

TARKETT

MANAGEMENT BOARD REPORT ON DRAFT RESOLUTIONS TO THE COMBINED GENERAL SHAREHOLDERS MEETING OF APRIL 26 2018

1. Approval of the Company and Consolidated Financial Statements for Financial Year 2017 (1st and 2nd resolutions)

In its first and second resolutions, the Management Board asks the Meeting to approve the Company financial statements and the Consolidated Financial Statements as of and for the financial year ended December 31, 2017, which show:

- > For the company accounts, the income statement shows a net profit of €51,920,613 in 2017 compared with €9,769,475 in 2016;
- > For the consolidated financial statements, net result of (€38.7) million in 2017 compared to €119.3 million in 2016. The details of the accounts and the reports of the corresponding statutory auditors appear in Chapters 4 "Review of the financial position and results" and 5 "Financial statements" of the Reference Document.

2. Allocation of the results and determination of the dividend amount (3rd resolution)

The purpose of the third resolution is to ask the Meeting:

- (i) To allocate the results;
- (ii) To set the dividend at €0.60 per share, payable in cash, for the financial year ended December 31, 2017.

The dividend will be paid on July 5, 2018.

3. Regulated agreements and commitments (4th resolution)

The fourth resolution presents to the Meeting the commitments or agreements referred to in Articles L.225-86 et seq. of the French Commercial Code that were entered into or remained in force during the financial year ended December 31, 2017, as presented in the Statutory Auditors' special report (included in Section 8.6 "Special Report of the Statutory Auditors on the regulated agreements and commitments" of the 2017 Registration Document). The Management Board specifies that during the year ended December 31, 2017, a new series of agreements were concluded, some of those concluded in previous years continued, and some ended.

4. Renewal of mandates and appointments within the Supervisory Board (5th to 8th resolutions)

The mandates of Messieurs Didier Deconinck and Eric La Bonnardière (Members of the Supervisory Board) and Julien Deconinck (observer) expire at the end of the General Meeting of April 26, 2018.

In addition, at the Supervisory Board meeting of February 8, 2018, Mr. Bernard-André Deconinck announced his resignation as a member of the Supervisory Board, effective as of the day of the General Meeting of April 26 2018 and the dual condition precedent to retain a presence on the Board, as an observer, and the appointment of Mr. Julien Deconinck as a new member of the Supervisory Board.

It is submitted to the approval of the General Meeting, after analysis of the Nominations and Compensation Committee, the extension of the mandate of **Mr. Didier Deconinck** as a member of the Supervisory Board for a period of four (4) years (**5th resolution**).

It is submitted to the approval of the General Meeting, after analysis of the Nominations and Compensation Committee, the extension of the mandate of **Mr. Eric La Bonnardière** as a member of the Supervisory Board for a period of four (4) years (**6th resolution**).

It is submitted to the approval of the General Meeting, after analysis of the Nominations and Compensation Committee, the appointment of **Mr. Julien Deconinck** as a member of the Supervisory Board for a period of four (4) years (**7th resolution**).

It is submitted to the approval of the General Meeting, after analysis of the Nominations and Compensation Committee, the appointment of **Mr. Bernard-André Deconinck** as an observer of the Supervisory Board for a period of four (4) years (**8th resolution**).

A summary of the biographies of all these nominees can be found in section 2.1.1.2 of the 2017 Registration Document.

5. Approval of the compensation paid or awarded for the 2017 financial year to corporate officers (9th to 13th resolutions)

In application of the recent provisions of the French Commercial Code (Article L.225-100), the General Meeting is asked to approve the fixed, variable, and exceptional components of the total remuneration and benefits of any kind paid or attributed by the Company in financial year 2017 to **Mr. Michel Giannuzzi** (Chairman of the Management Board until August 31, 2017, **9th resolution**), to **Mr. Glen Morrison** (Chairman of the Management Board as of September 1, 2017, **10th resolution**) to **Mr.**

Fabrice Barthélemy (member of the Management Board, his full compensation due under the terms of his employment contract as President of the EMEA Division, **11th resolution**), to **Mrs. Sharon MacBeath** (member of the Management Board, her full remuneration being due under her employment contract as Director of Human Resources and Communication, **12th resolution**), and to **Mr. Didier Deconinck** (Chairman of the Supervisory Board, **13th resolution**) as presented to the Section 2.6.2 "Consultation on the components of the compensation paid or granted for the year ended December 31, 2017" of the 2017 Registration Document.

You are asked to vote in favor of all of these compensation items, which were analyzed by the Nominations and Compensation Committee, and comply with the recommendations of the Afep-Medef Code.

6. Approval of the principles and criteria for determining, distributing, and allocating the remuneration components for the 2018 financial year of the executive corporate officers (14th to 16th resolutions)

In accordance with the recent provisions of the French Commercial Code (Article L.225-82-2), the General Meeting is asked to approve the principles and criteria for the determination, distribution, and allocation of fixed, variable, and exceptional components of total compensation and benefits of any kind, attributable in the 2018 financial year, to **Mr. Glen Morrison** (Chairman of the Management Board, **14th resolution**) to **Mr. Didier Deconinck** (Chairman of the Supervisory Board, **15th resolution**), and the members of the Supervisory Board (**16th resolution**) as set out in Section 2.6.1 "Consultation on compensation principles and criteria composing the elements of remuneration of the corporate officers" of the 2017 Registration Document.

You are asked to vote in favor of all of these compensation items, which were analyzed by the Nominations and Compensation Committee, and comply with the recommendations of the Afep-Medef Code.

7. Authorization provided to the Management Board to trade in shares of the Company (17th resolution)

To ensure that the Company is at all times able to buy back its own shares, a resolution is submitted for your approval to authorize the Management Board, with the power to sub-delegate as permitted by law, to purchase or cause the purchase of shares of the Company, in order to carry out the following transactions:

- > to grant bonus shares pursuant to Articles L.225-197-1 et seq. of the French Commercial Code; or
- > to grant bonus shares to employees or officers of the Company or an affiliate of the Company (in particular the Company's direct and indirect subsidiaries) under any plan that is not subject to Articles L.225-197-1 et seq. of the French Commercial Code, and in particular under long term incentive plans; or
- > to cancel shares that are bought back but not allocated; or
- > to maintain a liquidity market in Tarkett's shares through an investment services provider in the framework of a liquidity agreement that complies with the market ethics charter recognized by the AMF.

The share buyback program could also be used in order to carry out any market practice permitted by the AMF, and, more generally, to carry out any transaction that complies with applicable regulations.

Tarkett's shareholding is subject to applicable regulations.

Purchases, sales and transfers could be carried out at any time, up to the limits authorized by applicable laws and regulations (other than during a tender offer), and by any means.

The Company could buy back a number of shares such that:

- > the number of shares that the Company buys during the term of the share buyback program shall not exceed 10% of the shares making up the Company's share capital at any time, as adjusted following any transaction affecting it subsequent to this General meeting (such number being 6,372,269 shares as of December 31, 2017), provided, that where the shares are bought in order to maintain liquidity pursuant to the conditions defined by the AMF General Regulation, the number of shares taken into account for purposes of calculating the 10% limit provided for above shall be the number of shares bought less the number of shares resold during the period of the authorization; and
- > the number of shares that the Company holds may not at any time exceed 10% of the shares comprising the Company's share capital on the date in question.

Shares could be bought, sold or transferred at any time (other than during a tender offer for the Company's shares) up to the limits authorized under applicable laws and regulations, on regulated markets or multilateral trading facilities, through systematic internalizers or over the counter, including through block trades (without limiting the portion of the buyback program that may be carried out by this means), by tender or exchange offer, or through the use of options or other derivative Financial Instruments traded on regulated markets, multilateral trading facilities, through systematic internalizers or over the counter, or by delivery of shares following the issuance of securities giving access to the Company's share capital by conversion, exchange, reimbursement, exercise of a warrant or in any other manner, either directly or indirectly through an investment services provider acting pursuant to the conditions of Article L.225-206 II of the French Commercial Code.

It is recommended that you set the maximum purchase price at €60 per share.

The General Shareholders' Meeting would delegate to the Management Board the power to adjust the maximum purchase price stated above in order to account for the effect of such transactions on the value of the shares, in the event of a change in the shares' par value, a capital increase by incorporation of reserves, a grant of bonus shares, a stock split or a reverse stock split, a distribution of reserves or of any other assets, a capital redemption, or any other transaction affecting shareholders' equity.

The total amount allocated to the share buyback program authorized above may not be greater than €15 million.

As of the date hereof and up to the amount, if any, that has not yet been used, this authorization would cancel any power previously given to the Management Board to trade in the Company's shares.

This authorization would be given for a period of eighteen months from the date hereof.

8. Authorization granted to the Management Board to allocate bonus shares to employees and/or certain corporate officers of the Company or related companies, the duration of the authorization, the ceiling, the duration of the vesting and retention periods (18th resolution)

We ask you to grant the Management Board authorization to make free grants, subject to the achievement of performance conditions determined by the Management Board in agreement with the Supervisory Board and upon the recommendation of the Nominations and Compensation Committee, of existing shares of the Company not representing more than 1% of the Company's share capital on the date of the General Shareholders' Meeting to members or certain members of the salaried staff and/or certain company officers of the Company or its affiliated companies. We note that the grants that would be made under this Resolution to members of the Management Board would be approved in advance by the Supervisory Board, would be fully subject to performance conditions, and could not represent more than 30% of the shares covered by this Resolution.

In connection with the authorization, we ask you to provide that the Management Board will have the authority each time it makes a grant decision to determine, on the basis of the recommendations of the Nominations and Compensation Committee and pursuant to the law, the vesting period following which the share grant will become final, which period may not be less than two years from the share grant date.

We also ask you to provide that the Management Board will have the authority each time it makes a grant decision to determine, on the basis of the recommendations of the Nominations and Compensation Committee, where applicable, the retention period to which the grant beneficiaries will be bound, which period shall run from the vesting date of the shares and which may be eliminated, since the vesting period may not be less than two years.

We also ask you to provide that in the event that a beneficiary becomes disabled, as defined in the second or third category set forth in Article L.341-4 of the French Social Security Code, the shares shall be definitively granted before the end of the remaining vesting period, and shall be immediately transferable.

We propose that the existing shares that may be granted pursuant to this authorization be acquired by the Company, either pursuant to Article L.225-208 of the French Commercial Code, or, where applicable, under the share buyback program proposed in the twentieth resolution, in accordance with Article L.225-209 of the French Commercial Code, or any other share buyback program that may apply at a later date.

We ask you to grant this authorization as from the date of the General Shareholders' Meeting of April 26, 2018, for a duration to expire at the close of the General Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2018,

Within that framework, you will be asked to grant all powers to the Management Board, subject to the limits set forth above and subject to the prior authorization of the Supervisory Board, to implement this authorization, and, in particular, to:

- > Determine the beneficiaries, the grant criteria (in particular with respect to continued employment and, where applicable, performance), the number of shares to be granted to each of them, the terms and conditions for the share grants and, in particular, the vesting period and retention period applicable to each grant, subject to the minimum periods defined by this Resolution;
- > Set, upon the proposal of the Nominations and Compensation Committee, pursuant to legal conditions and limits, the dates on which such free share grants shall be made;
- > Determine the dividend date for the newly issued shares;
- > Decide the terms pursuant to which the number of shares granted will be adjusted in order to preserve the beneficiaries' rights; and
- > More generally, with the power to delegate and sub-delegate as permitted by law, enter into any agreements, prepare any documents, and carry out any formalities or filings with any bodies, and do all that may otherwise be necessary.

We hope that you will approve all of the resolutions submitted for your vote.

The Management Board