer's fixed compensation in 2019 remains unchanged at €1,000,000.

The target variable compensation that will be paid in 2020 for fiscal 2019 also remains unchanged at €700,000, corresponding to 70% of their fixed compensation, capped at €840,000, which is 120% of the target variable compensation. Variable compensation in 2019 is

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broken down into two components: a quantifiable component (60%) and a qualitative component (40%). For the quantifiable component, the criteria used are Net Recurring Income, Group share, per share (50%) and free cash flow, ROCE and economic net debt (each counting for one-sixth of the overall total) (50%). Compared with 2018, the "financial net debt" criterion has been replaced by the "economic net debt" criterion within the group of quantifiable criteria that make up the annual variable portion.

The quantifiable targets for 2019 were based on the Group's budget as presented to the Board of Directors on February 27, 2019. At its meeting of February 27, 2019, the Board also approved and weighted the qualitative targets for 2019. Since these may contain sensitive information regarding the Group's strategy, they will not be made public until 2020.

Lastly, the Board of Directors approved a long-term incentive component in the form of 120,000 Performance Units to be awarded in respect of fiscal year 2019. Performance Units will be fully vested after four years on March 15, 2023, after which the Chief Executive Officer will have three years to exercise them (fractional shares may be exercised). The vesting of these Performance Units in 2023 will depend on the achievement of a triple performance condition, each criterion accounting for one third of the total: an internal condition related to net recurring income, Group share, for 2021 and 2022, an internal condition related to ROCE for 2021 and 2022, and an external condition related to the total shareholder return of ENGIE stock compared with that of a reference panel. The internal conditions are matched to targets set in the MTBP.

The reference panel consists of EDF, EDP, E.ON, Innogy, RWE, ENEL, Iberdrola, Naturgy (previously Gas Natural), Spie and Uniper (the "Panel"), with each company weighted equally, with the exception of E.ON, Innogy, RWE and Uniper, which count for 50% for weighting purposes.

The scoring of performance conditions for the Performance Units will be as follows: for a result equal to or less than 80% of target, the success rate will be equal to zero. For a result equal to or greater than 100% of target, the success rate will be equal to 100%. The increase between the two limits will be linear.

The Chief Executive Officer will furthermore continue to benefit from a supplementary defined contribution pension plan under the terms

mentioned above, as well as from collective pension and healthcare plan protection for executive officers.

It should also be noted that Isabelle Kocher's employment contract has been suspended since January 1, 2015. The Afep-Medef Code recommends that when an employee becomes an executive corporate officer, their employment contract with the company should be terminated. When Isabelle Kocher was appointed Chief Executive Officer after serving as Chief Operating Officer, the Board of Directors nevertheless deemed it appropriate to maintain the suspension of her employment contract. The Board decided that the rights accrued by Isabelle Kocher in respect of the supplementary collective pension plans for executive officers up until December 31, 2014, which is the period prior to the suspension of her employment contract, would remain frozen and preserved, which implied keeping her employment contract suspended. ENGIE's internal promotion policy assigns corporate officer positions to experienced executives with in-depth knowledge of the industry and markets in which ENGIE operates and who have had successful career paths within the Group. For these executives, the loss of rights associated with their employment contract and length of service would be a hindrance and counterproductive.

The suspended employment of Isabelle Kocher does not provide for specific compensation under a non-compete or golden parachute clause. As part of the Company's human resources policies, all employees of ENGIE Management Company receive severance compensation when their employment contract is terminated. Compensation due under said policies amounts to 3/5 of the monthly salary per year of service in the company or Group and is capped at 18 months' salary. "Monthly salary" is understood to mean one-twelfth of the annual fixed compensation of the current year plus the last variable component that was paid. Isabelle Kocher's length of service at the time of her appointment as Chief Executive Officer on May 3, 2016 was 13 years and seven months.

Note that there is no system of hiring bonuses or golden parachutes in place for executive corporate officers at ENGIE.

Lastly, the Chief Executive Officer benefits from the use of a company vehicle.

Board of Directors' report on the resolutions submitted to the Extraordinary Shareholders' Meeting

AUTHORIZATIONS GRANTED BY THE COMBINED ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 18, 2018 AND IN EFFECT AT THE DATE OF THIS SHAREHOLDERS' MEETING

The tables below summarize the delegations of authority and authorizations granted to the Board of Directors in financial matters:

Resolution	Type of authorization or delegation of authority	Validity and expiration	Maximum nominal amount per authorization	Amounts utilized	Remaining balance
7 th	Authorization to trade in the Company's shares	18 months (until November 17, 2019)	Maximum purchase price: €30. Maximum shareholding: 10% of the share capital. Aggregate amount of purchases: ≤ €7.3 billion.	ENGIE held 0.98% of its share capital as of December 31, 2018	9.02% of the share capital
13 th	Issue, with preferential subscription rights maintained, of ordinary shares and/or any marketable securities giving access to the capital of the Company and/or its subsidiaries, and/or issue of marketable securities giving entitlement to the allocation of debt securities (to be used outside public tender offer periods only)	26 months (until July 17, 2020)	€225 million for shares ⁽¹⁾⁽²⁾ +€5 billion for debt securities ⁽¹⁾	None	Full amount of the authorization
14 th	Issue, without preemptive subscription rights, by public offering, of ordinary shares and/or any marketable securities giving access to the capital of the Company and/or its subsidiaries, and/or issue of marketable securities giving entitlement to the allocation of debt securities (to be used outside public tender offer periods only)	26 months (until July 17, 2020)	€225 million for shares ⁽¹⁾⁽²⁾ +€5 billion for debt securities ⁽¹⁾	None	Full amount of the authorization
15 th	Issue, in the context of a private placement for qualified investors or for a limited circle of investors, without preemptive subscription rights, of ordinary shares or any other marketable securities giving access to the capital of the Company, in the context of an offering described in Article L. 411-2 II of the French Monetary and Financial Code (to be used outside public tender offer periods only)	26 months (until July 17, 2020)	€225 million for shares ⁽¹⁾⁽²⁾ +€5 billion for debt securities ⁽¹⁾	None	Full amount of the authorization

Board of Directors' Report on the resolutions

Resolution	Type of authorization or delegation of authority	Validity and expiration	Maximum nominal amount per authorization	Amounts utilized	Remaining balance
16 th	Increase in the number of shares or marketable securities to be issued in the event of a securities issue executed pursuant to the 13 th , 14 th and 15 th Resolutions, up to a limit of 15% of the initial issue, with or without preemptive subscription rights, through a public offering or a private placement (to be used outside public tender offer periods only).	26 months (until July 17, 2020)	Up to 15% of the initial issue ^{(1) (2)}	None	Full amount of the authorization
17 th	Issue of shares and/or marketable securities in consideration for contributions of securities made, up to a limit of 10% of the share capital (to be used outside public tender offer periods only)	26 months (until July 17, 2020)	€225 million for shares ^{(1) (2)} +€5 billion for debt securities ⁽¹⁾	None	Full amount of the authorization
24 th	Capital increases via the capitalization of premiums, reserves, earnings or other sums (usable only outside public tender offer periods)	26 months (until July 17, 2020)	Aggregate amount that may be capitalized	None	Full amount of the authorization
25 th	Authorization to reduce the share capital by canceling treasury shares	26 months (until July 17, 2020)	10% of the share capital per 24-month period	Reduction by cancellation of 6,036,166 treasury shares held in connection with Link 2018 as of August 2, 2018	9.752% of the share capital
26 th	Capital increase reserved for members of the Group Employee Savings Plan	26 months (until July 17, 2020)	2% of the share capital ^{(2) (3)}	None	Full amount of the authorization
27 th	Capital increase reserved for any entity formed as part of the implementation of the international employee shareholding plan offered by the Group	18 months (until November 17, 2019)	0.5% of the share capital ^{(2) (3)}	None	Full amount of the authorization
28 th	Authorization to award bonus shares (i) to employees and/or corporate officers of companies belonging to the Group (with the exception of corporate officers of the Company) and (ii) to employees participating in a Group international employee shareholding plan	38 months (until July 17, 2021)	0.75% of the share capital ⁽⁴⁾	None	Full amount of the authorization

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Resolution	Type of authorization or delegation of authority	Validity and expiration	Maximum nominal amount per authorization	Amounts utilized	Remaining balance
29 th	Authorization to award bonus shares to certain employees and corporate officers of Group companies (except for corporate officers of the Company)	38 months (until July 17, 2021)	0.75% of the share capital ⁽⁴⁾	Allocation on December 11, 2018 of 5,022,660 Performance Shares i.e., 0.21% of the share capital at December 31, 2018, and on February 27, 2019 of 187,674 Performance Shares for a total allocation of 0.2139% of the share capital at February 27, 2019.	0.536% of the share capital

(1) This is a ceiling set by the Combined Ordinary and Extraordinary Shareholders' Meeting of May 18, 2018 for issues decided pursuant to the 13th, 14th, 15th, 16th and 17th resolutions.

(2) The overall maximum nominal amount of issues decided in application of the 13th, 14th, 15th, 16th, 17th, 26th and 27th resolutions was set at €265 million by the 23rd resolution of the Shareholders' Meeting of May 18, 2018.

(3) The nominal amount of issues decided in application of the 27th resolution counts against the ceiling of 2% of the share capital under the 26th resolution.

(4) This is a ceiling set by the Combined Ordinary and Extraordinary Shareholders' Meeting of May 18, 2018 for the awards decided pursuant to the 28th and 29th resolutions.

EMPLOYEE SHAREHOLDING (14th and 15th RESOLUTIONS)

The purpose of the delegations of authority referred to in the 14th and 15th resolutions below is to renew the authorizations previously granted to the Board of Directors by the Shareholders' Meeting in connection with the development of Group-wide employee shareholding, by granting the Board the power to carry out further transactions related to employee shareholding at the time of its choosing.

The objectives are as follows:

- to unite all employees, strengthen their sense of belonging to the ENGIE group and involve them in the transformation project;
- to signal its satisfaction with and commitment to employee shareholding, by renewing operations that are recurring and expected by employees;

- to seize a unique opportunity for ENGIE to express itself to its employees in many countries in their local languages;
- to achieve a level of employee shareholding comparable to that of other companies in the CAC 40 in order for ENGIE to arrive at a significant percentage over a five-year period (as a percentage of capital or voting rights).

Under such plans, employees are offered three investment options:

- a "Classic" investment formula, without financial leverage; and
- two "Multiple" investment formulas, with financial leverage and capital protection.

Employee shareholding plans may be set up, in whole or in part, through the use of treasury shares.

Delegation of authority to the Board of Directors to increase the share capital by issuing shares or securities granting access to equity securities to be issued, with preferential subscription rights waived, for the benefit of ENGIE group employee savings plan members (14th resolution)

Under the **14th resolution**, Shareholders would, in accordance with Articles L. 225-129-6 and L. 225-138-1 of the French Commercial Code and L. 3332-1 et seq. of the French Labor Code, authorize the Board of Directors, with the power to subdelegate in accordance with law, to increase the share capital on one or more occasions by a maximum nominal amount of **2%** of the share capital on the date of the implementation of the delegation, with the proviso that this ceiling shall apply to all capital increases carried out under the **15th resolution** of this Shareholders' Meeting, by issuing shares or securities granting access to equity securities to be issued and reserved for members of one or more Company employee savings plans that may be set up within the Company or its Group, consisting of the Company and its French and international affiliates, or by combining the Company's accounts in application of Article L. 3344-1 of the French Labor Code, with the proviso that this authorization may be used for the purposes of implementing the so-called leveraged "Multiple" investment formulas.

In accordance with the law, the Shareholders' Meeting would waive the shareholders' preferential subscription rights to new shares or other securities giving access to capital in favor of the above-mentioned beneficiaries.

The issue price of new shares could not be less than the Reference Price, which stands for average listed price of the ENGIE share on the Euronext Paris stock exchange during the 20 trading sessions prior to the date of the decision setting the opening date of the subscription period for the capital increase reserved for Company employee savings plan members, less a discount which may not exceed the maximum discount permitted by the legislation in force

when the authorization is implemented. However, the Board of Directors may reduce or eliminate such discounts, subject to statutory and regulatory requirements, in order to take into account the impact of local legal, accounting, tax and social security systems. In case of issue of securities giving access to equity securities to be issued, the price would also be determined by reference to the terms described in this paragraph.

In addition to shares or convertible or exchangeable securities to be subscribed in cash, the Board of Directors may award, at no cost to the beneficiaries listed above, new or existing shares or securities as a substitute for all or a portion of the discount relative to the aforementioned average, and/or the matching contribution, provided that the benefit from such an award does not exceed the statutory or regulatory limits pursuant to Articles L. 3332-21 et seq. and L. 3332-11 et seq. of the French Labor Code. In accordance with the law, this decision would entail the Shareholders' waiver of any preferential right to shares or securities giving access to capital which would be freely awarded under this resolution.

The renewal of this delegation would take effect as from the date of this Shareholders' Meeting for a period of **26 months** and would supersede the authorization previously granted by the Combined Ordinary and Extraordinary Shareholders' Meeting of May 18, 2018, in its 26th resolution.

The amount of the capital increases thus carried out would count against the Overall Ceiling of **€265 million** referred to in the 23rd resolution of the Combined Shareholders' Meeting of May 18, 2018.

Delegation of authority to the Board of Directors to increase the share capital by issuing shares or securities granting access to equity securities to be issued, without preferential subscription rights, in favor of any entity constituted as part of the implementation of an ENGIE group international employee shareholding plan (15th resolution)

As previously, the purpose of the **15th resolution** is to enable the Board of Directors to increase the share capital, without preferential subscription rights, by issuing shares or securities granting access to equity securities to be issued, reserved for all entities whose exclusive purpose is to purchase, hold and sell ENGIE shares or other financial instruments as part of the implementation of the leveraged "Multiple" investment formulas, or any trusts set up to establish a Share Incentive Plan under English law, of an ENGIE group international employee shareholding plan, for a maximum nominal amount of **0.5%** of the share capital on the date of implementation of the authorization, with the proviso that such issues will be counted against the **2%** Overall Ceiling stipulated in the **14th resolution**.

The subscription price for shares issued by the entity or entities would be equal to that offered to employees joining the leveraged "Multiple" investment formulas under the **14th resolution** relating to the capital increase reserved for members of the company employee savings plans detailed above and which will be proposed to this Shareholders' Meeting, subject to the power granted to the Board of Directors when setting the price to eliminate or reduce the discount provided for in the aforementioned **14th resolution**.

The shares or equity securities of the entity or entities that are beneficiaries of this reserved capital increase may be offered to the employees of consolidated foreign subsidiaries of the ENGIE group pursuant to Article L. 3344-1 of the French Labor Code which, for

local regulatory or tax reasons, may not subscribe for ENGIE shares under the aforementioned **14th resolution**.

The ENGIE shares purchased by the entity or entities could, where applicable, be assigned in full or in part to one or more credit establishments headquartered either in France or in another European Union member state for the purpose of covering the needs of the leveraged "Multiple" formulas.

The Shareholders are asked to give the Board of Directors a certain amount of latitude in the choice of the structure allowing for the best implementation of the leveraged "Multiple" formulas for employees of the ENGIE group in the countries concerned, in light of the changes in the applicable legislation.

In order to adapt the shareholding plans presented to the employees in each country concerned, where applicable, the proposed delegation of authority granted to the Board of Directors shall include the authority granted to the Board to determine the shareholding plans and to distinguish between (i) countries where employees will be offered shares or equity interests in the above-mentioned entity or entities and (ii) countries where employees will subscribe for ENGIE shares under the aforementioned **14th resolution**.

If, as a result of substantial subscriptions, the number of subscriptions were to exceed the maximum number of shares authorized for issue, the Board of Directors would reduce employee subscriptions in accordance with the rules that it has set under the

Board of Directors' Report on the resolutions

terms of French law and within the limits set by the authorization granted by the Shareholders' Meeting. The reduction of subscriptions would be done resolution by resolution and would therefore concern only the oversubscribed capital increase. The reduction rules would be set by the Board of Directors, and could involve scaling back the number of subscriptions per employee and/or a proportional reduction in employee subscriptions.

The renewal of this delegation would take effect as from the date of this Shareholders' Meeting for a period of **18 months** and would supersede the authorization previously granted by the Combined Ordinary and Extraordinary Shareholders' Meeting of May 18, 2018, in its 27th resolution.

The amount of the capital increases thus carried out would count against the Overall Ceiling of **€265 million** referred to in the 23rd resolution of the Combined Shareholders' Meeting of May 18, 2018.

COMMON PROVISIONS

The delegations of authority and authorizations referred to above would be given to the Board of Directors, with the power to subdelegate in accordance with the law.

Shareholders' attention is drawn to the obligation for the French State to own more than one-third of the capital or voting rights of ENGIE,

with the proviso that the State's interest may temporarily fall below the threshold, as long as it returns to the required ownership threshold for capital or voting rights within two years.

Furthermore, in accordance with the statutory provisions applicable to the Company, when the implementation of the various delegations and authorizations would dilute the State's interest, they must be unanimously approved by the French Privatization Board (*Commission des participations et des transferts*).

The Statutory Auditors have issued reports on the **14th** and **15th resolutions**, which have each been made available to the Shareholders in accordance with statutory and regulatory requirements.

Should the Board of Directors implement the delegations of authority granted by the Shareholders' Meeting under the **14th** and **15th resolutions**, it would be required to prepare, as appropriate and in accordance with the laws in force at the time of its decision, an additional report describing the final terms and conditions of the transaction, and indicating, where appropriate, its impact on the status of shareholders or holders of convertible or exchangeable securities, specifically as regards their proportion of the total shareholders' equity. This report and, if applicable, that of the Statutory Auditors, would be made available to shareholders and holders of convertible or exchangeable securities and then brought to their attention at the next Shareholders' Meeting.

Powers to implement the resolutions adopted by the General Shareholders' Meeting and to perform the related formalities (16th resolution)

The purpose of the **16th resolution** is to grant full powers to the bearer of a copy or extract of the minutes of this Shareholders' Meeting to carry out, as necessary, all statutory formalities required for the implementation of the resolutions adopted by this Shareholders' Meeting.

The Board of Directors