SHAREHOLDERS' MEETING OF 5 MAY 2015

ANSWERS TO THE WRITTEN QUESTIONS

On **May 5, 2015** - On the occasion of the Shareholders' Meeting, written questions may be addressed to the Company under the conditions established by law. In accordance with current law, the answer to a written question is considered to have been given as soon as it is published on the Company's website.

The Company received four written questions from **ADAM** (the Association for the Protection of Minority Shareholders). During the meeting that was held on April 30, 2015, the Board of Directors answered these questions. The wording of these questions and the answers given thereto by the Board of Directors are set out below

Preliminary comments :

The amount of compensation actually received by Fréderic Vincent between 2009 and 2014 is not €11M as stated by ADAM in its letter sent to the Company on April 27, 2015, but €8.3M over 6 years, taking into account the non-payment of long-term share compensation plans.
The Board also considers that the economic context in which the Company operates must be taken into account. The Board notes that the net losses recorded in the 2014 accounts result essentially from asset impairments made in order to take into account the deteriorated market conditions of certain businesses.

QUESTIONS RELATING TO THE FIFTEENTH RESOLUTION, ENTITLED "SAY ON PAY":

FIRST QUESTION: regarding the unsuitability of the performance criteria
Faced with such an imbalance between the losses incurred by the company on the one hand, and the compensation that its CEO has been awarded on the other, how has it come to pass that the Compensation Committee and the Board of Directors, having adhered to its recommendations, did not draw the obvious conclusion that, namely, ***for years, the performance criteria chosen to calculate bonuses and allocate performance shares were totally unsuitable?*** *?*

Answer of the Board of Directors

1) Performance criteria chosen for the allocation of long-term share compensation plans

   Taking into account the real business results and the ambitions of the targets, the criteria established in the long-term share compensation plans since 2009 have shown how demanding they are. Thus for performance shares plan No. 10 of 15 November 2011, which is the only performance shares plan with an ended vesting period, the Board of Directors found that the performance conditions had not been achieved and that therefore the number of shares ultimately acquired by Frédéric Vincent was zero.

2) Performance criteria chosen for allocation of annual bonuses

Targets are set by the Board of Directors after recommendation by the Appointments, Compensation, and Corporate Governance Committee, on the basis of budgetary and strategic targets. They are demanding, common to the Group managers, and inspired by the recommendations of the Afep-Medef code.

As published by the Company on March 18, 2015, for example, with respect to the quantitative targets of Frédéric Vincent's variable compensation in 2014, an increase was observed in 2014 in the three indicators of economic performance: operating margin, ROCE and free cash flow.

- the success rate of the operating margin was 38.7% of the maximum, this indicator having increased by 11% in comparison to 2013 at a constant exchange rate,
- The success rate of 46.8% of the maximum that was observed on the ROCE reflected an increase of this indicator in comparison to 2013,
- The success rate of free cash flow was 100% of the maximum, its amount being 160.7 million euros.

Therefore, as a result of the above calculations, the quantitative part of Frédéric Vincent's variable compensation in 2014 represented 54% of the maximum.

SECOND QUESTION: regarding the allocation of 50,000 performance shares

As regards, specifically, 2014, how did it come to pass that 50,000 performance shares - whose performance appreciates over the 3 years following the allocation - were yet again allocated to Mr Vincent on 24 July 2014, despite the fact that, he decided at the meeting of 15 May, after coming under pressure from shareholders, that he would step down from the role of CEO? Given that Mr Vincent would no longer perform an executive role during the relevant period - even if he had extended his term as CEO until the end of September 2014 - should he not have been excluded from the allott9ees?

<u>Answer of the Board of Directors</u>

Performance shares were allocated in July 2014, at which time Frédéric Vincent was still Chairman and Chief Executive Officer of Nexans. This allocation was decided in compliance with the 14th resolution voted on by the Shareholders' Meeting of 15 May 2014.

This allocation was justified by the objective of maintaining a long-term performance incentive for the Chairman of the Board in the framework of his participation in the transition to be managed.

THIRD QUESTION: regarding the bonus

In the ***Letter to Shareholders of March 2015****, Nexans announced that its losses had been cut in half in 2014, but they still amounted to €168M and its debt had risen to €460M, representing an increase of €123M at the end of 2013. The Letter to Shareholders also insists upon the fact that the priority lay with reducing costs. In these circumstances, given that Mr Frédéric Vincent insisted on fulfilling the role - and consequently the responsibilities of CEO - until 1 October -* ***should he not have, as he did last year, waived his bonus,*** *which appears totally unjustified in view of the annual results and balance sheet at the end of his 5 year term?*

<u>Answer of the Board of Directors</u>

The initiative taken by Frédéric Vincent in 2014 in relation to his 2013 bonus was his own. It is not for the Board of Directors to express a view on this point.

With respect to the 2014 bonus of Frédéric Vincent, the Board of Directors applied the precise performance conditions fixed at the beginning of the period for his variable compensation to the achievements, in accordance with the Board's commitment to him.

II- QUESTIONS RELATING TO THE TWELFTH RESOLUTION REGARDING THE TERMINATION INDEMNITY

FOURTH QUESTION (regarding the golden parachute)

- *Whereas it has been decided that Mr Vincent shall benefit from a "**top hat**" pension plan for which the company commitments are more than **€12M** (including taxes and social charges), and in view of the disastrous results under his Chairmanship, how does the Board of Directors justify its decision of 24 July 2014 to award him, in his capacity henceforth as non-executive chairman, a termination indemnity (in the case of his forced departure) equivalent to two years of his total compensation (fixed and variable)? And a non-compete indemnity equivalent to one year of total compensation (fixed and variable) regardless of the nature of his departure?*
- *Does the non-renewal of the term of office constitute a forced departure?*
- *The payment of the termination indemnity is subject to conditions of performance (stock market and financial) but, in his capacity as a non-executive chairman, how does the Board attribute to him the merits of the performance?*

Answer of the Board of Directors

It should be pointed out first of all, as stated above, that the amount of the pension commitments comes from an actuarial calculation and that it amounts to €5,7M, charges included, very much reduced in comparison with that presented in 2014 due to the reduction of Frédéric Vincent's compensation, which serves as the basis for the calculation of additional pension revenue.

Moreover, and in any case, the departure indemnities taken together – namely, the termination indemnity and the non-compete indemnity – if paid, would be capped at two years of actual compensation (fixed and variable).

Non renewal of the mandate does not in itself constitute a forced departure.

The Board deemed appropriate to maintain until the end of the transition period, the potential indemnities cited above for the Chairman. The Board fixed the same performance conditions for the Chairman as for the possible indemnities of the CEO.