

TOTAL S.A.

Société Anonyme with a share capital of 6,584,000,282.50 euros
2 place Jean Millier – La Défense 6
92400 COURBEVOIE
542 051 180 RCS Nanterre

Combined Shareholders' Meeting

of June 1, 2018

Board of Directors' report on the resolutions
submitted to the Combined Shareholders' Meeting
(ordinary and extraordinary)

Ladies and Gentlemen,

We have convened this Ordinary and Extraordinary Shareholders' Meeting in particular to submit for your approval the resolutions regarding the annual financial statements, the allocation of earnings and the declaration of dividend, the option for the payment of the dividend balance for the fiscal year ended December 31, 2017 and of the interim dividends for the fiscal year ending December 31, 2018 in shares, the authorization to trade on the Company shares, the renewal of the directorships of three Directors, the agreements covered by Articles L. 225-38 et seq. of the French Commercial Code, the commitments related to the Chairman and Chief Executive Officer covered by Article L. 225-42-1 of the French Commercial Code. We also submit for your approval, in accordance with Article L. 225-100 of the French Commercial Code, the fixed, variable and extraordinary components of the total compensation due or granted for the fiscal year ended December 31, 2017 to the Chairman and Chief Executive Officer and, in accordance with Article L. 225-37-2 of the French Commercial Code, the Chairman and Chief Executive Officer compensation policy for the fiscal year ending December 31, 2018. We finally submit for your approval, various financial authorizations, including (i) resolutions delegating the authority to the Board of Directors to issue common shares and/or any securities providing access to the Company's share capital (with or without preferential shareholders' subscription rights), powers to (ii) proceed with share capital increases in consideration for contributions in kind, (iii) proceed with share capital increases reserved to employees, and (iv) grant Company shares free of charge to Group's employees and executive directors.

In total, nineteen resolutions are submitted for a vote at the Shareholders' Meeting by the Board of Directors.

RESOLUTIONS FOR THE ORDINARY SHAREHOLDERS' MEETING

Approval of the Company's financial statements and consolidated financial statements for the fiscal year ended December 31, 2017

The purpose of the **first and second resolutions** is to approve respectively the Company's statutory financial statements and the consolidated financial statements for the fiscal year ended December 31, 2017.

Allocation of earnings – Declaration of dividend – Option for payment for the dividend balance in shares for the fiscal year ended December 31, 2017

The purpose of the **third resolution** is to determine the allocation of earnings, declare a dividend for fiscal year ended December 31, 2017 and propose an option for payment in shares relating to the dividend balance for the fiscal year ended December 31, 2017.

It is proposed to set and approve the distribution of a dividend of **€2.48** per share for the fiscal year ended December 31, 2017, representing a 1.2% increase compared to the dividend of €2.45 per share for the fiscal year ended December 31, 2016. It is pointed out that three interim dividends each of €0.62 per share were paid on October 12, 2017, January 11, 2018 and April 9, 2018, respectively. As a consequence, the dividend balance to be paid is equal to €0.62 per share. This dividend balance will be detached from the shares listed on Euronext Paris on June 11, 2018 and paid on June 28, 2018.

We also propose to you, in application of Article 20 of the Company's bylaws, an option between the payment of the dividend balance for the fiscal year ended December 31, 2017 in cash or in Company new shares, each choice being exclusive of the other.

This option will allow shareholders who opt for the payment of the dividend balance in shares to receive new shares issued by the Company.

Further to a delegation from the Shareholders' Meeting, the issue price for each share given in payment of the dividend balance will be set by the Board of Directors prior to this Combined Shareholders' Meeting and shall be equal to a price corresponding to the average opening price of the shares on Euronext Paris for the 20 trading days preceding the Shareholders' Meeting, reduced by the amount of the net dividend balance to be distributed per share and rounded up to the nearest euro cent. Shares issued accordingly will carry immediate dividend rights and will be entitled to any distribution decided from their date of issuance.

If the amount of the dividend balance for which the option is exercised does not correspond to a whole number of shares, shareholders may opt to receive either the number of shares immediately above, by paying a cash adjustment on the day they exercise their option, or the number of shares immediately below, plus a balancing cash adjustment paid by the Company.

The option for the payment of the dividend balance in shares may be exercised from June 11, 2018 to June 20, 2018, both dates inclusive. Any shareholder who does not exercise this option within the specified time period will receive the dividend balance owed to them, in cash.

All powers will be granted to the Board of Directors, with powers of subdelegation to the Chairman and Chief Executive Officer, for the purposes of taking all the necessary actions in relation to the payment of the dividend balance in shares, acknowledging the subsequent capital increase and amending the bylaws accordingly.

A maximum of 2,687,593,642 shares are entitled to dividend for the fiscal year ended December 31, 2017, corresponding to 2,528,989,616 shares outstanding as of December 31, 2017 increased by:

- the maximum number of issuable shares entitled to receive a dividend during the fiscal year ended December 31, 2017, *i.e.*, the 490,568 shares issued or issuable upon the exercise of options giving right to subscribe to the shares of the Company under the stock option plan as decided by the Board of Directors during its meeting of September 14, 2011;
- 7,087,904 shares issued on January 11, 2018 as part of the payment of the second interim dividend for the fiscal year ended December 31, 2017;
- 35,502,961 shares issuable in payment of the third interim dividend for the fiscal year ended December 31, 2017, hypothesizing a 100% subscription rate for the payment of the third interim dividend in shares and a subscription price of €46.00 per share;
- 97,522,593 shares issued on March 8, 2018 in consideration for the contribution of the Mærsk Olie og Gas A/S shares to TOTAL S.A. and entitled to receive the third interim dividend and the dividend balance for the fiscal year ended December 31, 2017; and
- 18,000,000 shares corresponding to the maximum nominal amount of the capital increase reserved for employees as decided by the Board of Directors during its meeting on July 26, 2017, with an indicative completion date set on May 3, 2018, and which are entitled to receive the dividend balance for the fiscal year ended December 31, 2017.

Accordingly, the maximum amount to be paid for the 2,687,593,642 shares will be €6,665,232,232.16, corresponding to a dividend of €2.48 per share.

If, at the time of the payment of the dividend balance, the number of shares entitled to receive a dividend for the fiscal year ended December 31, 2017 is less than the maximum number of shares likely to give rights to dividends as indicated above, then the net earnings corresponding to unpaid dividend balance for those shares shall be allocated to "Retained earnings".

It should be noted that, effective as of January 1, 2018, the French Finance Act ("*loi de finances*") for 2018 amended the taxation regime applicable to dividends received by individual shareholders who are tax resident in France:

- for reference, the first interim dividend for the fiscal year ended December 31, 2017, paid on October 12, 2017, was subject to a tax deduction at source of 21% of its gross amount (excluding social security contributions of 15.5%). This tax deduction, made upon the payment of this first 2017 interim dividend, is an advance income tax payment which is creditable against the final income tax due in 2018 for the year 2017. If it exceeds the income tax due, the excess part is reimbursed;
- the second and third interim dividends as well as the dividend balance for the fiscal year ended December 31, 2017, which are paid in 2018, are subject to the new dividend taxation regime. In accordance with Article 117 quater (new) of the French General Tax Code, dividends are subject to a tax deduction at source of 12.8% of their gross amount (excluding social security contributions of 17.2%).
 - This tax deduction is an advance income tax payment, which is creditable against the new flat tax applicable on dividend revenues at the same rate of 12.8%. This flat tax constitutes a final taxation under Article 200 A, 1 A 1° of the French General Tax Code.
 - However, upon the overall election¹ by the shareholder, dividends can still be taxed, as must be those paid in 2017 (prior to the change of regime on January 1, 2018), at the progressive income tax scale. In that case, interim dividends and dividend balance are eligible for a 40% allowance established by Article 158 3 2° of the French General Tax Code. The 12.8% tax deduction at source is further creditable against the final income tax charge of the year of dividend revenues. If it exceeds the income tax due, the excess amount is reimbursed.

However, in compliance with Article 117 quater, paragraph 3 of the French General Tax Code, individual shareholders belonging to a tax household whose taxable income of penultimate year is below €50,000 for single, divorced or widowed taxpayers, and below €75,000 for taxpayers subject to common taxation, may claim to be exempted from the tax deduction at source of 21%, reduced to 12.8% since January 1, 2018, in accordance with the terms and conditions established by Article 242 quater of the French General Tax Code.

¹ Taxpayers can elect, expressly and irrevocably before the deadline of their declaration and globally for all their income defined in Article 200 A 1 of the French General Tax Code, for the taxation of their income within the scope of the flat tax scope at the progressive income tax scale in accordance with Article 200 A, 2 of the French General Tax Code.

For reference, the dividends declared for the last three fiscal years were as follows:

Fiscal year	Category	Gross dividend (in euros per share)	Total dividend (in million of euros)
2016	Interim ^(a)	0.61 ^(b) , 0.61 ^(c) , 0.61 ^(d)	6,021.0
	Balance ^(a)	0.62	
	Total	2.45	
2015	Interim ^(a)	0.61 ^(b) , 0.61 ^(c) , 0.61 ^(d)	5,937.8
	Balance ^(a)	0.61	
	Total	2.44	
2014	Interim ^(a)	0.61 ^(b) , 0.61 ^(c) , 0.61 ^(d)	5,823.5
	Balance ^(a)	0.61	
	Total	2.44	

(a) Amounts eligible for the 40% allowance available to individual taxpayers whose tax residence is in France, as provided by Article 158 3 2° of the French General Tax Code.

(b) First interim dividend.

(c) Second interim dividend.

(d) Third interim dividend.

Option for payment of interim dividends for the fiscal year ending December 31, 2018 in shares – Delegation of powers to the Board of Directors

It is proposed, under the **fourth resolution**, that if the Board of Directors decides to distribute one or more interim dividend(s) for the fiscal year ending December 31, 2018, you will be offered the option of receiving the payment in cash or in new shares for this/these interim dividend(s), each choice being exclusive of the other.

Further to a delegation from the Shareholders' Meeting, the issue price for the shares will be set by the Board of Directors and, in accordance with Article L. 232-19 of the French Commercial Code, shall be equal to a minimum price corresponding to 90% of the average opening price of the shares on Euronext Paris for the 20 trading days preceding the Board of Directors' decision to distribute the interim dividend, reduced by the net amount of the interim dividend and rounded up to the nearest euro cent. Shares issued accordingly will carry immediate dividend rights and will accordingly be entitled to any distribution decided from their date of issuance.

If the amount of the interim dividend for which the option is exercised does not correspond to a whole number of shares, shareholders may opt to receive either the number of shares immediately above, by paying a cash adjustment on the exercise date, or the number of shares immediately below, plus a balancing cash adjustment paid by the Company.

Therefore, it is proposed to grant the Board of Directors all powers, including powers of subdelegation to the Chairman and Chief Executive Officer, for the purposes of taking all measures necessary for the payment of the interim dividend(s) if a decision is taken to distribute such dividends, for establishing the methods for the dividends to be paid in shares, acknowledging any subsequent capital increase(s) and amending the bylaws accordingly.

For reference, results of the option to receive interim dividends in shares offered to shareholders for the payment (i) of the dividend balance for the fiscal year ended December 31, 2016 and (ii) first and second interim dividends for the fiscal year ended December 31, 2017 are set forth below:

	Second interim dividend for the fiscal year ended December 31, 2017	First interim dividend for the fiscal year ended December 31, 2017	Dividend balance for the fiscal year ended December 31, 2016
Percentage of rights exercised	21%	69%	52%
Number of new shares issued	7,087,904	25,633,559	17,801,936
Issue price	€46.55	€41.12	€44.86

Authorization for the Board of Directors to trade on the shares of the Company, for an eighteen-month period

During fiscal year ended December 31, 2017, the Company did not buy back or cancel any TOTAL shares. The authorization granted by the Shareholders' Meeting of May 26, 2017 expiring on November 26, 2018, it is therefore proposed, under the **fifth resolution** of this Meeting, to authorize the Board of Directors to trade on the Company shares, with a maximum purchase price set at €80 per share.

The purchase, sale or transfer of such shares may be completed by any means on regulated markets, multilateral trading facilities or over the counter, including the purchase or sale by block-trades, in compliance with the regulations of the relevant market authorities as of the date of the transactions contemplated. Such transactions may include the use of any financial derivative instruments traded on regulated markets, multilateral trading facilities or over the counter, and the implementation of options strategies.

These transactions are to be carried out in accordance with the provisions of Article L. 225-209 of the French Commercial Code. These transactions may be carried out at any time in compliance with the applicable rules and regulations in force as of the date of the transactions contemplated, except during an ongoing tender offer on the Company shares.

Pursuant to the provisions of Article L. 225-209 of the French Commercial Code, the maximum number of shares that may be repurchased under this authorization may not exceed 10% of the total number of outstanding shares of the Company's share capital as of the date of the use of this authorization. This 10% limit applies to a share capital amount that may, if needed, be adjusted to take into account operations that may affect the share capital after this Shareholders' Meeting. Such repurchases may not at any time cause the Company to hold, directly or indirectly through its subsidiaries, more than 10% of the share capital.

In addition, pursuant to the sixth paragraph of Article L. 225-209 of the French Commercial Code, the number of shares repurchased by the Company that would be used later in payment or in exchange in cases of merger, spin-off or contribution, may not currently exceed 5% of its share capital.

As of December 31, 2017, out of the 2,528,989,616 outstanding shares comprising its share capital, the Company directly held 8,376,756 treasury shares. As a result, the maximum number of shares that the Company could buy back amounts to 244,522,205 shares, and the maximum amount that the Company could spend to acquire these shares is €19,561,776,400 (excluding acquisition fees).

This authorization to repurchase Company shares would be granted for a period of 18 months from this Shareholders' Meeting and would supersede the unused portion of the prior authorization granted by the Ordinary Shareholders' Meeting of May 26, 2017 (fifth resolution).

Renewal of Directorships

Further to the proposals of the Governance and Ethics Committee, your Board of Directors propose that, pursuant to the **sixth, seventh and eighth resolutions**, that you renew, for a three-year term to expire at the end of the Shareholders' Meeting called in 2021 to approve the financial statements for the fiscal year ended December 31, 2020, the appointments as Directors of Mr. Patrick Pouyanné, Mr. Patrick Artus and Ms. Anne-Marie Idrac, whose terms of office expire at the end of this Shareholders' Meeting.

Mr. **Patrick Pouyanné** has been your Chief Executive Officer since October 22, 2014, and your Chairman and Chief Executive Officer since December 19, 2015. He has been your Director since May 29, 2015 and it is proposed that you renew his term. Further to the proposal of the Governance and Ethics Committee which was approved by the Board of Directors, the Board of Directors will be called, at its meeting on June 1, 2018 at the end of the Shareholders' Meeting on the same day, to renew Mr. Patrick Pouyanné term of office as Chairman of the Board of Directors and that of Chief Executive Officer, subject to the renewal of his directorship by the ordinary shareholders' meeting on June 1, 2018 and for the term of this new directorship, *i.e.*, until the end of the Shareholders' Meeting called in 2021 to approve the financial statements for the fiscal year ending December 31, 2020.

At the meeting of the Board of Directors of March 14, 2018, the Lead Independent Director notably reiterated that the proposal to continue to combine the positions of Chairman of the Board of Directors and Chief Executive Officer was made further to work done by the Governance and Ethics Committee in the interests of the Company.

In this regard, your Board of Directors believes that the unified management form is the most appropriate to the Group's organization, *modus operandi* and business, and to the specific features of the oil and gas sector, particularly in light of the advantage for the Group of having a unified management in strategic negotiations with governments and the Group's partners.

Your Board of Directors also recalls that the Group's governance structure ensures a balanced distribution of powers. To this end, at its meeting on December 16, 2015, the Board of Directors amended the provisions of its Rules of Procedure to provide for the appointment of a Lead Independent Director in the event of the combination of the positions of Chairman of the Board of Directors and Chief Executive Officer. The Lead Independent Director's duties, resources and rights are described in the Rules of Procedure of the Board of Directors. Mrs. Patricia Barbizet was thus appointed as Lead Independent Director as of December 19, 2015.

The balance of powers within the Company's bodies is also ensured by the composition of the Board of Directors and that of its four Committees, particularly given the high proportion of members who are independent directors. It is further ensured by the directors' full involvement in the work of the Board and the Committees, and by their diverse profiles, skills and expertises.

In addition, the Board's Rules of Procedure provide that investments and divestments considered by the Group exceeding 3% of equity must be approved by the Board of Directors, which is also informed of any significant events related to the Company's operations, particularly investments and divestments in amounts exceeding 1% of equity.

Finally, the Company's bylaws also offer the necessary guarantees to ensure compliance with best governance practices under a unified management form. In particular, they stipulate that a Board meeting may be convened by any means, including verbally, and at short notice in case of urgency, by

the Chairman or by a third of its members, at any time and as often as required to ensure the best interests of the Company.

Mr. Patrick Artus has been Director of TOTAL S.A. since May 15, 2009. He is member of the Audit Committee and of the Strategic & CSR Committee. He will continue to provide the Group with the benefit of his expertise in economics and his in-depth knowledge of the financial and energy sectors. He will maintain his commitment by continuing to contribute actively to the quality of the Board of Directors' discussions.

Ms. Anne-Marie Idrac has been Director of TOTAL S.A. since May 11, 2012. She is member of the Governance and Ethics Committee and of the Strategic & CSR Committee. She will continue to provide the Group with the benefit of her expertise in foreign trade and international relations, and the managerial and operational experience that she has acquired throughout her career.

At the end of the shareholders' meeting on June 1, 2018, subject the approval of the proposed resolutions, the Board of Directors will comprise 12 members including 5 non-French Directors. The proportion of Directors of each gender will remain above the 40%⁽¹⁾ threshold required by Article L. 225-18-1 of the French Commercial Code (6 women and 6 men out of 12 directors).

The Directors of TOTAL S.A. have diverse profiles. They are present, active and involved in the work of the Board of Directors and of the Committees. The complementarity of their business experiences and of their skills are real advantages for the quality of the discussions of the Board of Directors to take appropriate decisions.

Agreements covered by Article L. 225-38 *et seq.* of the French Commercial Code

The **ninth resolution** is to submit for your approval the conclusions of the statutory auditors in their special report concerning agreements under Articles L. 225-38 *et seq.* of the French Commercial Code, which does not mention any new agreement.

Commitments covered by Article L. 225-42-1 of the French Commercial Code to M. Patrick Pouyanné

Pursuant to the provisions of Article L. 225-42-1 of the French Commercial Code and upon presentation of the special report of the auditors, the **tenth resolution** proposes to approve the commitments related to compensation, severance benefits and other benefits to be payable after term or change of office of Mr. Patrick Pouyanné, Chairman and Chief Executive Officer of the Company, if Mr. Pouyanné is renewed as Chairman and Chief Executive Officer and if the previous commitments subject to performance conditions and relative to severance benefits, as described in the report of the auditors, are not modified.

Approval of the fixed, variable and extraordinary components of the total compensation and the in-kind benefits paid or granted to the Chairman and Chief Executive Officer for the fiscal year ended December 31, 2017

It is proposed, in the **eleventh resolution**, pursuant to Article L. 225-100 of the French Commercial Code, that you approve the fixed, variable and extraordinary components of the total compensation and the in-kind benefits paid or granted to the Chairman and Chief Executive Officer for the fiscal year ended

⁽¹⁾ Excluding the directors representing employees, in accordance with Article L. 225-27-1 of the French Commercial Code.

December 31, 2017 as presented in the report on corporate governance covered by Article L. 225-37 of the French Commercial Code and included in the 2017 Registration Document (chapter 4, point 4.3.2.1) and reproduced in the table below.

Your Board of Directors remind you that the payment to the Chairman and Chief Executive Officer of the variable portion due for the fiscal year ended December 31, 2017, which is the only variable or extraordinary element of the compensation policy of the Chairman and Chief Executive Office for the fiscal year ended December 31, 2017 as approved by the Board of Directors at its meeting of March 15, 2017, is conditional on the approval of this Shareholders' Meeting, of the compensation components of the Chairman and Chief Executive Officer under the conditions stipulated in Articles L. 225-37-2, L. 225-100 and R. 225-29-1 of the French Commercial Code.

Summary table of the components of the 2017 compensation for Mr. Patrick Pouyanné, Chairman and Chief Executive Officer of TOTAL S.A.

Components of compensation	Amount or accounting valuation submitted for vote	Presentation
Components of total compensation paid or granted for fiscal year 2017		
Fixed compensation	€1,400,000 (amount paid in 2017)	The fixed compensation due to Mr. Pouyanné for his duties as Chairman and Chief Executive Officer for fiscal year 2017 was €1,400,000 (unchanged from fiscal year 2016).
Annual variable compensation	€2,400,300 (amount paid in 2018)	The variable portion of Mr. Pouyanné's compensation for his duties as Chairman and Chief Executive Officer for fiscal year 2017 has been set at €2,400,300, corresponding to 171.45% (of a maximum of 180%) of his fixed annual compensation based on his performance. At its meeting on February 7, 2018, the Board of Directors reviewed the level of achievement of the economic parameters based on the quantifiable targets set by the Board of Directors at its meeting on March 15, 2017. The Board of Directors also assessed the Chairman and Chief Executive Officer's personal contribution on the basis of the four target criteria set during its meeting on March 15, 2017 to qualitatively assess his management.

**Annual variable compensation due for fiscal year 2017
(expressed as a percentage of the base salary)**

	Maximum percentage	Percentage allocated
Economic parameters (quantifiable targets)	140%	131.45%
– Safety	20%	20%
– TRIR	12%	12%
– FIR, by comparison	4%	4%
– Evolution of the number of Tier 1 + Tier 2 incidents	4%	4%
– Return on equity (ROE)	30%	21.45%
– Net debt-to-equity ratio	40%	40%
– Adjusted net income (ANI) – comparative	50%	50%
Personal contribution (qualitative criteria)	40%	40%
– Steering of the strategy and successful strategic negotiations with producing countries	10%	10%
– Achievement of production and reserve targets	10%	10%
– Performance and outlook with respect to Downstream activities	10%	10%
– Corporate Social Responsibility (CSR) performance	10%	10%
TOTAL	180%	171.45%

The Board of Directors assessed achievement of the targets set for the **economic parameters** as follows:

- The **safety criterion** was assessed for a maximum of 20% through (i) the achievement of the annual TRIR (Total Recordable Injury Rate) target, for a maximum of 12%; (ii) the number of accidental deaths per million hours worked, FIR (Fatality Incident Rate) compared to those of the four large competitor oil companies¹, for a maximum of 4%, as well as through changes in the Tier 1 + Tier 2 indicator², for a maximum of 4%.

In particular, the Board of Directors noted that the target of a TRIR lower than 1.0 was fully achieved in 2017. The TRIR in 2017 was 0.88. It also noted that the number of accidental deaths per million hours worked, FIR (Fatality Incident Rate), the best amongst the panel of majors, was achieved in full in 2017. Finally, the Board noted that the annual target of Tier 1 + Tier 2 incidents equal to or fewer than 130 was achieved in full in 2017; the number of incidents was 103.

It therefore set the portion for this criterion at 20% of the fixed compensation (maximum of 20%);

- For the **return on equity (ROE) criterion**³, the Board of Directors noted that the target of an ROE equal to or higher than 13% in 2017

¹ ExxonMobil, Royal Dutch Shell, BP and Chevron.

² Tier 1 and Tier 2: indicator of the number of loss of primary containment events, with more or less significant consequences, as defined by the API 754 (for downstream) and IOGP 456 (for upstream) standards. Excluding acts of sabotage and theft.

³ The Group measures the ROE as the ratio of adjusted consolidated net income to average adjusted shareholders' equity between the beginning and the end of the period. Adjusted shareholders' equity for fiscal year 2017 is calculated after payment of a dividend of €2.48 per share, subject to approval by the Annual Shareholders' Meeting on June 1, 2018. In 2016, the ROE was 8.7%.

was partly achieved. Since the ROE stood at 10.15% in 2017, the Board of Directors set the portion awarded for this criterion at 21.45% of the fixed compensation for the fiscal year 2017 (maximum of 30%);

- For the **net debt-to-equity ratio criterion**¹, the Board of Directors noted that the objective of maintaining a debt ratio equal to or lower than 30% in 2017 was achieved in full, which led the portion for this criterion to be set at 40% of the fixed compensation for fiscal year 2017 (maximum of 40%);
- The **criterion related to the change in the Group's adjusted net income** (ANI) was assessed by comparison with those of the four large oil companies on the basis of estimates calculated by a group of leading financial analysts². The Board of Directors noted that the increase in the Group's three-year average ANI was better than that of the panel, which led the portion for this criterion to be set at 50% of the fixed compensation for fiscal year 2017 (maximum of 50%).

Regarding the Chairman and Chief Executive Officer's **personal contribution**, the Board of Directors determined that the targets set were largely achieved in fiscal year 2017, particularly those related to:

- steering of the strategy and successful strategic negotiations with producing countries. The following points in particular were noted during the period:
 - a global partnership agreement with Sonatrach in Algeria consolidating the existing partnership,
 - the development of the unconventional resources of the Vaca Muerta in Argentina, accompanied by an increase of the Group's stake in the permit from 27.27% to 41%,
 - an agreement to develop the production of phase 11 of the South Pars gas field in Iran,
 - the acquisition of Mærsk Oil,
 - the resumption of offshore exploration in Angola with the Zinia 2 project on block 17, the extension of cooperation with Sonangol on the Kaombo project,
 - the signing of two agreements for the exploration and operation of deep offshore oil concessions offshore from Senegal and of a cooperation agreement with Petrosen and the Senegalese Ministry of Energy,
 - an exploration-production contract in Mauritania for block C7 with the Société Mauritanienne des Hydrocarbures et de Patrimoine Minier (SMHPM);
- the increase of hydrocarbon production and reserves: an increase in the production of hydrocarbons in 2017 of 4.65% compared with 2016 and an increase of reserves booked on December 31, 2017;
- the performance and outlook with respect to Downstream activities. The following points were noted in 2017:

¹ For its internal management and external communication purposes, the Group calculates a net debt-to-equity ratio by dividing its net financial debt by its adjusted shareholders' equity. Adjusted shareholders' equity for 2017 is calculated after payment of a dividend of €2.48 per share, subject to approval by the Annual Shareholders' Meeting on June 1, 2018. In 2017, the net debt-to-equity ratio was 13.8%. In 2016, it was 27.1%.

² Adjusted results are defined as income at replacement cost, excluding non-recurring items and excluding the impact of fair value changes. The annual ANI of each peer used for the calculation is determined by taking the average of the ANIs published by a panel of six financial analysts: UBS, Crédit Suisse, Barclays, Bank of America Merrill Lynch, JP Morgan and Deutsche Bank. If any of these analysts is unable to publish the results of one or more peers for a given year, it will be replaced, for the year and for the peer(s) in question, in the order listed, by an analyst included in the following additional list: Jefferies, HSBC, Société Générale, Goldman Sachs and Citi. The ANIs used will be set according to these analysts' last publications two business days after the publication of the press release announcing the "fourth quarter and annual results" of the last peer.

- in March 2017, the signing of an agreement to create a joint venture, in which the Group holds a 50% interest, for the construction of an ethane-based steam cracker on the American coast of the Gulf of Mexico and a new polyethylene plant,
 - the acquisition of a 23% stake in Eren Renewable Energy, which develops power plants producing electricity of renewable origin (solar and wind). The acquisition of this stake in renewable energies constitutes a diversification reflecting the inclusion of climate-related issues in the Group's strategy,
 - a distribution agreement signed with the Mexican government in October 2017,
 - the announcement of the acquisition of Engie's LNG business in November 2017,
 - the launch of the Total Spring offer in France,
 - the agreement with CMA CGM to supply LNG,
 - the acquisition of PitPoint for a deployment in the vehicle natural gas sector;
- CSR performance, notably taking into account climate issues in the Group's strategy as well as the Group's reputation in the domain of Corporate Social Responsibility. Different actions were noted that aim to reduce the environmental footprint of the Group's operations (such as the signing of the Statoil/Shell/Total agreement to develop a project to capture, store and utilize CO₂ in Norway, or the signing of a Group commitment to compensate for carbon emissions produced by air travel by the Group's employees with the support of the GoodPlanet Foundation). Different actions were also noted that aim to provide the Group's customers with an energy product mix with a carbon intensity that is regularly reduced (investments in gas, with the announcement of the acquisition of Engie's LNG business and acquisitions in renewable energies, such as Eren RE and Greenflex). Finally, it was noted that the Global Compact appointed the Chairman and Chief Executive Officer as an SDG Pioneer in recognition of the commitments made by the Group to develop partnerships and invest in low carbon energies.

In the development of the Group's societal policy, the adhesion of TOTAL to the Global Deal initiative, the revision of the "Human rights" roadmap, the publication of a guide to religion in the workplace and the commitment to increase the budget of the Total Corporate Foundation (€50 million to €125 million over 3 years) were noted in particular.

Regarding the development of the Group's relations with its stakeholders and its reputation in the field of Corporate Social Responsibility, the election of the Chairman and Chief Executive Officer as the 2016 Energy Intelligence Petroleum Executive of the Year was noted. Regarding the extra-financial rating agencies, it was noted that TOTAL maintained its position in the main ESG indexes (DJSI World and Europe; FTSE4Good) and its ratings (MSCI; CDP Climate Change and CDP Water), and that it figured for the first time, in 31st position, in the Corporate Knights Global 100 rankings of the Most sustainable companies, and in 3rd place in the extraction sector and in 1st place in the Oil & Gas sector of the Corporate Human Rights Benchmark published in 2017.

The Chairman and Chief Executive Officer's personal contribution was therefore set at 40% of the fixed compensation (maximum of 40%).

Multi-year or deferred variable compensation n/a

The Board of Directors has not granted any multi-year or deferred variable compensation.

Extraordinary compensation	n/a	The Board of Directors has not granted any extraordinary compensation.
Directors' fees	n/a	Mr. Pouyanné does not receive directors' fees for his duties at TOTAL S.A. or at the companies it controls.
Stock options, performance shares (and all other forms of long-term compensation)	€2,134,200 ¹ (accounting valuation)	<p>On July 26, 2017, Mr. Pouyanné was granted 60,000 existing shares of the Company (corresponding to 0.0024% of the share capital) pursuant to the authorization of the Company's Combined Shareholders' Meeting of May 24, 2016 (twenty-fourth resolution) subject to the conditions set out below. These shares were granted under a broader share plan approved by the Board of Directors on July 26, 2017, relating to 0.23% of the share capital in favor of more than 10,000 beneficiaries. The definitive grant of all the shares is subject to the beneficiary's continued presence within the Group during the vesting period and to performance conditions as described below.</p> <p>The definitive number of shares granted will be based on the comparative TSR (Total Shareholder Return) and the annual variation in net cash flow per share for fiscal years 2017 to 2019, applied as follows:</p> <ul style="list-style-type: none"> - the Company will be ranked each year against its peers (ExxonMobil, Royal Dutch Shell, BP and Chevron) during the three vesting years (2017, 2018 and 2019) based on the TSR criterion using the average closing market price expressed in dollars over one quarter at the beginning and end of each three-year period (Q4 year N vs./Q4 year N-3). The dividend will be considered reinvested based on the last market price on the ex-dividend date. $TSR\ N = (\text{average price Q4 N} - \text{average price Q4 N-3} + \text{reinvested dividends}) / (\text{average price Q4 N-3})$; - the Company will be ranked each year against its peers (ExxonMobil, Royal Dutch Shell, BP and Chevron) using the annual variation in net cash flow per share expressed in dollars criterion. Net cash flow is defined as cash flow from operating activities minus cash flow from investing activities including acquisitions and divestments. This data expressed in dollars will come from the consolidated statements of cash flow taken from the annual Consolidated Financial Statements of the Company and its peers for the fiscal years in question (based on the accounting standards applicable at the time of the closing of the accounts for such fiscal years). The number of shares used to calculate net cash flow per share will be the weighted-average number of diluted shares for the Company and each of its peers. <p>Based on the ranking, a grant rate will be determined for each year: 1st: 180% of the grant; 2nd: 130% of the grant; 3rd: 80% of the grant; 4th and 5th: 0%. For each of the criteria, the average of the three grant rates obtained (for each of the three fiscal years for which the performance conditions are assessed) will be rounded to the nearest 0.1 whole percent (0.05% being rounded to 0.1%) and capped at 100%. Each criterion will have a weight of 50% in the definitive grant rate. The definitive grant rate will be rounded to the nearest 0.1 whole percent (0.05% being rounded to 0.1%). The number of shares definitively granted, after confirmation of the performance conditions, will be rounded to the nearest whole number of shares in case of a fractional lot.</p> <p>In application of Article L. 225-197-1 of the French Commercial Code, Mr. Pouyanné will, until the end of his term, be required to retain in the</p>

¹ The amount of €2,134,200 corresponds to the fair value of the 60,000 shares granted, calculated using the market price at the grant date (€43.220) minus the total estimated amount of the dividends likely to be paid during the vesting period (or €35.57) in accordance with IFRS 2.

form of registered shares 50% of the gains on the acquired shares net of tax and national insurance contributions related to the shares granted in 2017. When Mr. Pouyanné holds¹ a volume of shares representing five times the fixed portion of his gross annual compensation, this percentage will be equal to 10%. If this condition is no longer met, the above-mentioned 50% holding requirement will again apply.

In addition, the Board of Directors has noted that, pursuant to the Board's Rules of Procedure applicable to all directors, the Chairman and Chief Executive Officer is not allowed to hedge the shares of the Company or any related financial instruments and has taken note of Mr. Pouyanné's commitment to abstain from such hedging operations with regard to the performance shares granted.

The grant of performance shares to Mr. Pouyanné is subject to the same requirements applicable to the other beneficiaries of the performance share plan and were approved by the Board at its meeting on July 26, 2017. In particular, these provisions stipulate that the shares definitively granted at the end of the three-year vesting period will, after confirmation of fulfillment of the presence and performance conditions, be automatically recorded as pure registered shares on the start date of the two-year holding period and will remain non-transferable and unavailable until the end of the holding period.

Payment for assuming a position	n/a	Mr. Pouyanné was not granted any payment for assuming his position.
--	-----	---

Components of total compensation paid or granted for fiscal year 2017 subject to a vote by the Annual Shareholders' Meeting as per the procedure regarding regulated agreements and undertakings

Valuation of in-kind benefits	€67,976(accounting valuation)	<p>The Chairman and Chief Executive Officer is entitled to a company vehicle.</p> <p>He is covered by the following life insurance plans provided by various life insurance companies:</p> <ul style="list-style-type: none"> - an "incapacity, disability, life insurance" plan applicable to all employees, partly paid for by the Company, that provides for two options in case of death of a married employee: either the payment of a lump sum equal to five times the annual compensation up to 16 times the PASS, corresponding to a maximum of €3,178,560 in 2018, plus an additional amount if there is a dependent child or children, or the payment of a lump sum equal to three times the annual compensation up to 16 times the PASS, plus a survivor's pension and education allowance; - a second "disability and life insurance" plan, fully paid by the Company, applicable to executive officers and senior executives whose annual gross compensation is more than 16 times the PASS. This contract, signed on October 17, 2002, amended on January 28 and December 16, 2015, guarantees the beneficiary the payment of a lump sum, in case of death, equal to two years of compensation (defined as the gross annual fixed reference compensation (base France), which corresponds to 12 times the monthly gross fixed compensation paid during the month prior to death or sick leave, to which is added the highest amount in absolute value of the variable portion received during one of the five previous years of activity), which is increased to three years in case of accidental death and, in case of accidental permanent disability, a lump sum proportional to the degree of disability. Death benefits are increased by 15% for each dependent child. Payments due under this contract are made
--------------------------------------	-------------------------------	--

¹ In the form of shares or units of mutual funds invested in shares of the Company.

		<p>after the deduction of any amount paid under the above-mentioned plan applicable to all employees.</p> <p>The Chairman and Chief Executive Officer also benefits from the health care plan applicable to all employees.</p>
Severance benefit	None	<p>The Chairman and Chief Executive Officer is entitled to a benefit equal to two years of his gross compensation if he is removed from office or his term of office is not renewed by the Company. The calculation is based on the gross compensation (fixed and variable) of the 12 months preceding the date of termination or non-renewal of his term of office.</p> <p>The severance benefit will only be paid in the event of a forced departure related to a change of control or strategy. It will not be due in case of gross negligence or willful misconduct or if the Chairman and Chief Executive Officer leaves the Company of his own volition, accepts new responsibilities within the Group or may claim full retirement benefits within a short time period.</p> <p>These undertakings were subject to the procedure for regulated agreements, as provided for by Article L. 225-38 of the French Commercial Code. They were approved by the Annual Shareholders' Meeting held on May 24, 2016.</p> <p>Pursuant to the provisions of Article L. 225-42-1 of the French Commercial Code, receipt of this severance benefit is contingent upon a performance-related condition applicable to the beneficiary, which is deemed to be fulfilled if at least two of the following criteria are met:</p> <ul style="list-style-type: none"> - the average ROE (return on equity) for the three years preceding the year in which the Chairman and Chief Executive Officer retires is at least 10%; - the average net debt-to-equity ratio for the three years preceding the year in which the Chairman and Chief Executive Officer retires is less than or equal to 30%; - growth in TOTAL's oil and gas production is greater than or equal to the average growth rate of four oil companies (ExxonMobil, Royal Dutch Shell, BP and Chevron) during the three years preceding the year in which the Chairman and Chief Executive Officer retires.
Retirement benefit	None	<p>The Chairman and Chief Executive Officer is entitled to a retirement benefit equal to those available to eligible members of the Group under the French National Collective Bargaining Agreement for the Petroleum Industry. This benefit is equal to 25% of the fixed and variable annual compensation received during the 12 months preceding retirement. Pursuant to the provisions of Article L. 225-42-1 of the French Commercial Code, receipt of this retirement benefit is contingent upon a performance-related condition applicable to the beneficiary, which is deemed to be fulfilled if at least two of the following criteria are met:</p> <ul style="list-style-type: none"> - the average ROE (return on equity) for the three years preceding the year in which the Chairman and Chief Executive Officer retires is at least 10%; - the average net debt-to-equity ratio for the three years preceding the year in which the Chairman and Chief Executive Officer retires is less than or equal to 30%; - growth in TOTAL's oil and gas production is greater than or equal to the average growth rate of four oil companies (ExxonMobil, Royal Dutch Shell, BP and Chevron) during the three years preceding the year in which the Chairman and Chief Executive Officer retires. The retirement benefit cannot be combined with the severance benefit described above.

Non-compete compensation	n/a	Mr. Pouyanné has not received any non-compete compensation.
Supplementary pension plan	None	<p>Pursuant to applicable legislation, the Chairman and Chief Executive Officer is eligible for the basic French Social Security pension and for pension benefits under the ARRCO and AGIRC supplementary pension plans. He also participates in the internal defined contribution pension plan applicable to all TOTAL S.A. employees, known as RECO SUP (<i>Régime collectif et obligatoire de retraite supplémentaire à cotisations définies</i>), covered by Article L. 242-1 of the French Social Security Code. The Company's commitment is limited to its share of the contribution paid to the insurance company that manages the plan. For fiscal year 2017, this pension plan represented a booked expense to TOTAL S.A. in favor of the Chairman and Chief Executive Officer of €2,354.</p> <p>The Chairman and Chief Executive Officer also participates in a supplementary defined benefit pension plan, covered by Article L. 137-11 of the French Social Security Code, set up and financed by the Company and approved by the Board of Directors on March 13, 2001, for which management is outsourced to two insurance companies effective January 1, 2012. This plan applies to all TOTAL S.A. employees whose compensation exceeds eight times the annual ceiling for calculating French Social Security contributions (PASS), set at €39,228 for 2017 (<i>i.e.</i>, €313,824), and above which there is no conventional pension plan.</p> <p>To be eligible for this supplementary pension plan, participants must have served for at least five years, be at least 60 years old and exercised his or her rights to retirement from the French Social Security. The benefits under this plan are subject to a presence condition under which the beneficiary must still be employed at the time of retirement. However, the presence condition does not apply if a beneficiary aged 55 or older leaves the Company at the Company's initiative or in case of disability.</p> <p>The length of service acquired by Mr. Pouyanné as a result of his previous salaried duties held at the Group since January 1, 1997 has been maintained for the benefit of this plan.</p> <p>The compensation taken into account to calculate the supplementary pension is the average gross annual compensation (fixed and variable portion) over the last three years. This pension plan provides a pension for its beneficiaries equal to 1.8% of the portion of the compensation falling between 8 and 40 times the PASS and 1% for the portion of the compensation falling between 40 and 60 times the PASS, multiplied by the number of years of service up to a maximum of 20 years.</p> <p>The sum of the annual supplementary pension plan benefits and other pension plan benefits (other than those set up individually and on a voluntary basis) may not exceed 45% of the average gross compensation (fixed and variable portion) over the last three years. In the event that this percentage is exceeded, the supplementary pension is reduced accordingly.</p> <p>The amount of the supplementary pension determined in this way is indexed to the ARRCO pension point.</p> <p>The supplementary pension includes a clause whereby 60% of the amount will be paid to beneficiaries in the event of death after retirement.</p> <p>To ensure that the acquisition of additional pension rights under this defined-benefit pension plan is subject to performance conditions to be defined pursuant to the provisions of Article L. 225-42-1 of the French Commercial Code amended by law No. 2015-990 of August 6,</p>

2015, at the meeting on December 16, 2015, the Board of Directors noted the existence of the Chief Executive Officer's pension rights under the above-mentioned pension plan, immediately before his appointment as Chairman, for the period from January 1, 1997 to December 18, 2015.

The conditional rights granted for the period from January 1, 1997 to December 18, 2015 (inclusive), acquired without performance conditions, correspond to a replacement rate equal to 34.14% for the portion of the base compensation falling between 8 and 40 times the PASS and a replacement rate of 18.96% for the portion of the base compensation falling between 40 and 60 times the PASS.

The conditional rights granted for the period from December 19, 2015 to December 31, 2016 are subject to the performance condition described below and correspond to a maximum replacement rate equal to 1.86% for the portion of the base compensation falling between 8 and 40 times the PASS and a replacement rate equal to 1.04% for the portion of the base compensation falling between 40 and 60 times the PASS.

These undertakings regarding the supplementary pension plan were subject to the procedure for regulated agreements, as per Article L. 225-38 of the French Commercial Code, and they were approved by the Company's Annual Shareholders' Meeting on May 24, 2016.

Pursuant to the provisions of Article L. 225-42-1 of the French Commercial Code, the acquisition of these supplementary pension rights under the terms of the pension plan for the period from December 19, 2015 to December 31, 2016, was submitted by the Board of Directors meeting on December 16, 2015, to a condition related to the beneficiary's performance, which is considered fulfilled if the variable portion of the Chairman and Chief Executive Officer's compensation paid in 2017 for fiscal year 2016 reaches 100% of the base salary due for fiscal year 2016. Should the variable portion not reach 100% of his base compensation, the rights will be awarded on a pro rata basis.

On February 8, 2017, the meeting of the Board of Directors noted that the specified performance condition was fully met and therefore confirmed the acquisition by Mr. Pouyanné of additional pension rights for the period from December 19, 2015 to December 31, 2016.

The Board also noted that Mr. Pouyanné can no longer acquire additional pension rights under this plan given the rules for determining pension rights set out in the plan and the 20 years of service of Mr. Pouyanné as of December 31, 2016.

The conditional rights granted for the period from January 1, 1997 to December 31, 2016 (inclusive), therefore correspond to a replacement rate equal to 36% for the portion of the base compensation falling between 8 and 40 times the PASS and a replacement rate of 20% for the portion of the base compensation falling between 40 and 60 times the PASS.

The commitments made by TOTAL S.A. to its Chairman and Chief Executive Officer regarding the supplementary defined benefit and similar pension plans therefore represent, at December 31, 2017, a gross annual pension estimated at €608,819 based on the length of service acquired as of December 31, 2017 (*i.e.*, capped at 20 years), corresponding to 16.02% of Mr. Pouyanné's gross annual compensation consisting of the annual fixed portion for 2017 (*i.e.*,

€1,400,000) and the variable portion to be paid¹ in 2018 for fiscal year 2017 (i.e., €2,400,300).

Nearly the full amount of TOTAL S.A.'s commitments under these supplementary and similar retirement plans (including the retirement benefit) is outsourced for all beneficiaries to insurance companies and the non-outsourced balance is evaluated annually and adjusted through a provision in the accounts. The amount of these commitments as of December 31, 2017 is €17.4 million for the Chairman and Chief Executive Officer (€17.7 million for the Chairman and Chief Executive Officer, the current and former executive and non-executive directors covered by these plans). These amounts represent the gross value of TOTAL S.A.'s commitments to these beneficiaries based on the estimated gross annual pensions as of December 31, 2017 and the statistical life expectancy of the beneficiaries.

The total amount of all the pension plans in which Mr. Pouyanné participates represents, at December 31, 2017, a gross annual pension estimated at €704,550 based on the length of service acquired as of December 31, 2017, corresponding to 18.54% of Mr. Pouyanné's gross annual compensation defined above (annual fixed portion for 2017 and variable portion to be paid in 2018 for fiscal year 2017).

In line with the principles for determining the compensation of executive directors as set out in the AFEP-MEDEF Code which the Company uses as a reference, the Board of Directors took into account the benefit accruing from participation in the pension plans when determining the Chairman and Chief Executive Officer's compensation.

Approval by the Shareholders' Meeting

The commitments made to the Chairman and Chief Executive Officer regarding the pension and insurance plans, the retirement benefit and the severance benefit (in the event of forced departure related to a change of control or strategy) were authorized by the Board of Directors on December 16, 2015 and approved by the Shareholders' Meeting on May 24, 2016.

Approval of principles and criteria for the determination, breakdown and allocation of the fixed, variable and extraordinary components of the total compensation and the in-kind benefits attributable to the Chairman and Chief Executive Officer

It is proposed, in the **twelfth resolution**, that you approve, in accordance with Article L. 225-37-2 of the French Commercial Code, the principles and criteria for the determination, breakdown and allocation of the fixed, variable and extraordinary components of the total compensation and the in-kind benefits attributable to the Chairman and Chief Executive Officer.

In accordance with Article L. 225-37-2 of the French Commercial Code, the principles and criteria for the determination, breakdown and allocation of the fixed, variable and extraordinary components of the total compensation and the in-kind benefits attributable to the Chairman and Chief Executive Officer as a result of his duties are detailed herebelow. These components are submitted to your approval.

Your Board of Directors specifies that the payment to the Chairman and Chief Executive Officer of the variable portion due for the fiscal year ending December 31, 2018, which is the only variable or extraordinary element of the compensation policy of the Chairman and Chief Executive Office for the

¹ Subject to the approval of the Ordinary Shareholders' Meeting on June 1, 2018.

fiscal year ending December 31, 2018 as approved by the Board of Directors at its meeting of March 14, 2018, is conditional on the approval of this Annual Shareholders' Meeting of the Company to be held in 2019, of the compensation components of the Chairman and Chief Executive Officer in accordance with Articles L. 225-37-2, L. 225-100 and R. 225-29-1 of the French Commercial Code.

Report on corporate governance attached in accordance with Article L. 225-37 of the French Commercial Code to the report referred to in Articles L. 225-100 and L. 225-102 of the said Code, and the content of which is detailed in Article L. 225-37-2 of the French Commercial Code (part regarding the compensation of the Chairman and Chief Executive Officer)

This report, issued by the Board of Directors further to a proposal by the Compensation Committee, in accordance with the provisions of Article L. 225-37-2 of the French Commercial Code, describes the principles and criteria for the determination, breakdown and allocation of the fixed, variable and extraordinary components of the total compensation (including in-kind benefits) attributable to the Chairman and Chief Executive Officer as a result of his duties.

The compensation policy for the Chairman and Chief Executive Officer was approved by the Board of Directors, on the proposal of the Compensation Committee, at its meeting on March 14, 2018. It was based on the general principles for determining the compensation of the executive directors described below, and on a comparative study of the compensation of the Chairman and Chief Executive Officer by an external consultant, to which the members of the Compensation Committee referred.

At its meeting on March 14, 2018, and on the proposal of the Compensation Committee, the Board of Directors also decided that the amount of the fixed component of the compensation of the Chairman and Chief Executive Officer, the maximum percentage of the variable part of his compensation, and the annual number of performance shares attributed to the Chairman and Chief Executive Officer in 2018 will not be changed throughout his next term of office as Chairman and Chief Executive Officer, after the renewal by the Board of Directors, in other words, until the Shareholders' Meeting held in 2021 to approve the accounts of fiscal year ending December 31, 2020.

General principles for determining the compensation of the executive directors

The general principles for determining the compensation and other benefits granted to the executive directors of TOTAL S.A. are as follows:

- Compensation and benefits for the executive directors are set by the Board of Directors on the proposal of the Compensation Committee. Such compensation must be reasonable and fair, in a context that values both teamwork and motivation within the Company. Compensation for the executive directors is based on the market, the work performed, the results obtained and the responsibilities assumed.
- Compensation for the executive directors includes a fixed portion and a variable portion. The fixed portion is reviewed at least every two years.
- The amount of the variable portion is reviewed each year and may not exceed a stated percentage of the fixed portion. Variable compensation is determined based on pre-defined quantifiable and qualitative criteria that are periodically reviewed by the Board of Directors. Quantifiable criteria are limited in number, objective, measurable and adapted to the Company's strategy.
- The variable portion rewards short-term performance and the progress made toward paving the way for medium-term development. It is determined in a manner consistent with the annual performance review of the executive directors and the Company's medium-term strategy.

- The Board of Directors monitors the change in the fixed and variable portions of the executive directors' compensation over several years in light of the Company's performance.
- There is no specific pension plan for the executive directors. They are eligible for retirement benefits and pension plans available to certain employee categories in the Group under conditions determined by the Board.
- In line with the principles for determining the compensation of executive directors as set out in the AFEP-MEDEF Code which the Company uses as a reference, the Board of Directors takes into account the benefit accruing from participation in the pension plans when determining the compensation policy of the executive directors.

- Stock options and performance shares are designed to align the interests of the executive directors with those of the shareholders over the long term.

The grant of options and performance shares to the executive directors is reviewed in light of all the components of compensation of the person in question. No discount is applied when stock options are granted.

Stock options and performance shares are granted at regular intervals to prevent any opportunistic behavior.

The exercise of options and the definitive grant of performance shares to which the executive directors are entitled are subject to conditions of presence in the Company and performance that must be met over several years. The departure of executive directors from the Group results in the inapplicability of share options and the rights to the definitive attribution of performance shares. Under exceptional circumstances, the Board of Directors can decide to maintain the share options and the rights to the definitive attribution of performance shares after the executive's departure, if the decision of the Board of Directors is specially justified and taken in the Company's interest.

The Board of Directors determines the rules related to holding a portion of the shares resulting from the exercise of options and the performance shares definitively granted, which apply to the executive directors until the end of their term of office.

The executive directors cannot be granted stock options or performance shares when they leave office.

- After three years in office, the executive directors are required to hold at least the number of Company shares set by the Board.
- The components of compensation of the executive directors are made public after the Board of Directors' meeting at which they are approved.
- The executive directors do not take part in any discussions or deliberations of the corporate bodies regarding items on the agenda of Board of Directors' meetings related to the assessment of their performance or the determination of the components of their compensation.
- When a new executive director is nominated, the Board of Directors decides on his or her compensation and benefits, further to a proposal by the Compensation Committee, and in accordance with the above general principles for determining the compensation of the executive directors. Exceptional compensation or specific benefits when taking office are forbidden, unless the Board of Directors decides otherwise for particular reasons, in the Company's interest and within the limits of the exceptional circumstances.

Compensation policy for the Chairman and Chief Executive Officer for fiscal year 2018

The compensation policy for the Chairman and Chief Executive Officer for fiscal year 2018, as approved by the Board of Directors on March 14, 2018, is presented below.

Base salary of the Chairman and Chief Executive Officer (fixed compensation)

The Board of Directors decided to maintain Mr. Pouyanné's annual base salary (fixed compensation) for his duties as Chairman and Chief Executive Officer for fiscal year 2018 at €1,400,000 (same as the fixed portion due for fiscal year 2017).

The level of the Chairman and Chief Executive Officer's fixed compensation was set based on the responsibilities assumed and the compensation levels applied for executive directors of comparable companies (particularly CAC 40 companies).

Annual variable portion of the Chairman and Chief Executive Officer's compensation

The Board of Directors also decided to maintain the maximum amount of the variable portion that could be paid to the Chairman and Chief Executive Officer for fiscal year 2018 at 180% of his base salary (same percentage as in fiscal year 2017). This ceiling was set based on the level applied by a benchmark sample of companies operating in the energy sectors.

As in 2017, the formula for calculating the variable portion of the Chairman and Chief Executive Officer's compensation for fiscal year 2018 uses economic parameters that refer to quantifiable targets reflecting the Group's performance as well as the Chairman and Chief Executive Officer's personal contribution allowing a qualitative assessment of his management.

Annual variable compensation due for fiscal year 2018 (expressed as a percentage of the base salary)

		Maximum percentage
Economic parameters (quantifiable targets):		140%
▪ Safety		20%
- TRIR	12%	
- FIR, by comparison	4%	
- Evolution of the number of Tier 1 + Tier 2 incidents	4%	
▪ Return on equity (ROE)		30%
▪ Net debt-to-equity ratio ^(a)		40%
▪ Adjusted net income (ANI) – comparative		50%
Personal contribution (qualitative criteria):		40%
- steering of the strategy and successful strategic negotiations with producing countries		15%
- achievement of production and reserve targets		
- performance and outlook with respect to Downstream activities (Refining & Chemicals / Marketing & Services)		10%
- the Group's gas-electricity-renewables growth strategy		
- Corporate Social Responsibility (CSR) performance		15%
TOTAL		180%

(a) Net debt/shareholders' equity + net debt before IFRS 16 impact.

The parameters used include:

- change in safety, for up to 20% of the base salary, assessed through the achievement of an annual TRIR (Total Recordable Injury Rate) target and the number of accidental deaths per million hours worked, FIR (Fatality Incident Rate) compared to those of four large competitor oil companies¹, as well as through changes in the Tier 1 + Tier 2 indicator²:
 - the maximum weighting of the TRIR criterion is 12% of the base salary. The maximum weighting will be reached if the TRIR is below 0.9; the weighting of the criterion will be zero if the TRIR is above or equal to 1.5. The interpolations are linear between these points of reference;
 - the maximum weighting of the FIR criterion is 4% of the base salary. The maximum weighting will be reached if the FIR is the best of the panel of the majors, and zero if the FIR is the worst of the panel. The interpolations are linear between these two points and depend on the ranking;
 - the maximum weighting of the changes in the number of Tier 1 + Tier 2 incidents is 4% of the base salary. The maximum weighting will be reached if the number of Tier 1 + Tier 2 incidents equals 100 or below. The weighting of the parameter will be zero if the number of Tier 1 + Tier 2 incidents is equal to or higher than 200. The interpolations are linear between these two points of reference.
- return on equity (ROE) as published by the Group on the basis of its balance sheet and consolidated statement of income, for up to 30% of the base salary:
 - the maximum weighting of the criterion is reached if the ROE is higher than or equal to 13%,
 - the weighting of the criterion is zero if the ROE is lower than or equal to 6%,
 - the weighting of the criterion is 50% of the maximum of 30% if the ROE is 8%,
 - the interpolations are linear between these three points of reference.
- net debt-to-equity ratio (net debt/shareholders' equity + net debt before IFRS 16 impact³) as published by the Group on the basis of its balance sheet and consolidated statement of income, for up to 40% of the base salary:
 - the maximum weighting of the criterion is reached for a debt ratio equal to or below 20%,
 - the weighting of the criterion is zero for a debt ratio of 30%,
 - the interpolations are linear between these two points of reference.
- change in adjusted net income (ANI), for up to 50% of the base salary, determined on the basis of the financial statements published by the Group (in accordance with the accounting standards applicable at the time of the closing of the accounts for the fiscal years in question) and compared with the ANI values of four major oil companies (ExxonMobil, Royal Dutch Shell, BP and Chevron) determined on the basis of estimates calculated by a group of leading financial analysts⁴.

The comparison is made on the average three-year progress of the ANI:

- if the Group does better than the value observed for the panel, plus 12%, the weighting of the criterion is equal to the maximum of 50% of base salary,
- the weighting of the criterion is 60% of this maximum if the performance of the Group is identical to that of the panel,

¹ ExxonMobil, Royal Dutch Shell, BP and Chevron.

² Tier 1 and Tier 2: indicator of the number of loss of primary containment events, with more or less significant consequences, as defined by the API 754 (for downstream) and IOGP 456 (for upstream) standards. Excluding acts of sabotage and theft.

³ Instead of the net debt-to-equity ratio in 2017.

⁴ The annual ANI of each peer used for the calculation is determined by taking the average of the ANIs published by a panel of six financial analysts: UBS, Crédit Suisse, Barclays, Bank of America Merrill Lynch, JP Morgan and Deutsche Bank. If any of these analysts is unable to publish the results of one or more peers for a given year, it will be replaced, for the year and for the peer(s) in question, in the order listed, by an analyst included in the following additional list: Jefferies, HSBC, Société Générale, Goldman Sachs and Citi. The ANIs used will be set according to these analysts' last publications two business days after the publication of the press release announcing the "fourth quarter and annual results" of the last peer.

- the weighting of the criterion is zero if the performance of the Group is identical to that of the panel, minus 12%;
- the interpolations are linear between these points of reference.

For the ANI indicator, a sliding three-year average of the ANI for each of the four companies in the panel will apply, and the arithmetical average of these four averages is then calculated and compared with the changes in TOTAL's ANI.

The Chairman and Chief Executive Officer's personal contribution, which may represent up to 40% of the base salary, is evaluated based on the following criteria:

- steering of the strategy and successful strategic negotiations with producing countries; and achievement of production and reserve targets, for up to 15%;
- performance and outlook with respect to Downstream activities (Refining & Chemicals / Marketing & Services) and the Group's gas-electricity-renewables growth strategy, for up to 10%;
- CSR performance, notably taking into account climate issues in the Group's Strategy, the Group's reputation in the domain of Corporate Social Responsibility as well as the policy concerning all aspects of diversity, for up to 15%.

Pursuant to Articles R. 225-29-1, L. 225-37-2 and L. 225-100 of the French Commercial Code, this annual variable component, the only variable element of the Chairman and Chief Executive Officer's compensation for the fiscal year 2018, can only be paid with the approval of the Annual Shareholders' Meeting called in 2019 to approve the accounts of fiscal year 2018.

Performance shares

The granting of performance shares to the Chairman and Chief Executive Officer constitutes the long-term component of his total compensation. They are structured over a five-year period: a three-year vesting period, followed by a two-year holding period. The definitive grant of shares is subject to a presence condition and performance conditions assessed at the end of the three-year vesting period.

Performance shares are granted to the Chairman and Chief Executive Officer each year as part of plans that are not specific to him and concern more than 10,000 employees, a large majority of which are non-executive employees (97% of the beneficiaries in 2017).

At its meeting on July 27, 2016, the Board of Directors decided to grant a volume of performance shares increased by almost 20% for the 2016 plan. The Board of Directors adopts this proactive policy in an effort to strengthen the sense of belonging to the Group of the beneficiaries, to identify them more closely with its performances and to encourage their investment in the Company's share capital. The Chairman and Chief Executive Officer also benefited from this increase in the volume of performance shares granted in 2016, since he was granted 60,000 shares in 2016, compared to 48,000 in 2015. The number of shares granted as part of the plan of July 26, 2017 remained stable.

The compensation policy proposed for fiscal year 2018 also includes the granting of performance shares. On the proposal of the Compensation Committee, the Board of Directors decided at its meeting on March 14, 2018, to grant 72,000 performance shares to the Chairman and Chief Executive Officer (a number of shares up by 20% compared with 2017), as part of a 2018 plan¹ that is not specific to him, to take account of the Chairman and Chief Executive Officer's performance in fiscal year 2017. The increase in the number of shares granted to the Chairman and Chief Executive Officer also takes account of the fact that his terms of office as the Chairman and Chief Executive Officer could be renewed by the Board of Directors following the General Shareholders' Meeting on June 1, 2018 for three years, *i.e.*, until 2021 (if the said Shareholders' Meeting approves the renewal of Mr. Pouyanné's mandate as a director), and that, consequently, the number of performance shares likely to be granted annually by the Board to the Chairman and Chief Executive Officer until the end of his next term of office in 2021

¹ Since 2012, the performance shares were granted in July each year. The meeting of the Board of Directors on March 14, 2018 decided to grant the performance shares for 2018 in March, so that they coincide with the individual pay-related measures taken each year in March.

will remain stable each year. The granted performance shares will be subject to the same provisions as those applicable to the other senior executive beneficiaries of the grant plans.

The performance conditions applicable to the shares granted in 2018 will be based, on one hand, on the comparative TSR (Total Shareholder Return) and the annual variation in net cash flow per share for fiscal years 2018 to 2020, applied as follows:

- the Company will be ranked each year against its peers (ExxonMobil, Royal Dutch Shell, BP and Chevron) during the three vesting years (2018, 2019 and 2020) based on the TSR criterion using the average closing market price expressed in dollars over one quarter at the beginning and end of each three-year period (Q4 year N vs./Q4 year N-3). The dividend will be considered reinvested based on the last market price on the ex-dividend date. $TSR N = \frac{\text{average price Q4 N} - \text{average price Q4 N-3} + \text{reinvested dividends}}{\text{average price Q4 N-3}}$;
- the Company will be ranked each year against its peers (ExxonMobil, Royal Dutch Shell, BP and Chevron) during the three vesting years (2018, 2019 and 2020) using the annual variation in net cash flow per share criterion expressed in dollars. Net cash flow is defined as cash flow from operating activities minus cash flow from investing activities including acquisitions and disposals. This data expressed in dollars will come from the consolidated statements of cash flow taken from the annual Consolidated Financial Statements of the Company and its peers for the fiscal years in question (based on the accounting standards applicable at the time of the closing of the accounts for such fiscal years). The number of shares used to calculate net cash flow per share will be the weighted-average number of diluted shares for the Company and each of its peers.

Based on the ranking, a grant rate will be determined for each year: 1st: 180% of the grant; 2nd: 130% of the grant; 3rd: 80% of the grant; 4th and 5th: 0%. For each of the criteria, the average of the three grant rates obtained (for each of the three fiscal years for which the performance conditions are assessed) will be rounded to the nearest 0.1 whole percent (0.05% being rounded to 0.1%) and capped at 100%. Each criterion will have a weight of 50% in the definitive grant rate. The definitive grant rate will be rounded to the nearest 0.1 whole percent (0.05% being rounded to 0.1%). The number of shares definitively granted, after confirmation of the performance conditions, will be rounded to the nearest whole number of shares in case of a fractional lot.

Following the 3-year acquisition period, shares that have been definitively granted could not be disposed of before the end of a 2-year holding period.

Commitments made by the Company to the Chairman and Chief Executive Officer

The Board of Directors decided on March 14, 2018, on the Compensation Committee's proposal, to maintain unchanged the commitments made to the Chairman and Chief Executive Officer regarding the pension plans, the retirement benefit and the severance benefit to be paid in the event of forced departure related to a change of control or strategy, as well as the life insurance and health care benefits presented below. They were approved by the Board of Directors on December 16, 2015, and by the Annual General Meeting on May 24, 2016, and then by the Board of Directors on February 8, 2017. They will be subject to the approval of the Annual Shareholders' Meeting on June 1, 2018, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code.

It should be noted that Mr. Pouyanné already benefited from all these provisions when he was an employee of the Company, except for the commitment to pay severance benefits in the event of forced departure related to a change of control or strategy. It should also be noted that Mr. Pouyanné, who joined the Group on January 1, 1997, ended the employment contract that he previously had with TOTAL S.A. through his resignation at the time of his appointment as Chief Executive Officer on October 22, 2014.

- **Pension plans**

Pursuant to applicable legislation, the Chairman and Chief Executive Officer is eligible for the basic French Social Security pension and for pension benefits under the ARRCO and AGIRC supplementary pension plans.

He also participates in the internal defined contribution pension plan applicable to all TOTAL S.A. employees, known as RECOUP (*Régime collectif et obligatoire de retraite supplémentaire à cotisations définies*), covered by Article L. 242-1 of the French Social Security Code. The Company's commitment is limited to its share of the contribution paid to the insurance company that manages the plan. For fiscal year 2017, this pension plan represented a booked expense to TOTAL S.A. in favor of the Chairman and Chief Executive Officer of €2,354.

The Chairman and Chief Executive Officer also participates in a supplementary defined benefit pension plan, covered by Article L. 137-11 of the French Social Security Code, set up and financed by the Company and approved by the Board of Directors on March 13, 2001, for which management is outsourced to two insurance companies effective January 1, 2012. This plan applies to all TOTAL S.A. employees whose compensation exceeds eight times the annual ceiling for calculating French Social Security contributions (PASS), set at €39,228 for 2017 (*i.e.*, €313,824), and above which there is no conventional pension plan.

To be eligible for this supplementary pension plan, participants must have served for at least five years, be at least 60 years old and exercised his or her rights to retirement from the French Social Security. The benefits under this plan are subject to a presence condition under which the beneficiary must still be employed at the time of retirement. However, the presence condition does not apply if a beneficiary aged 55 or older leaves the Company at the Company's initiative or in case of disability.

The length of service acquired by Mr. Pouyanné as a result of his previous salaried duties held at the Group since January 1, 1997 has been maintained for the benefit of this plan.

The compensation taken into account to calculate the supplementary pension is the average gross annual compensation (fixed and variable portion) over the last three years. The amount paid under this plan is equal to 1.8% of the compensation falling between 8 and 40 times the PASS and 1% for the portion of the compensation falling between 40 and 60 times this ceiling, multiplied by the number of years of service up to a maximum of 20 years, subject to the performance condition set out below applicable to the Chairman and Chief Executive Officer.

The sum of the annual supplementary pension plan benefits and other pension plan benefits (other than those set up individually and on a voluntary basis) may not exceed 45% of the average gross compensation (fixed and variable portion) over the last three years. In the event that this percentage is exceeded, the supplementary pension is reduced accordingly. The amount of the supplementary pension determined in this way is indexed to the ARRCO pension point.

The supplementary pension includes a clause whereby 60% of the amount will be paid to beneficiaries in the event of death after retirement.

To ensure that the acquisition of additional pension rights under this defined-benefit pension plan is subject to performance conditions to be defined pursuant to the provisions of Article L. 225-42-1 of the French Commercial Code amended by law No. 2015-990 of August 6, 2015, the Board of Directors noted the existence of the Chief Executive Officer's pension rights under the above-mentioned pension plan, immediately before his appointment as Chairman, for the period from January 1, 1997 to December 18, 2015.

The conditional rights granted for the period from January 1, 1997 to December 18, 2015 (inclusive), acquired without performance conditions, correspond to a replacement rate equal to 34.14% for the portion of the base compensation falling between 8 and 40 times the PASS and a replacement rate of 18.96% for the portion of the base compensation falling between 40 and 60 times the PASS.

The conditional rights granted for the period from December 19, 2015 to December 31, 2016 are subject to the performance condition described below and correspond to a maximum replacement rate equal to

1.86% for the portion of the base compensation falling between 8 and 40 times the PASS and a replacement rate equal to 1.04% for the portion of the base compensation falling between 40 and 60 times the PASS.

These undertakings regarding the supplementary pension plan were subject to the procedure for regulated agreements, as per Article L. 225-38 of the French Commercial Code, and they were approved by the Company's Annual Shareholders' Meeting on May 24, 2016.

Pursuant to the provisions of Article L. 225-42-1 of the French Commercial Code, at its meeting on December 16, 2015 the Board of Directors decided to make the acquisition of these conditional rights for the period from December 19, 2015 to December 31, 2016, subject to a condition related to the beneficiary's performance, which is considered fulfilled if the variable portion of the Chairman and Chief Executive Officer's compensation paid in 2017 for fiscal year 2016 reaches 100% of the base salary due for fiscal year 2016. Should the variable portion not reach 100% of his base compensation, the rights will be awarded on a prorata basis.

On February 8, 2017, the Board of Directors noted that the specified performance condition was fully met and therefore confirmed the acquisition by Mr. Pouyanné of additional pension rights for the period from December 19, 2015 to December 31, 2016.

The Board also noted that Mr. Pouyanné is no longer able to acquire additional pension rights under this plan given the rules for determining pension rights set out in the plan and more than 20 years of service of Mr. Pouyanné as of December 31, 2017.

The conditional rights granted to Mr. Patrick Pouyanné for the period from January 1, 1997 to December 31, 2016 are now equal to a reference rate of 36% for the portion of the base compensation falling between 8 and 40 times the PASS and 20% for the portion of the base compensation falling between 40 and 60 times the PASS.

The commitments made by TOTAL S.A. to its Chairman and Chief Executive Officer regarding the supplementary defined benefit and similar pension plans therefore represent, at December 31, 2017, a gross annual pension estimated at €608,819 based on the length of service acquired as of December 31, 2017 (*i.e.*, capped at 20 years), corresponding to 16.02% of Mr. Pouyanné's gross annual compensation consisting of the annual fixed portion for 2017 (*i.e.*, €1,400,000) and the variable portion to be paid in 2018¹ for fiscal year 2017 (*i.e.*, €2,400,300).

Nearly the full amount of TOTAL S.A.'s commitments under these supplementary and similar retirement plans (including the retirement benefit) is outsourced for all beneficiaries to insurance companies and the non-outsourced balance is evaluated annually and adjusted through a provision in the accounts. The amount of these commitments as of December 31, 2017 is €17.4 million for the Chairman and Chief Executive Officer (€17.7 million for the Chairman and Chief Executive Officer, the current and former executive and non-executive directors covered by these plans). These amounts represent the gross value of TOTAL S.A.'s commitments to these beneficiaries based on the estimated gross annual pensions as of December 31, 2017 and the statistical life expectancy of the beneficiaries.

The total amount of all the pension plans in which Mr. Pouyanné participates represents, at December 31, 2017, a gross annual pension estimated at €704,550 based on the length of service acquired as of December 31, 2017, corresponding to 18.54% of Mr. Pouyanné's gross annual compensation defined above (annual fixed portion for 2017 and variable portion to be paid in 2018 for fiscal year 2017).

¹ Subject to the approval of the Ordinary General Meeting of June 1, 2018.

▪ **Retirement benefit**

The Chairman and Chief Executive Officer is entitled to a retirement benefit equal to those available to eligible members of the Group under the French National Collective Bargaining Agreement for the Petroleum Industry. This benefit is equal to 25% of the fixed and variable annual compensation received during the 12 months preceding retirement.

Pursuant to the provisions of Article L. 225-42-1 of the French Commercial Code, receipt of this retirement benefit is contingent upon a performance-related condition applicable to the beneficiary, which is deemed to be fulfilled if at least two of the following criteria are met:

- the average ROE (return on equity) for the three years preceding the year in which the Chairman and Chief Executive Officer retires is at least 10%;
- the average net debt-to-equity ratio for the three years preceding the year in which the Chairman and Chief Executive Officer retires is less than or equal to 30%; and
- growth in TOTAL's oil and gas production is greater than or equal to the average growth rate of four oil companies (ExxonMobil, Royal Dutch Shell, BP and Chevron) during the three years preceding the year in which the Chairman and Chief Executive Officer retires.

The retirement benefit cannot be combined with the severance benefit described below.

▪ **Severance benefit**

The Chairman and Chief Executive Officer is entitled to a benefit equal to two years of his gross compensation in the event of a forced departure related to a change of control or strategy. The calculation is based on the gross compensation (fixed and variable) of the 12 months preceding the date of termination or non-renewal of his term of office.

The severance benefit will only be paid in the event of a forced departure related to a change of control or strategy. It will not be due in case of gross negligence or willful misconduct or if the Chairman and Chief Executive Officer leaves the Company of his own volition, accepts new responsibilities within the Group or may claim full retirement benefits within a short time period.

Pursuant to the provisions of Article L. 225-42-1 of the French Commercial Code, receipt of this severance benefit is contingent upon a performance-related condition applicable to the beneficiary, which is deemed to be fulfilled if at least two of the following criteria are met:

- the average ROE (return on equity) for the three years preceding the year in which the Chairman and Chief Executive Officer retires is at least 10%;
- the average net debt-to-equity ratio for the three years preceding the year in which the Chairman and Chief Executive Officer retires is less than or equal to 30%; and
- growth in TOTAL's oil and gas production is greater than or equal to the average growth rate of four oil companies (ExxonMobil, Royal Dutch Shell, BP and Chevron) during the three years preceding the year in which the Chairman and Chief Executive Officer retires.

▪ **Life insurance and health care plans**

The Chairman and Chief Executive Officer is covered by the following life insurance plans provided by various life insurance companies:

- an "incapacity, disability, life insurance" plan applicable to all employees, partly paid for by the Company, that provides for two options in case of death of a married employee: either the payment of a lump sum equal to five times the annual compensation up to 16 times the PASS, corresponding to a maximum of €3,178,560 in 2018, plus an additional amount if there is a dependent child or children, or the payment of a lump sum equal to three times the annual compensation up to 16 times the PASS, plus a survivor's pension and education allowance;

- a second “disability and life insurance” plan, fully paid by the Company, applicable to executive officers and senior executives whose annual gross compensation is more than 16 times the PASS. This contract, signed on October 17, 2002, amended on January 28 and December 16, 2015, guarantees the beneficiary the payment of a lump sum, in case of death, equal to two years of compensation (defined as the gross annual fixed reference compensation (base France), which corresponds to 12 times the monthly gross fixed compensation paid during the month prior to death or sick leave, to which is added the highest amount in absolute value of the variable portion received during one of the five previous years of activity), which is increased to three years in case of accidental death and, in case of accidental permanent disability, a lump sum proportional to the degree of disability. Death benefits are increased by 15% for each dependent child.

Payments due under this contract are made after the deduction of any amount paid under the above-mentioned plan applicable to all employees.

The Chairman and Chief Executive Officer also has the use of a company car and is covered by the health care plan available to all employees.

RESOLUTIONS FOR THE EXTRAORDINARY SHAREHOLDERS’ MEETING

The Extraordinary Shareholders’ Meeting of May 24, 2016 approved, in its eighteenth, nineteenth, twentieth, twenty-first and twenty-second resolutions, delegations of authority granted to the Board of Directors to increase the share capital and the number of shares to be issued in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code.

These delegations of authority or powers expiring on July 24, 2018, it is therefore proposed to renew each of them, for a 26-month period, in the **thirteenth, fourteenth, fifteenth, sixteenth and seventeenth resolutions**, in replacement of those which were previously granted.

These delegations would bring the necessary flexibility to the Board of Directors to proceed with the financing operations that would be best suited to the market conditions and the needs of the Company, in addition to any debt that may be issued. Unless otherwise previously authorized by the Shareholders’ Meeting, the Board of Directors will not be allowed to use these delegations of authority from the filing of a tender offer on the Company shares by a third party and to the end of the tender offer period.

As a consequence of the proposed delegations of authority or powers to the Board of Directors to increase the Company’s share capital, it is also proposed, in the **eighteenth resolution**, to authorize the Board of Directors, for a 26-month period, to increase share capital in favor of the participants in a company or group savings plan.

The Combined Shareholders’ Meeting of May 24, 2016 gave, under its twenty-fourth resolution, an authorization to the Board of Directors to grant restricted Company shares to the Group’s employees or executive directors of the Company or other companies of the Group.

It is proposed, under the **nineteenth resolution**, to renew for a 38-month period the authorization given to the Board of Directors to grant restricted Company shares to employees or executive directors of the Company or other companies or grouping affiliated to the Company pursuant to Article L. 225-197-2 of the French Commercial Code. These grants would promote further employee shareholding policy of the Company.

Resolutions 13 to 19 are explained hereafter.

Delegation of authority to the Board of Directors, for a 26-month period, to increase the share capital with shareholders' pre-emptive subscription right either through the issuance of common shares and/or any securities granting access to the Company's share capital, or by capitalizing premiums, reserves, surpluses or other

In the **thirteenth resolution**, pursuant to Articles L. 225-129, L. 225-129-2 *et seq.* and L. 228-91 *et seq.* of the French Commercial Code, it is proposed that you delegate to the Board of Directors **the authority**, for a **26-month period** from the date of this Shareholders' Meeting, **to proceed** with one or more issuance(s) of common shares of the Company, and/or any securities providing access, immediately and/or in the future, to the Company's share capital, **with shareholders' pre-emptive subscription right**.

This resolution would enable the Company to proceed with share capital increases with shareholders' pre-emptive subscription rights (the operation would generally last ten trading days), which could be used, in particular, to finance cash transactions, in addition to any debt that may be issued to that end.

Capital increases completed under this delegation may be carried out either via the payment of cash consideration, or through incorporation of share premiums, reserves, profits or other amounts, by means of grants of shares without consideration or an increase in the nominal value of existing shares, where such incorporation is authorized by applicable law or bylaws.

The maximum nominal amount of the share capital increases that may be completed with a shareholders' pre-emptive subscription right, either immediately and/or at a future date, shall be equal to an overall cap of **two billion five hundred million euros**, *i.e.*, **one billion** common shares with a nominal value of €2.50 each. This aggregate upper limit corresponds to **39.5%** of the Company's share capital as of December 31, 2017.

The total nominal amount of any common shares that would be issued under the **fourteenth resolution** of this Shareholders' Meeting relating to the issuance of common shares or any securities granting access to the Company's share capital, without shareholders' pre-emptive subscription right, shall be deducted from the overall cap authorized by this Shareholders' Meeting under the **thirteenth resolution**.

Furthermore, the total nominal amount of capital increases that may be completed under the following resolutions proposed to this Meeting:

- **fifteenth resolution** relating to the issuance of common shares and/or securities granting access to the share capital of your Company, by way of an offer pursuant to the provisions of Article L. 411-2 II of the French Monetary and Financial Code and Article 1, paragraph 4, a) and b) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market ("Prospectus Regulation"), which provisions shall immediately apply from July 21, 2019, without shareholders' pre-emptive subscription right,

- **sixteenth resolution** relating to the possibility of an increase in the number of securities to be issued as part of capital increase without shareholders' pre-emptive subscription right,
- **seventeenth resolution** relating to the issuance of common shares and/or securities granting access to share capital to remunerate contributions in kind to the Company, without shareholders' pre-emptive subscription right,

shall be deducted from the aggregate upper limit of the total nominal value of share capital increases likely to be completed under the **fourteenth resolution**.

In addition, the total nominal amount of capital increases that may be completed under the **eighteenth resolution** of this Meeting relating to share capital increases reserved for participants in a company or group savings plan will be also deducted from the overall cap of capital increase authorized by this Shareholders' Meeting under the **thirteenth resolution**.

Finally, the maximum nominal amount of debt securities that may be issued – and that may, either immediately and/or at a future date, give access to the Company's share capital – may not exceed a limit of **ten billion euros**, or its equivalent value, as of the date of the issuance decision. This limit is identical to that approved by the Combined Shareholders' Meeting of May 24, 2016. This limit applies to issuances decided under the **thirteenth, fourteenth, fifteenth and seventeenth resolutions**.

Additionally, it is pointed out that, pursuant to Article L. 225-132 of the French Commercial Code, the decision to issue securities granting access to the share capital implies the waiver by shareholders of their pre-emptive subscription rights to the shares to which the securities likely to be issued under this resolution entitle them, either immediately and/or at a future date, for the benefit of the holders of these securities.

The delegation contemplated under the thirteenth resolution would be granted for a **26-month** period from the date of this Shareholders' Meeting and would supersede the unused portion of the delegation granted by the Combined Shareholders' Meeting of May 24, 2016 (eighteenth resolution).

Delegation of authority to the Board of Directors, for a 26-month period, to increase the share capital by way of public offering by issuing common shares and/or securities granting access to the Company's capital, without shareholders' pre-emptive subscription right,

In the **fourteenth resolution**, it is proposed that you delegate to the Board of Directors, pursuant to the above mentioned provisions and to Articles L. 225-135, L. 225-136 and L. 225-148 of the French Commercial Code, **the authority**, for a **26-month** period from the date of this Shareholders' Meeting, to proceed to one or more issuance(s) of common shares of the Company, and/or any securities granting immediate and/or future rights to the Company's share capital, **without shareholders' pre-emptive subscription right**.

For instance, this resolution could be used for issuances of securities in consideration for the securities contributed to a public exchange offer in compliance with Article L. 225-148 of the French Commercial Code (public exchange offer on a listed company in a member State of the European Economic Area or the Organization for Economic Cooperation and Development). The nominal amount of the capital increase that would be decided accordingly would be deducted from the aggregate upper limit authorized under this resolution.

This resolution could also be used for issuances of compound securities or issuances made abroad. Nevertheless, this resolution does not include the possibility to carry out a share capital increase by way of an offer referred to in Article L. 411-2 II of the French Monetary and Financial Code and Article 1, paragraph 4, a) and b) of the Prospectus Regulation, for the benefit of qualified investors or a limited circle of investors.

Furthermore, it is proposed that you delegate to the Board of Directors the possibility to offer a priority subscription period in favor of shareholders for a minimum period of three trading days pursuant to Article R. 225-131 of the French Commercial Code.

In addition, we inform you that, as of today, pursuant to Article R. 225-119 of the French Commercial Code, the price of any common shares that may be issued under this delegation must be no less than the weighted average market price of TOTAL shares on Euronext Paris during the three trading days that precede the pricing of the shares, less a 5% maximum discount that the Board of Directors may decide to apply to that average.

The maximum nominal amount of the capital increases that may be completed, either immediately and/or at a future date, under this resolution may not exceed **six hundred and twenty-five million euros, i.e., two hundred fifty million** of common shares with a nominal value of €2.50 each. This limit equals to **9.9%** of the Company's share capital as of December 31, 2017, it being specified that the maximum nominal amount of these share capital increases shall be deducted from the overall cap authorized by this Shareholders' Meeting under the **thirteenth resolution**.

Additionally, it is pointed out that, pursuant to Article L. 225-132 of the French Commercial Code, the decision to issue securities granting access to the Company share capital implies the waiver by shareholders of their pre-emptive subscription rights to the shares to which the securities likely to be issued under this resolution entitle them, either immediately and/or at a future date, for the benefit of the holders of these securities.

The delegation contemplated under the fourteenth resolution would be granted for a **26-month** period from the date of this Shareholders' Meeting and would supersede the unused portion of the delegation granted by the Combined Shareholders' Meeting of May 24, 2016 (nineteenth resolution).

Delegation of authority to the Board of Directors, for a 26-month period, to issue common shares of the Company and/or any securities granting immediate and/or future rights to the Company's share capital, by way of an offer under the provisions of Article L. 411-2 II of the French Monetary and Financial Code, without shareholders' pre-emptive subscription right

Under the **fifteenth resolution**, pursuant to the above mentioned provisions, it is proposed that you delegate to the Board of Directors the authority, for a **26-month** period from the date of this Shareholders' Meeting, to proceed to one or more issuance(s) of common shares of the Company and/or any securities granting immediate and/or future rights to the Company's share capital, **without shareholders' pre-emptive subscription right, by way of an offer under the provisions of Article L. 411-2 II of the French Monetary and Financial Code and Article 1, paragraph 4, a) and b) of the Prospectus Regulation**.

This resolution would allow to proceed to share capital increases for the benefit of qualified investors or a limited circle of investors to facilitate the Company's access to capital in the case of more favorable market conditions or when rapid execution is critical to ensure the transaction's success.

In addition, please note that, as of today, pursuant to Article R. 225-119 of the French Commercial Code, the price of any common shares that may be issued under this delegation must be no less than the weighted average market price of TOTAL shares on Euronext Paris during the three trading days that precede the pricing of the shares, *less* a 5% maximum discount that the Board of Directors may decide to apply to that average.

The maximum nominal amount of the share capital increases that may be completed under this resolution is **six hundred and twenty-five million** euros, *i.e.*, **two hundred fifty million** of common shares with a nominal value of €2.50 each. This limit equals to **9.9%** of the Company's share capital as of December 31, 2017 and to the cap authorized under the **fourteenth resolution** from which it shall be deducted.

Additionally, it is pointed out that, pursuant to Article L. 225-132 of the French Commercial Code, the decision to issue securities granting access to the share capital implies the waiver by shareholders of their pre-emptive subscription right to the shares to which the securities likely to be issued under this resolution entitle them, either immediately and/or at a future date, for the benefit of the holders of these securities.

The delegation contemplated under the fifteenth resolution would be granted for a **26-month** period from this Shareholders' Meeting and would supersede the unused portion of the delegation granted by the Combined Shareholders' Meeting of May 24, 2016 (twentieth resolution).

Delegation of authority to the Board of Directors, for a 26-month period, to increase the number of securities to be issued as part of share capital increases without shareholders' pre-emptive subscription right

Under the **sixteenth resolution**, pursuant to Articles L. 225-135-1 and R. 225-118 of the French Commercial Code, it is proposed that you delegate to the Board of Directors **the authority** to decide, where an issuance is oversubscribed, **to increase the number of securities to be issued**, at the same price as for the initial issuance.

The purpose of this resolution is to allow the Board of Directors to increase the numbers of securities to be issued if the demand from investors exceeds the amount initially offered.

Under this resolution, the Board of Directors could, where an issuance is oversubscribed, increase the number of securities to be issued as part of share capital increases without shareholders' pre-emptive subscription right, within the period and limit set out in the regulation applicable on the issue date. Pursuant to Article R. 225-118 of the French Commercial Code, the Board of Directors could increase the number of securities to be issued within thirty days following the closing of the initial subscription period, up to a maximum of **15%** of the initial issuance.

The delegation contemplated under the sixteenth resolution would be granted for a **26-month** period from this Shareholders' Meeting and would supersede the unused portion of the delegation granted by the Combined Shareholders' Meeting of May 24, 2016 (twenty-first resolution).

Delegation of powers to the Board of Directors, for a 26-month period, to increase the share capital by issuance of common shares and/or securities granting access to the Company's share capital in consideration for contributions in kind without shareholders' pre-emptive subscription right

Under the **seventeenth resolution** it is proposed that you delegate, pursuant to Article L. 225-147 of the French Commercial Code, to the Board of Directors **all the necessary powers to decide** capital increases, through the issuance of common shares of the Company and/or any securities granting immediate and/or future rights to a portion of the Company's share capital, **in consideration for contributions in kind** to the benefit of the Company and in the form of shares and/or other securities granting access to capital, when the conditions set out in Article L. 225-148 of the French Commercial Code are not applicable. The provisions of Article L. 225-148 apply in case of a takeover by means of an exchange offer on securities of a company which shares are listed on a regulated market of a State that is a party to the agreement on the European Economic Area or a member of the Organization for Economic Cooperation and Development.

The maximum nominal amount of the capital increases that may be decided under this resolution shall not exceed **six hundred and twenty-five million** euros, *i.e.*, **two hundred fifty million** of common shares with a nominal value of €2.50 each. This limit equals to **9.9%** of the Company's share capital and to the limit authorized under the **fourteenth resolution** from which it shall be deducted. The Board of Directors points out that the decision to issue securities granting access to share capital would imply that the shareholders waive their subscription rights to shares and securities that would be issued in favor of shareholders, as contributions in kind.

We further note that, in accordance with the provisions of Article L. 225-132 of the French Commercial Code, those issuances would imply that the shareholders waive their pre-emptive subscription right to the shares to which the securities entitle them, either immediately and/or at a future date, for the benefit of the holders of these securities.

The delegation contemplated under the seventeenth resolution would be granted for a **26-month** period from this Shareholders' Meeting and would supersede the unused portion of the delegation granted by the Combined Shareholders' Meeting of May 24, 2016 (twenty-second resolution).

Use of the authorization previously granted by the Combined Shareholders' Meeting of May 24, 2016

Please note that pursuant to the delegation granted by the Combined Shareholders' Meeting of May 24, 2016, in its twenty-second resolution, the Board of Directors decided, during its meeting dated February 7, 2018, subject to the conditions precedent provided for in the contribution agreement entered into with A.P. Møller – Mærsk A/S on the same date, to increase the share capital of the Company by issuing 97,522,593 shares for the benefit of A.P. Møller – Mærsk A/S in consideration for the contribution in kind of the shares of Mærskolie og Gas A/S to the Company.

Under a decision dated March 8, 2018, the Chairman and Chief Executive Officer of the Company, acting upon subdelegation of the Board of Directors, acknowledged (i) the satisfaction of the conditions precedent provided for the said contribution agreement, (ii) the full completion of the share capital increase of the Company to the benefit of A.P. Møller – Mærsk A/S, and (iii) the subsequent issuance

of the above mentioned shares. The Chairman and Chief Executive Officer has also subsequently amended Article 6 of the bylaws of the Company (share capital).

Delegation of authority to the Board of Directors, for a 26-month period, to increase the share capital, under conditions provided for in Articles L. 3332-18 et seq. of the French Labor Code, by the issuance of common shares reserved to participants in a company or group savings plan, without shareholders' pre-emptive subscription right

Given that this Shareholders' Meeting is resolving on delegations of authority or powers to complete share capital increases, the provisions of Article L. 225-129-6 of the French Commercial Code require that we submit a resolution to your vote that would authorize capital increases reserved for employees under Articles L. 3332-18 to 3332-24 and L. 3332-1 to L. 3332-9 of the French Labor Code relating to employee savings plan, and Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code.

Therefore, under the **eighteenth resolution**, it is proposed that, firstly, you delegate to your Board of Directors the **authority to decide to increase** the share capital of the Company, in one or more transaction(s), within a maximum amount of **1.5%** of the outstanding share capital (unchanged from the maximum amount approved by the Combined Shareholders' Meeting on May 24, 2016) as of the date of the Board of Directors' decision on such issuance (representing **37,934,844** shares based on the share capital as of December 31, 2017), it being specified that the amount of the capital issued under this **eighteenth resolution** shall be deducted from the overall cap authorized by this Meeting under the **thirteenth resolution**, and secondly, to reserve the subscription for all such issuances for the participants in a company or group savings plan of the Company and French or foreign companies affiliated to the Company within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code, included to the beneficiaries referred to in Article L. 3332-2 of the French Labor Code. It is hereby specified that this resolution could be used to implement leverage transactions.

This **eighteenth resolution** aims to promote the Group's employee shareholding by allowing a subscription of shares with a discount compared to the share market price.

We further note that this delegation, pursuant to Article L. 3332-21 of the French Labor Code, would authorize the grant to the above mentioned beneficiaries of existing Company shares or shares to be issued, either as a benefit ("*abondement*") that may be paid pursuant to the rules of a company or group savings plan and/or as a discount, provided that their equivalent value, assessed at the subscription price, does not exceed the limits provided by Articles L. 3332-11 and L. 3332-19 of the French Labor Code.

The Board of Directors points out that this delegation would require that the shareholders waive their pre-emptive subscription right for the benefit of participants in a company or group savings plan for whom the capital increase is reserved, included to the beneficiaries referred to in Article L. 3332-2 of the French Labor Code.

The subscription price of such new shares may not be less than the average of the closing prices listed on Euronext Paris during the 20 trading days prior to the date on which the Board of Directors sets the opening date of subscriptions, minus 20%, *i.e.*, at a level below the maximum currently authorized by law.

This delegation contemplated in the eighteenth resolution would be granted for a **26-month** period from the date of this Meeting and would supersede the unused portion of the delegation granted by the Combined Shareholders' Meeting of May 24, 2016 (twenty-third resolution).

Authorization, for a 38-month period, for the Board of Directors to grant shares of Company (existing or to be issued), to some or all of the Group's employees and executive directors implying waiver of the shareholders' pre-emptive subscription right for shares to be issued

Under the **nineteenth resolution** it is proposed to authorize the Board of Directors to grant Company shares to Group's employees and executive directors.

This authorization aims to develop TOTAL's employee shareholding policy and encourage performance and results based on employee participation in the Company's share capital, (i) to promote employee shareholding of the Company, (ii) to strengthen the sense of Group belonging and (iii) to further associate its employees with Group's performance.

Furthermore, shares could also be granted to Group's employees and executive directors as part of a share capital increase completed under the eighteenth resolution as presented to this Shareholders' Meeting or subsequent resolutions with the same purpose.

In the case of selective plans, the vesting of shares will be subject to presence and performance conditions.

No performance conditions would apply in the case of global plans or grant to Group employees and executive directors subscribing for Company shares as part of a share capital increase completed under the eighteenth resolution as presented to this Shareholders' Meeting or subsequent resolutions with the same purpose.

Use of authorizations previously granted by the Shareholders' Meetings

2014 and 2015 Plans

Under its sixteenth resolution, the Shareholders' Meeting of May 16, 2014 authorized for a 38-month period the Board of Directors to grant Company shares, in one or more issuances, representing up to **0.8%** of its share capital, to employees and executive directors of your Company and Group companies.

Under this authorization, the Board granted 9,269,117 shares (*i.e.*, **0.38%** of the Company's share capital at December 31, 2015):

- 4,486,300 existing shares, as part of the 2014 plan, on July 29, 2014;
- 20,882 new shares to be issued, on April 27, 2015 to 2,100 beneficiaries who had participated in the 2015 capital increase reserved for Group employees and were employees of Group companies at April 27, 2015, but not entitled to receive the benefit ("*abondement*") provided for in Article L. 3332-21 of the French Labor Code; and
- 4,761,935 existing shares, as part of the 2015 plan, on July 28, 2015.

Pursuant to the 2014 and 2015 plan rules, subject to compliance with the applicable presence and performance conditions, these shares may be awarded at the end of a **3-year** vesting period starting on their date of grant. The beneficiaries are then bound to keep these shares for a **2-year** holding period.

All shares granted to the Chairman and Chief executive Officer are subject to specific presence and performance conditions (based on the ROE¹ and the ROACE² for the 2014 Plan plus compared ANI³ for the 2015 Plan). Similarly, all shares granted to senior executives are subject to specific presence and performance conditions (based on the ROE¹ and the ROACE² for the 2014 Plan plus compared ANI³ for the 2015 Plan). For the other beneficiaries, the definitive grants are subject to presence conditions and performance conditions (also based on the ROE¹ for the 2014 Plan plus compared ANI³ for the 2015 Plan) for a portion of the granted shares. The performance conditions of these plans have been fully detailed in TOTAL S.A. Annual reports (*Documents de référence*).

Having noted that the Group's ROE rate for the 2014, 2015 and 2016 fiscal years (published on the first quarter of 2015, 2016 and 2017 respectively), the Board of Directors, during its meeting of March 15, 2017, further acknowledged that the "acquisition rate" relating to the performance shares granted by the Board of Directors during its meeting of July 29, 2014, and which were subject to the ROE performance condition, was equal to 38%. It is hereby pointed out that performance shares granted to the former Chairman and Chief Executive Officer as part of the 2014 plan have been allocated, in accordance with applicable law, to his assigns within six months following his death on October 20, 2014.

Having noted that the ROE rate, and as for Chairman and Chief Executive Officer the ROE and ROACE rates, for the 2015, 2016 and 2017 fiscal years (released on the first quarter of 2016, 2017 and 2018 respectively) as well as the relative Group's ANI, the Board of Directors, during its meeting of March 14, 2018, further acknowledged that the "acquisition rate" relating to performance shares granted during its meetings of July 28, 2015 was equal to **81%** for the Chairman and Chief Executive Officer and **82%** for other beneficiaries.

2016, 2017 and 2018 Plans

Under its twenty-fourth resolution, the Shareholders' Meeting of May 24, 2016 authorized the Board of Directors to grant Company shares, representing up to **0.8%** of its capital, to employees and executive directors of your Company and group companies within the meaning of Article L. 225-197-2 of the French Commercial Code for a period of 38 months, *i.e.*, until July 24, 2019.

For reference, the Board of Directors proposed the renewal of this authorization to your approval at the Combined Shareholders' Meeting of May 24, 2016, prior to the expiration of the previous authorization with the same purpose granted by the Combined Shareholders' Meeting of May 16, 2014 in order to benefit from more favorable tax and social security contributions regime pursuant to the provisions of French Law No. 2015-990 of August 6, 2015.

Under this authorization, the Board granted **17,412,887** shares (*i.e.*, **0.69%** of the Company's share capital at December 31, 2017):

¹ Return on Equity.

² Return on Average Capital Employed.

³ Adjusted Net Income.

- 5,639,400 existing shares, as part of the 2016 plan, on July 27, 2016;
- 10,393 new shares to be issued on April 26, 2016 to 2,086 beneficiaries who had participated in the 2015 capital increase reserved for Group employees and were employees of Group companies on April 26, 2017, but not entitled to receive the benefit (“*abondement*”) provided for in Article L. 3332-21 of the French Labor Code;
- 5,679,949 existing shares, as part of the 2017 plan, on July 26, 2017; and
- 6,083,145 existing shares, as part of the 2018 plan, on March 14, 2018.

Under the terms of the 2016, 2017 and 2018 plan rules, subject to compliance with the applicable presence and performance conditions, these shares may vest at the end of a **3-year** period starting on their date of grant. The beneficiaries are then bound to keep these shares for a **2-year** holding period.

The vesting of shares granted as part of the above mentioned plans has been made subject to (in addition to the condition of presence), further to a proposal from the Compensation Committee, performance conditions based on the following criteria: (i) the compared total shareholder return (“TSR”) and (ii) annual variation in net cash flow (in USD) per share, compared to those of the peers for a minimum evaluation period of three consecutive fiscal years. The performance conditions apply as follows:

- The first 150 shares granted to non-executives are not subject to the performance conditions;
- The Company will be ranked against its peers each year on the basis of the TSR using the average market closing price expressed in USD over a quarter at the beginning and the end of each three-year period (Q4 year N versus Q4 year N-3). The dividend will be considered to have been reinvested at the last market price on the ex-dividend date; and
- The Company will be ranked against its peers each year based on the annual variation in net cash flow per share expressed in USD, compared to that of its peers.

A grant rate will then be determined on the basis of these ratings for each year:

1 st	180% of the initial grant
2 nd	130% of the initial grant
3 rd	80% of the initial grant
4 th and 5 th	0% of the initial grant

For each of these criteria, the average of the three grant rates obtained (for each of the three fiscal years during which the performance conditions are evaluated) will be subject to an upper limit of 100%. Each criterion will represent 50% of the final grant rate.

Characteristics of the proposed authorization

The Board of Directors having decided to align the calendar of grant of existing or new TOTAL shares for the benefit of Group employees or executive directors with the employee annual salary increase season, which runs in March each year, the most recent grant was completed on March 14, 2018. Based on this new calendar, the unused portion of the authorization granted by the Combined Shareholders’

Meeting of May 24, 2016 would not allow the Board of Directors to proceed, under similar conditions, to a new grant in March 2019, it being specified that the prior authorization granted by the Combined Shareholders' Meeting of May 24, 2016 would expire on July 24, 2019. As a consequence, the renewal of this authorization should have been proposed to the shareholders' meeting resolving on the financial statements for the fiscal year ended December 31, 2018, *i.e.*, after the grant scheduled in March 2019.

Therefore, it is proposed under the **nineteenth resolution** as presented to this Shareholders' Meeting, the authorization to the Board of Directors to grant existing shares or issue new TOTAL shares free of charge to the Group's employees and executive directors.

The authorization hereby contemplated under the nineteenth resolution would be granted for a **38-month** period and would supersede any unused portion of the authorization granted by the Combined Shareholders' Meeting of May 24, 2016 (twenty-fourth resolution).

- Upper limit

Shares granted under this authorization will be limited to **1%** of the Company's existing share capital on the date when the Board decides to grant free shares (*i.e.*, **25,289,896** shares based on the share capital as of December 31, 2017).

On December 31, 2017, the total number of shares corresponding to the sum of the figures set out below remains below 5% of the share capital:

- maximum number of shares that could be granted free of charge under this authorization;
- number of stock-options granted by the Company and not yet exercised at December 31, 2017; and
- number of shares already granted under previous authorizations with their vesting period still running at December 31, 2017.

Moreover, the shares granted free of charge to the executive directors of TOTAL S.A. must not exceed **0.01%** of the capital existing on the date of the meeting of the Board of Directors that grants free shares, *i.e.* the same limit than that approved by the Combined Shareholders' Meeting of May 24, 2016.

- Presence and performance conditions

In the case of selective plans, shares granted will vest subject to presence and performance conditions as set out below.

Performance shares granted to the Company's executive directors shall be subject to the fulfillment of performance conditions to be determined by the Board of Directors on the basis of various criteria, including, *at least*, the TSR and the annual variation in net cash flow per share compared to those of its peers¹. These performance conditions will be evaluated over a period of at least **three** consecutive fiscal years.

Furthermore, as far as the Group's senior executives (circa three hundreds individuals) are concerned, the Board of Directors will also have to decide the final vesting of all shares (except those granted to

¹ ExxonMobil, Royal Dutch Shell, BP and Chevron.

employees of the Group under global plans) subject to the fulfillment of performance conditions that will also be evaluated over a minimum of three consecutive fiscal years and determined by the Board of Directors on the basis of one or more criteria, including, *at least*, the TSR compared to that of its peers.

As for the other beneficiaries, the Board may decide the final vesting of all or part of the shares subject to the fulfillment of performance conditions set on the basis of one or more criteria, including, *at least*, the TSR compared to that of its peers and evaluated over a minimum of three consecutive fiscal years.

The Board of Directors will later determine the performance conditions for any shares that might be granted in 2019, 2020 and 2021 to ensure that they are demanding and relevant given the development of the market environment.

It should be noted that in the case of a company-wide share grant plan designed for all the Group's employees or of a grant to the Group's employees and executive directors subscribing for shares in the Company as part of a capital increase performed under the eighteenth resolution as submitted to this Shareholders' Meeting or subsequent resolutions with the same purpose, the final share vesting will not be subject to performance conditions.

- Other characteristics

You are also being asked to authorize the Board to set all the other conditions relating to the granting of Company shares.

The granted Company shares will vest subject to the fulfillment of the share granting conditions determined by the Board meeting that decides to grant the shares and dependent on the staff categories defined by this Board, at the end of a vesting period of at least **three years** starting from the Board of Director's decision to grant shares as defined in Article L. 225-197-1 of the French Commercial Code.

It should be noted that the final vesting of shares will be subject to a presence condition.

The Board wishes to inform you that the beneficiaries' obligation to retain shares will last for at least **two years**. However, this holding obligation may be removed for shares with a vesting period greater than or equal to five years.

The Board may adjust the number of shares granted during the vesting period, if it deems this to be necessary in order to preserve beneficiaries' rights in accordance with applicable laws as a result of any financial transactions carried out in relation to the Company's equity.

The shares granted may either be existing shares or new shares issued by increasing the share capital.

The Board points out that, under Article L. 225-197-1 of the French Commercial Code, any capital increase resulting from the issuance of new shares granted would be completed by the incorporation of part of the profits, reserves or issue premiums and that such an increase in capital implies the shareholders' waiver of their preferential subscription rights for the benefit of the beneficiaries of the shares granted.

- Holding obligation and hedging of shares by the executive directors

The Rules of Procedures of the Board of Directors prohibit directors from hedging any shares in their possession or options that may have been granted to them. This disposition applies to the Chairman and Chief Executive Officer.

Furthermore, we inform you that, under Article L. 225-197-1 of the French Commercial Code, the Board will either decide that executive directors may not assign their shares before they leave office or set the number of shares they are required to retain in registered form until such time. You will be informed, where appropriate, of the terms set by the Board in accordance with the above legislation, in the report submitted by the Board to the Annual Shareholders' Meeting.

The Chief Executive Officer is likely to be granted performance shares as part of the plans decided by the Board of Directors for the benefit of certain Group employees. These shares would be subject to the same terms and conditions than those applicable to other beneficiaries of share grant plans as well as performance conditions that apply specifically to them.