TARKETT

Statutory Auditors’ report on regulated agreements and commitments

Shareholders’ meeting for the approval of the financial statements for the year ended 31 December 2016

KPMG AUDIT MAZARS

KPMG AUDIT

REGISTERED OFFICE: TOUR EQHO – 2, AVENUE GAMBETTA
92066 PARIS LA DEFENSE
SOCIETE ANONYME D EXPERTISE COMPTABLE ET DE COMMISSARIAT AUX COMPTES
SHARE CAPITAL OF 5 497 100 EUROS – RCS Nanterre B 775 726 417

MAZARS

REGISTERED OFFICE: 61, RUE HENRI REGNAULT - 92075 PARIS LA DÉFENSE CEDEX
SOCIETE ANONYME D EXPERTISE COMPTABLE ET DE COMMISSARIAT AUX COMPTES
SHARE CAPITAL OF 8 320 000 EUROS - RCS NANTERRE 784 824 153

TARKETT

French limited company in the form of a *Société Anonyme* with share capital of € 318 613 480
Registered office: Tour initiale – 1 Terrasse Bellini
92919 Paris La Défense
Company registration number: Nanterre - 352 849 327

Statutory Auditors' report on regulated agreements and commitments

Shareholders' meeting for the approval of the financial statements for the year ended 31 December 2016

KPMG AUDIT MAZARS

TARKETT

Shareholders' Meeting for the approval of the financial statements for the year ended *31 December 2016*

Statutory Auditors' report on regulated agreements and commitments

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as your company's statutory auditors, we hereby report to you on regulated agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions as well as the reasons that justify the interest for the company of those agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of article R. 225-58 of the French commercial code, it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R. 225-58 of the French commercial code in relation to the implementation during the year of agreements and commitments already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with the guidance issued by the French Institute of statutory auditors ("*Compagnie nationale des commissaires aux comptes*") for this type of engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements and commitments authorized during the year

In accordance with article L. 225-88 of the French commercial code, we have been informed of the following agreements and commitments previously authorized by the Supervisory Board.

With FM Insurance Company Ltd.

Persons concerned: Michel Giannuzzi, Tarkett Management Board Chaiman and member of the Board of Directors and Audit Committee Chair of FM Insurance Company Co., the parent company of FM Insurance Company Ltd.

Mr. Michel Giannuzzi, Management Board Chairman of your company, became on 13 October 2016 a member of the Board of Directors and Audit Committee Chair of FM Insurance Company Co., parent company of FM Insurance Company Ltd, company that provides insurance policy to Tarkett.

The agreement was authorized by your Supervisory Board on 26 October 2016, and states the renewal of the insurance policy with FM Insurance Company Ltd. on 31 October 2016, as being necessary to the operations and concluded in the best interests of your company.

An expense of €57,694 has been recorded in the financial statements of your company under this agreement, for the year ended 31 December 2016.

AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements and commitments approved in prior years.

In accordance with article R. 225-57 of the French commercial code, we have been informed of the following agreements and commitments approved in prior years and which remained current during the last year.

With Société Investissement Deconinck (« S.I.D. »)

Persons concerned: Messrs Bernard-André Deconinck, Didier Deconinck and Eric Deconinck, members of Tarkett's Supervisory Board and shareholders of S.I.D., which holds more than 10 % of Tarkett's voting rights.

- Service agreement

The agreement was authorized by your Supervisory Board on 17 December 2013, and states that your company provides in favor of S.I.D. legal, social and fiscal services necessary for its business. These services are necessary for the management of S.I.D. and will continue in 2017.

An income of €75,000, excluding taxes, has been recorded in the financial statements of your company under this agreement, for the year ended 31 December 2016.

- Assistance and guidance agreement

The agreement was authorized by your Supervisory Board on 9 October 2013, and states that S.I.D., which holds 50.18% of Tarkett's voting rights, assists Tarkett in defining its strategic objectives.

An expense of €500,000 has been recorded in the financial statements of your company under this agreement, for the year ended 31 December 2016.

With Mr. Michel Giannuzzi, Tarkett's Management Board Chairman

At the time of the listing of Tarkett's shares on NYSE Euronext Paris, Mr. Michel Giannuzzi's employment agreement was terminated, leaving in place his corporate office. In this context, the following agreements were authorized by your Supervisory Board on 27 September 2013.

- Retention bonus

A retention bonus in the amount of €300,000 will be paid to Mr. Michel Giannuzzi on 1 November 2017 if he remains with Tarkett on such date.

- Severance or other benefits due or likely to become due as a result of termination of service or change of functions

Subject to the performance requirements defined below, Mr. Giannuzzi will be entitled to a severance payment equal to two years of his gross base salary and bonus during the twelve months prior to his departure as Chairman of the Management Board and, if applicable, pursuant to his employment contract. In the event that Mr. Giannuzzi is to receive both severance pay and the non-compete payment described below, the total amount that he receives will be limited to two years of the gross base salary and bonus received during the 12 months prior to his departure as Chairman of the Management Board and, if applicable, pursuant to his employment contract.

Performance is measured by the extent of achievement of annual performance goals defined by the Supervisory Board upon the proposal of the Nominations and Compensation Committee, which serve as the basis for calculating variable compensation. The amount is equal to the average performance achieved by Mr. Giannuzzi during the three calendar years preceding his departure. In the event that his departure should occur before November 2017, performance will be measured by the extent of achievement of the annual performance goals used as the basis for calculating the variable portion of his compensation as Chairman of the Management Board and his compensation as an employee.

The severance payment is contingent on achieving 50% to 100% of the performance goals (i.e., no payment will be made unless the performance goal is reached to the extent of at least 50% and full payment will be received if the performance goal is achieved to the extent of 100%). The severance payment will be calculated in strict proportion to the extent of achievement of the performance goal.

Subject to achievement of the performance conditions, the Company will be required to pay this severance payment in the event of Mr. Giannuzzi's forced departure as Company officer (including, in particular, as a result of a change of control or a disagreement as to strategy) on the initiative of the Supervisory Board, regardless of whether Mr. Giannuzzi is removed or his mandate is not renewed. This payment would not be available in the event of serious or gross misconduct.

- Non-compete clause compensation

Mr. Giannuzzi benefits from a clause providing for payment in the event that the non-compete clause provided for in connection with his office is triggered.

Mr. Giannuzzi will receive compensation for his non-compete clause in an amount equal to his gross base salary and bonus received during the twelve months prior to his departure from his position as Chairman of the Management Board. This compensation will be payable in 24 monthly payments for the duration of the non-compete clause. This compensation will be deducted from Mr. Giannuzzi's severance payment, such that the total amount received as severance and non-compete payments will not exceed two years of gross base salary and bonus received during the 12 months preceding his departure. The Company has the right to waive the non-compete clause.

For the year ended on 31 December 2016, no amount was paid to Mr. Michel Giannuzzi, under any of the three above-mentioned agreements and commitments.

Paris-La-Défense, 22 February 2017

The Statutory Auditors

KPMG AUDIT

Philippe GRANDCLERC

Renaud LAGGIARD

MAZARS

Juliette DECOUX

Eric SCHWALLER