

Information on the remuneration of the Executive Officers

pursuant to the AFEP/MEDEF Code

The Board of Directors of Air Liquide, at its meeting on February 10, 2020, took the following decisions regarding the components of remuneration of the Executive Officers.

1. 2019 financial year

The principles and criteria for the determination, allocation and distribution of the fixed, variable and exceptional elements included in the remuneration and the benefits of all kinds, which are awarded to the Chairman and Chief Executive Officer because of his office, as decided upon by the Board of Directors on February 13, 2019 and presented in the Company's 2018 Reference Document (pages 156 to 163) were **approved by the Annual General Meeting on May 7, 2019** (9th resolution).

1.1. Variable remuneration for the Chairman and Chief Executive Officer

The Board of Directors on February 10, 2020 assessed the performance of the Executive Officer in 2019.

1.1.1. Quantifiable financial criteria

In accordance with the remuneration policy approved by the General Meeting of May 7, 2019, the variable remuneration for 2019 is based on two financial criteria: increase in recurring net earnings per share (hereinafter "recurring EPS") and comparable growth in consolidated revenue. Details of these criteria are contained in the following summary table (page 4).

The increase in the **recurring EPS** criterion makes it possible to take into account **all the items in the income statement**. The criterion of an **increase in sales** reflects the **momentum of the activity**. The two criteria, growth in revenue and the recurring EPS reflect the Group's ambition to achieve **profitable growth**. Moreover, the **NEOS company program** also incorporates **efficiency objectives**, the achievement of which contributes to the increase in the recurring EPS.

For each criterion, the Board of Directors had defined a target objective. The target objectives were exacting and were completely consistent with the trajectory of the NEOS company program which targets, for the period 2016-2020, at an average annual growth in Group revenue of +6% to +8%, including a scope impact linked to the consolidation of Airgas corresponding to +2% as an annual average.

A formula adopted by the Board makes it possible to calculate the amount of the variable remuneration due (within a maximum limit) by taking into account, on the basis of the consolidated financial statements for the fiscal year, the value achieved for the criterion as compared to the target objective set. Thus, in the event of a performance that exceeds the objective set, the value of the variable remuneration is adjusted upward within the maximum limit set for each criterion. In the event of a performance that is below the lower limit set for each objective, the fraction of the variable remuneration corresponding to this criterion is equal to zero.

The objectives are not made public for confidentiality reasons. Nevertheless, the rate of achievement of each objective for the variable remuneration (as a percentage of the fixed remuneration and as a

percentage of the target variable remuneration allocated to that criterion) is communicated in the summary table at page 4.

The results for 2019 were above the target for the recurring EPS criterion and below the target for the revenue criterion (see the summary table at page 4).

1.1.2. Qualitative personal criteria

For **2019**, the performance, concerning the (qualitative) **personal objectives**, was held to be **excellent**. After a detailed analysis by the Remuneration Committee of the achievements for the fiscal year, the Board of Directors noted the following elements concerning each of the criteria:

- **CSR :**

- **Safety and reliability :**

In terms of **safety**, based on the estimated number of hours worked, the lost-time accident frequency rate of Group employees was 1.2 in 2019, which represents the lowest frequency rate in 20 years. There were no deadly accidents among Group employees in 2019.

In terms of **safety/industrial reliability**, the Group's **IMS** (Industrial Management System) program, which was introduced 15 years ago, has helped **improve the management** of industrial risks. Building on the experience acquired, a major project was launched in 2018 to adapt the IMS, in order to improve its efficiency. Content for this new IMS and tools for its implementation on the ground were prepared in 2019. Pilot schemes were launched during the summer at two clusters and the roll-out to all Group operations has been scheduled across the 2020-2021 period.

In 2019, **road safety** was one of management's key focuses via an ambitious plan to roll out new technologies in trucks, to help improve the safe driving behavior of drivers. This plan is now well underway and is producing its first positive effects.

- **Continue the roll-out of the Sustainable Development strategy :**

The Environment and Society Committee met three times in 2019. It reviewed the governance implemented to monitor the roll-out of the Climate objectives announced by the Group in November 2018, as well as updates to the environmental and societal risks and to the vigilance plan.

In terms of **meeting Climate objectives**, and in particular the 30% decrease in the Group's Carbon Intensity between 2015 and 2025, this decrease continued in 2019. All of the Group's industrial clusters have drawn up their **Climate roadmaps** through to 2025, which include detailed action plans for each of the three criteria: Assets / Customers / Ecosystems. Within each of these clusters, a Climate Champion is responsible for promoting this subject and voluntary Climate Ambassadors lead **local initiatives** and share **best practices**.

On December 2, 2019, the Group signed an **amendment to its 2 billion euro syndicated credit facility** to include a **correlation mechanism between its financial expenses and three of its CSR objectives** relating to Carbon Intensity, gender diversity, and safety. This initiative highlights the Group's commitment to combining performance and responsibility.

The Group's efforts have also been recognized by investors and shareholders who awarded Air Liquide with the **Boursorama Sustainable Investment Award** (more than 100,000 voters).

Benoît Potier is co-Chairman of the **Hydrogen Council**. This Council, founded in 2017, brings together 60 leaders in the energy, transport and industry sectors, to promote hydrogen with a view to achieving climate change-related objectives. Last June, the Hydrogen Council was invited to take part in official G20 events which took place in Japan, to promote the benefits of hydrogen in the energy transition.

In 2019, the **Foundation** significantly stepped up its activity, doubling the amount of grants paid for projects. 44 **local development** projects, one **scientific education** project and six scientific research projects were approved. In November, the Council adopted a **new strategy** and new ways of operating to **increase the Foundation's impact** and develop **sustainable action**. In the area of scientific research of air quality and respiratory diseases, the Foundation now favors a pro-active, co-construction approach with the best European teams and long-term support. In territories affected by a high rate of unemployment and technical jobs with shortages, the Foundation is developing **innovative professional integration projects** in partnership with the Group's local teams and local non-profit organizations. The first two projects, one in Les Mureaux in the field of welding and the other a digital project in Johannesburg, have already been launched.

The implementation of a **diversity** policy has continued to expand within all Group entities. As part of regular reviews of high-potential talent, the diversity of profiles is taken into account with the aim of continuing to strengthen it within key positions at the Group to better value the various cultures on which the Group is based and to improve gender equality.

- **Organization/Human Resources :**

As a continuous program, the Group's **talent development** policy has been pursued, with regular reviews of our talent and their development. These reviews are carried out from the operational cluster level through to the Executive Committee level. The identification, development and recognition by the rest of the Group of the talent at **Airgas** has progressed well, with several dedicated reviews carried out within our Americas hub.

Regular reviews of our **high-potential talent** have been carried out with the Appointments and Governance Committee.

The **Executive Committee** was strengthened on September 1, 2019 with the appointment of **four new members** with a **diverse** range of expertise and experience in order to step up the implementation of our transformation strategy. The Executive Committee now has **14 members, including five women**, who boast **highly international** careers and are of **key nationalities** for the Group (France, USA, Germany).

Moreover, in 2019, we adapted our **technical talent development** program (TCL - Technical Career Leaders) by adding a **new technical field** focused on **IT** and **Digital** skills which drive fundamental innovation and performance. The first international experts have been recognized and two fellows (one of the program's highest levels of recognition) were appointed in the Digital field and in Industrial IT.

- **Individual performance :**

The individual performance was considered to be excellent. The Board of Directors highlighted the capacity of the Executive Officer, within a **more fluctuating and contrasting global context** than expected, to steer the Group successfully, particularly in terms of **performance** and **efficiency**, which have **improved considerably**, significantly ahead of the target. The Committee also noted the Executive Officer's major involvement in the development of the **digitization** program and in the Group's **innovation** approach, sources of future development.

SUMMARY TABLE OF THE VARIABLE REMUNERATION FOR 2019

Indicator	Approved elements by the Annual General Meeting in 2019:				Rate of achievement ^(d)		
	Cible ^(a)		Maximum		As a % of the target remuneration for this criterion	As a % of the fixed remuneration	As a % based on 100
	As a % of the fixed remuneration	As a % based on 100	As a % of the fixed remuneration	As a % based on 100			
FINANCIAL CRITERIA (QUANTIFIABLE) including:	105	70	122	73	-	112	72
Increase in recurring earnings per share (recurring EPS) ^(b)	75	50	87	52	116,2	87	56
Comparable growth in consolidated revenue ^(c)	30	20	35	21	84,0	25	16
PERSONAL CRITERIA (QUALITATIVE) including:	45	30	45	27	-	44	28
CSR : - Safety and reliability: continue efforts to improve safety (lost time accident frequency rate, road traffic accidents and job-related accidents) - Continue the roll-out of the sustainable development strategy (implementation of the Group's Climate objectives - Air Liquide Foundation - Diversity)	15	10	15	9	95,0	14	9
Organization / Human Resources (talent development, succession plans)	15	10	15	9	95,0	14	9
Individual performance : assessment by the Board of Directors, notably in light of the external environment for the year	15	10	15	9	100,0	15	10
TOTAL (financial and personal criteria)	150	100	167	100	-	156	100

(a) The target corresponds to 100% achievement of the performance criterion.

(b) Excluding the foreign exchange impact and significant exceptional items. Excluding the effect of applying the IFRS 16 standard as from January 1, 2019.

(c) Excluding significant scope impact, foreign exchange impact and energy.

(d) As per decision of the Board of Directors on February 10, 2020.

The total amount of the variable remuneration is above the target, **up by + 2,9 %** as compared to the variable remuneration for 2018.

The total amount of the variable remuneration due for the 2019 fiscal year will be paid in 2020, after approval of the financial statements by the General Meeting, it being noted that its payment is conditional on the approval by an Annual General Meeting of the elements of remuneration paid during or awarded in respect of 2019 fiscal year to Benoît Potier.

Total fixed and variable remuneration

The total amount of gross remuneration is therefore as follows:

in euros	B. Potier
Total amount of fixed remuneration	1,325,000
Total amount of variable remuneration	2,064,913
TOTAL (fixed + variable)	3,389,913

The Board of Directors took note that the benefits in kind paid for the benefit of the Executive Officer in 2019 include the use of a company car and the contributions to the unemployment insurance for company managers and corporate officers.

The Board took note that the Group paid to third parties, for Benoît Potier, the contributions to the supplementary defined contribution pension plan, to the collective life insurance plan and the collective death and disability benefits plan.

2. 2020 remuneration of the Chairman and Chief Executive Officer

2.1. Principles of remuneration which apply to the Chairman and Chief Executive Officer

The remuneration policy for Executive Officers and Directors, which applies to Benoît Potier, is in line, in terms of principles and structure, with the policy approved by the General Meeting of May 7, 2019.

It was drawn up by the Board of Directors on February 10, 2020, upon the recommendation of the Remuneration Committee which had carried out an in-depth analysis on the subject on which it reported to the Board of Directors. The Chairman and Chief Executive Officer is not present for any discussions at the Remuneration Committee that relate to him personally and does not take part in the deliberations and vote by the Board of Directors on the remuneration components that concern him.

For 2020, the Board of Directors decided to maintain the fixed remuneration at the same level as for 2018 and 2019. The level of the total annual target remuneration is therefore unchanged.

The structure and principles which apply to the remuneration are in line with that for previous fiscal years, some adjustments having been made following remarks from shareholders. Furthermore, modifications have been made to the pension mechanism following the PACTE Law of May 22, 2019 and Ordinance n° 2019-697 of July 3, 2019.

- The remuneration policy provides for a **proportionate balance between the three components of total target annual remuneration** (fixed remuneration, variable remuneration and elements of long-term motivation, comprising performance shares and/or stock options, hereinafter the “LTI”).

The **fixed remuneration represents approximately 25%, the variable remuneration 35% and the LTI 40% of the total target annual remuneration**. The components which are subject to **performance conditions** therefore represent **75%** of this total remuneration at the target. The commitments related to the termination of the executive office (collective pension insurance contract and termination indemnity) are also subject to performance conditions.

The **variable remuneration** continues to be expressed as a target variable remuneration (as a percentage of the fixed remuneration) with a maximum. The total target variable remuneration set represents approximately 90% of the total maximum variable remuneration, for a very good performance. Consequently, for a fixed remuneration of 100, the target is 150% and the maximum is 167%.

Concerning the weighting of the criteria used (see table below):

- A greater relative weight is still given to the quantifiable criteria as compared to the qualitative criteria,
- Quantifiable criteria: as before, each quantifiable criterion is given a target weighting (expressed as a percentage of the fixed remuneration) corresponding to a 100% achievement of the target objective set at the start of the year, and a maximum weighting (expressed as a percentage of the fixed remuneration),
- Qualitative criteria:
 - a weighting is given to each of the qualitative criteria,
 - the qualitative criteria continue to be based, as to two-thirds, on three to four categories or sub-categories of objectives which are defined each year and, as to one-third, on an assessment of the individual performance;

- The target weighting and the maximum weighting are made public *ex ante*; the actual weight of each criterion in determining the variable remuneration due in respect of the fiscal year shall be established in accordance with the performance measured for each criterion in light of the target objective, based on applying a formula for the financial criteria and on the assessment of the Executive Officer's performance by the Board of Directors on the recommendation of the Remuneration Committee for the qualitative criteria. The rate of achievement of the objectives for the variable remuneration, expressed as a percentage of the fixed remuneration and as a percentage of the target variable remuneration for this criterion, will be made public *ex post*.
- For the period 2016-2020, the performance conditions were set in line with the principal objectives of the **NEOS company program** which incorporate sales growth and the ROCE, and thus reflect the Company's **commercial strategy**.

Accordingly, the **quantifiable components** of the annual variable remuneration include a **criterion of an increase in the recurring EPS** which makes it possible to take into account all the items in the income statement. The criterion of an **increase in sales** in turn reflects the **growth of the activity**. The two criteria, growth in revenue and the recurring EPS reflect **the Group's ambition to achieve profitable growth**. Moreover, the NEOS company program also incorporates efficiency objectives, the achievement of which contributes to the increase in the recurring EPS.

The LTI performance conditions in turn incorporate the **ROCE**, which is a key objective of the NEOS company program, which makes it possible to measure the return on capital employed and is relevant in a highly capital-intensive industry. The total shareholder return (**TSR**) in turn makes it possible to **align the Company's performance with the regular profits expected by its shareholders**. Moreover, in order to take into account remarks from shareholders and in keeping with the Group's **responsible growth** approach, the LTI plans incorporate with effect from 2020 a **new performance condition linked to the Group's Carbon Intensity** (see definition § 2.2.3 B). The objective of this condition is consistent with the trajectory of the Group's **Climate objectives** announced at the end of 2018 and which aim to reduce the Carbon Intensity by 30% between 2015 and 2025.

The performance conditions which apply to the long-term commitments (termination indemnity and collective pension insurance contract) are based on the gap between the **ROCE** and the **WACC** (average gap over three years) which makes it possible to **measure the regular value creation** given the fundamental importance, in the highly capital-intensive industrial gas industry, of the management and control of investment processes.

The **qualitative components** of the annual variable remuneration incorporate the pursuit of long-term objectives related to **safety, sustainable development, Human Resources** and the preparation of the **succession plans**, thus supporting **the Company's long-term future**.

These incentive elements thus reflect the Group's strategy which is steered toward profitable long-term growth, while acting responsibly with regard to all stakeholders. In a highly capital-intensive industry, profitable long-term growth requires constant attention to be paid to each investment decision and to the competitiveness of every transaction, while maintaining an ongoing effort over time in favor, in particular, of safety, innovation, employee training and development, together with the environment.

The selection of the components for the remuneration of the Executive Officer by the Board of Directors on the recommendation of the Remuneration Committee is made by taking into account **the conditions of remuneration and employment of the Company's employees**. Accordingly, the quantifiable and qualitative components of the variable remuneration for the Company's senior managers and executives and Executive Officers are identical. These objectives are also reflected in those for the Company's employees who have a short-term variable remuneration. Moreover, the LTI performance conditions are **identical for all the employee beneficiaries** (for the record, approximately 1,800 Group employees each year) **and for the Executive Officers**. These alignments provide for **coherence** of efforts in **achieving the Company's performance objectives**. The importance given to the safety objectives helps implement a high-quality working environment for the employees that has a direct impact on their engagement and performance. The variable remuneration also incorporates objectives of talent development, the achievement of which requires in particular the implementation of various, relevant programs for the training and **development of employees** throughout their career.

- Specifically for Benoît Potier, a **collective pension insurance contract** with individual subscription is set up as from January 1, 2020, to replace the acquisition of rights under the defined benefit pension plan with effect from such date pursuant to the PACTE Law of May 22, 2019 and Ordinance n° 2019-697 of July 3, 2019 (see details below).

2.2. Implementation for the 2020 remuneration

Applying the principles and objectives noted above, on the recommendation of the Remuneration Committee, the Board of Directors, at its meeting on February 10, 2020, adopted the components of Benoît Potier's remuneration for 2020 as follows:

2.2.1. Fixed remuneration

The fixed remuneration is set at 1,325,000 euros, **identical to that for 2018 and 2019**.

2.2.2. Variable remuneration

The Board of Directors, on the recommendation of the Remuneration Committee, decided that the criteria for the variable remuneration for 2020 would be as follows:

- two quantifiable financial criteria**, identical to those already included in the criteria for the variable remuneration for 2019:
 - the increase in recurring net earnings (excluding exceptional and significant transactions which do not impact the recurring operating income) excluding foreign exchange impact, per share (hereinafter "**Recurring EPS**"),
 - comparable growth in **consolidated revenue** (excluding significant scope impact and the impact of foreign exchange and energy).

The weighting of each criterion is shown in the table below.

For each criterion, the Board of Directors has defined a target objective, which is not made public for confidentiality reasons. Nonetheless, the rate of achievement of the objectives for the variable remuneration as a percentage of the fixed remuneration and as a percentage of the target variable remuneration allocated to that criterion, will be made public *ex post*.

The **target objectives set are demanding**. They are **completely consistent with the trajectory of the NEOS company program** which aims, for the period 2016-2020, at an average annualized **growth in Group revenue of +6% to +8%**, including a scope impact linked to the consolidation of Airgas corresponding to +2% as an annual average.

For each financial criterion, a formula adopted by the Board makes it possible to calculate the amount of the variable remuneration due (within a maximum limit) by taking into account, on the basis of the consolidated financial statements for the fiscal year, the value achieved for the criterion as compared to the target objective set. Thus, in the event of a performance that exceeds the objective set, the value of the variable part is adjusted upward within the maximum limit set for each criterion. **In the event of a performance that is below the lower limit set for each objective, the fraction of the variable remuneration corresponding to this criterion is equal to zero.**

- (Qualitative) personal criteria**, a weighting being allocated to each of them. They are detailed in the table below and relate:
 - as to one-third, to **Corporate Social Responsibility** (hereinafter "**CSR**"),
 - as to one-third, to **organization and to Human Resources**,
 - as to one-third, to **individual performance**. This criterion responds to the Board of Directors' desire to keep a part of the variable remuneration subject to the Board's assessment, in order to take account of the unpredictability of the environment. This may be beneficial to the Executive Officer if the Company is facing an unfavorable environment which was not anticipated at the time the objectives were set, or disadvantageous if the environment ultimately turns out to be more favorable than anticipated.

An identical target and maximum weight is set for each qualitative criterion.

The summary table below provides details of the criteria for the variable remuneration, together with the target and maximum weights for each element.

	Target ^(a)		Maximum	
	As a % of the fixed remuneration	As a % based on 100	As a % of the fixed remuneration	As a % based on 100
FINANCIAL CRITERIA (QUANTIFIABLE) <i>including:</i>	105	70	122	73
• Increase in recurring net earnings ^(b) excluding the foreign exchange impact, per share (recurring EPS)	75	50	87	52
• Comparable growth in consolidated revenue ^(c)	30	20	35	21
PERSONAL CRITERIA (QUALITATIVE) <i>including:</i>	45	30	45	27
• CSR:				
o Safety and reliability: continue efforts to improve safety (lost time accident frequency rate, road traffic accidents and job-related accidents)	15	10	15	9
o Continue the roll-out of the Sustainable Development strategy (Implementation of the Group's Climate Objectives - Air Liquide Foundation – Contribution to the development of the hydrogen ecosystem)				
• Organization / Human Resources (talent development, succession plans, diversity policy)	15	10	15	9
• Individual performance: assessment by the Board of Directors, notably in light of the external environment for the year	15	10	15	9
TOTAL (financial and personal criteria)	150	100	167	100

(a) The target corresponds to the 100% achievement of the performance criterion.

(b) Excluding significant exceptional transactions that do not impact the operating income recurring.

(c) Excluding significant scope impact, foreign exchange impact and energy.

The total amount of the variable remuneration due for the 2020 fiscal year will be paid in 2021, after approval of the financial statements by the General Meeting, it being noted that its payment is conditional on the approval by a General Meeting of the elements of Benoît Potier's remuneration, under the conditions provided by article L. 225-100 III paragraph 1 of the French Commercial Code.

2.2.3. Long-term remuneration components (LTI)

A. Principles of grant

The LTI plans are aimed, in addition to the grant of incentives and profit-sharing, at involving the employees more in the Company's performance and constitute a long-term motivation factor, aligned with the interests of the shareholders for value creation over time.

The following principles were adopted by the Board of Directors on February 10, 2020 for the allocation programmed for the autumn of 2020:

- The Board confirmed that, according to the principle applied since 2016, the award of LTI to the Executive Officer and the changes therein over time will be assessed in terms of the IFRS value (and not in terms of the volumes granted). For 2020, the Board of Directors intends to grant to Benoît Potier LTI representing an IFRS value of approximately 2.25 million euros, which is stable by comparison with

the 2018 and 2019 grants, representing 40.4% of the total target remuneration for 2020, in accordance with the weighting defined above.

- All the LTI granted are subject to **performance conditions** calculated over a period of **three years**. The performance conditions, which apply to the plans decided upon in the autumn, are set by the Board of Directors at the start of the year, at the February meeting, in order to comply with a reference period of three full years.

The Board maintained the **criterion of the ROCE** and the total shareholder return (**AL TSR and relative TSR**). It also added, on the recommendation of the Remuneration Committee, a criterion linked to the Group's **Carbon Intensity** for the reasons stated above.

For each performance condition, a formula adopted by the Board of Directors makes it possible to determine, at the end of the three fiscal years during which the performance must be achieved, the percentage of performance shares definitively vested/ options which can be exercised.

The **demanding objectives** set for each performance condition are made public *ex post*, at the end of the Board meeting in the month of February following the end of the three fiscal years during which the performance has to be achieved. The rate of achievement for the performance conditions and the percentage of LTI acquired/that can be exercised are also published at the end of this Board meeting.

B. Performance conditions

As a consequence of the above, the performance conditions which apply to all the beneficiaries of the LTI Plans which will be allocated in 2020 have been determined by the Board of Directors on February 10, 2020. The number of LTI which are definitively allocated/can be exercised pursuant to the 2020 Plans will depend:

(i) for 50% of the LTI granted, on the rate of achievement of an objective, set by the Board, consisting of the Return on capital employed after tax ("**ROCE**¹") recorded at the end of the 2022 fiscal year.

At the objective set, the grant is 100%, then decreases on a straight-line basis, to a **lower limit** below which there will be no grant. This lower limit corresponds to a ROCE level which is **200 bps less** than the objective set, which provides a degree of flexibility, in particular making it possible to take advantage of external growth opportunities.

The objective has been set within the **trajectory of the NEOS company program** which aims at a ROCE of more than 10% in 2021-2022;

(ii) for 40% of the LTI granted,

- for 50% of the LTI referred to in sub-paragraph (ii): on an objective of total shareholder return set by the Board, defined as the average annual growth rate of an investment in Air Liquide shares, reinvested dividends, for 2020, 2021 and 2022 fiscal years ("**AL TSR**"). The objective of absolute TSR is set in accordance with historic performances. At the objective set, the grant is 100%, then decreases on a straight-line basis, to a lower limit,
- for 50% of the LTI referred to in sub-paragraph (ii): on the rate of total shareholder return from an investment in Air Liquide shares, reinvested dividends – sourced from Bloomberg ("**B TSR**"), as compared to the **CAC 40 TSR index, reinvested dividends (sourced from Bloomberg)**, for 2020, 2021 and 2022 fiscal years.

The rate of achievement will be **0%**, if the average of the Air Liquide TSR is lower than the average of the **CAC 40 TSR**, 50% if it is equal to the average of the CAC 40 TSR and 100%, if it is at least 2% higher than the average of the CAC 40 TSR on the basis of a straight-line change. Any grant for a performance lower than the average of the CAC 40 TSR is impossible.

(iii) for 10% of the LTI granted, on the **reduction in Air Liquide's Carbon Intensity**, defined as the following ratio, recorded as at December 31, 2022: Greenhouse gas emissions of the Air Liquide Group for the year

¹ For the purposes hereof, the Return on Capital Employed after tax will be calculated as follows: ((Net profit after tax before deduction of minority interests – net cost of debt after taxes) for the period 2022) / (weighted average of (shareholders' equity + minority interests + net indebtedness) at the end of the last three half years (H2 2022, H1 2022, H2 2021)).

2022 in kg-equivalent CO₂ / 2022 EBITDA (calculated at constant exchange rate on the basis of the 2015 foreign exchange rates) expressed in euros. For the purposes hereof, greenhouse gas emissions include direct emissions (Scope 1) and indirect emissions (Scope 2). The objective of this policy was determined **within the trajectory of the Group's Climate objectives announced at the end of 2018** which aim to reduce the Carbon Intensity by 30% between 2015 and 2025.

The rate of achievement of the performance conditions will be recorded by the Board at the time when the financial statements are adopted for the 2022 fiscal year.

C. Rules applicable to the Executive Officers

The rules applicable to the Executive Officers (proration in the event of a departure from the Group during the period of assessment of the performance conditions, condition of presence, shareholding and share ownership obligations, restrictions on the exercise and the sale) are unchanged.

2.2.4. Long-term commitments and commitments relating to termination of duties

Benoît Potier benefits from long-term commitments and commitments relating to termination of duties as described in paragraph 4.

The defined benefit pension plan which Benoît Potier benefits from is impacted by the PACTE Law and Ordinance n° 2019-697 of July 3, 2019. Pursuant to these texts, the supplementary pension plans which make the vesting of rights conditional upon the beneficiaries' presence at the Company at the time of retirement can no longer grant a right to acquire supplementary conditional rights after January 1, 2020.

For the period up until this date, Benoît Potier's rights under the defined benefit pension plan (Plan "S") will remain unchanged subject to the pension plan regulations.

As from January 1, 2020, **a collective pension insurance contract with individual and optional subscription** is established to replace the acquisition of rights under the defined benefit pension plan. Pursuant to the PACTE Law and Ordinance n° 2019-1234 of November 27, 2019, the implementation of this new system for the benefit of Benoît Potier is included in the remuneration policy, which is subject to the approval of the 11th resolution presented to the General Meeting of May 5, 2020.

Pursuant to this new mechanism, the amount paid by the Company shall be split between a payment to the insurer and a payment to Benoît Potier intended to cover the social security contributions and taxes due on the payments made to the insurer. This amount shall be paid in arrears every year up until the end of the executive office.

Benoît Potier **cannot apply** for the entitlements under this pension insurance contract **before the age at which he becomes entitled to claim his pension entitlements under the French general social security scheme**.

This new mechanism is **specific to Benoît Potier and adapted to his individual situation** in light of his seniority and the fact that the new mechanism is only intended to apply up until the end of his career as an Executive Officer. It is **without prejudice to the mechanism which would apply in the future to a new Executive Officer**.

This new mechanism was selected from among several alternatives and represents **the lowest cost for the Company, over 20% less than that of the previous plan**. For **Benoît Potier**, it simply **supplements the rights** accumulated under the existing plan and makes it possible to **maintain rights which are equivalent** to those which would have existed under such plan, if it had been possible to maintain them for Benoît Potier. Although, pursuant to the new legislation, this pension insurance contract is not subject to a condition of the beneficiary's presence at the Company at the end of his career, in any event, with regard to Benoît Potier, the application of this condition under the defined benefit pension plan has become very theoretical: a beneficiary who is over 55 years of age and has at least five years' length of service (which is the case for Benoît Potier) shall retain his rights, if he does not resume any professional activity until his

retirement. Consequently, the fact that this condition does not apply to the new mechanism is neutral in this specific situation.

The gross annual contribution will amount to approximately 10% of the annual target fixed and variable remuneration for 2020, subject to the achievement of **similar performance conditions to those of the defined benefit pension plan**, which had been determined by the Board of Directors and approved by the General Meeting of May 16, 2018 in its 10th resolution. Consequently, the amount of contributions for a fiscal year will depend on the **average annual gap** between the Return on Capital Employed (**ROCE**) and the Weighted Average Cost of Capital (**WACC**) (net equity method), calculated (on the basis of the certified consolidated financial statements, approved by the General Meeting) for the last three fiscal years prior to the said fiscal year. For the purposes of this calculation, the gap between the ROCE and the WACC will be measured for each fiscal year and the average of the three annual gaps will be calculated for the last three fiscal years prior to the said fiscal year.

The performance coefficient applied to the nominal amount pursuant to the collective pension insurance contract will be determined as shown in the table below, with a growth of the increase per linear segments between each of the thresholds between 100 bps and 300 bps inclusive:

Average of the annual gaps (ROCE – WACC) over three years in bps*	Performance coefficient applied to the nominal amount
≥ 300	100 %
250	66 %
200	50 %
100	25 %
< 100	0 %

* bps : basis points

Finally, the new mechanism will be taken into account when determining the upper limit of 45% of the Reference Remuneration that applies to the defined benefit pension plan, since this upper limit has not been reached.

3. Achievement of the performance conditions under the 2017 stock option and performance share plans

3.1. Recording of the achievement of the performance conditions under the September 20, 2017 plans

On the basis of the financial statements for the 2019 fiscal year submitted for the approval of the General Meeting of May 5, 2020, the Board of Directors on February 10, 2020 recorded the rate of achievement of the performance conditions, which apply to the whole of the performance shares and stock options awarded to any beneficiary and were determined at the time of the grant of the September 20, 2017 performance share and stock option plans.

The **annual 2017 plans** provided that the number of stock options which could effectively be exercised out of the total number of stock options granted, together with the number of performance shares definitively awarded, would depend on the rate of achievement of the following objectives:

- (i) **for 65% of the stock options/performance shares granted**, an objective of the average annual increase in the Recurring Earnings Per Share excluding the impact of foreign exchange and material exceptional items (“Recurring EPS”) for the 2017, 2018 and 2019 fiscal years set at +6% (a) in order to be able to exercise all the stock options and (b) in order for all the shares to be awarded, and then decreasing on a straight-line basis to 0% growth.

In order to take account of the impact of the Airgas acquisition and its financing, it had been decided to calculate the increase in Recurring EPS for 2017 on the basis of estimated financial statements for 2016 which integrate Airgas as at January 1 and excluding any held-for-sale activities and making it possible to take comparable data into account.

The Board of Directors recorded that the average annual growth of the recurring EPS over the aforementioned period amounted to 10,0 %, i.e. an objective achieved as to 100%;

(ii) for 35% of the stock options/performance shares granted, an objective of total shareholder return:

- for 50% of the stock options/performance shares referred to in sub-paragraph (ii): an objective defined as the average annual growth rate of an investment in Air Liquide shares, with dividends reinvested, for the 2017, 2018 and 2019 fiscal years ("AL TSR"), set at 6% (a) in order to be able to exercise all the stock options and (b) in order for all the shares to be awarded, and then decreasing on a straight-line basis to 2%.

The Board of Directors recorded that this growth, over the aforementioned period, amounted to 18,4 % per annum, i.e. an objective achieved as to 100 %,

- for 50% of the stock options/performance shares referred to in sub-paragraph (ii): on the rate of total shareholder return from an investment in Air Liquide shares, reinvested dividends – sourced from Bloomberg ("B TSR"), as compared to the CAC 40 index, reinvested dividends (sourced from Bloomberg), for 2017, 2018 and 2019 fiscal years.

The applicable formula provided that the rate of achievement of this performance condition was 0% if the average Air Liquide TSR was lower than the average CAC 40 TSR, was 50% if it was equal to the average CAC 40 TSR and was 100% if it was at least 2% higher than the average CAC 40 TSR on the basis of a straight-line change. Any grant for a performance lower than the average of the CAC 40 TSR was impossible.

The rate of return for Air Liquide over the aforementioned period is 16,24%. That of the CAC 40 index over the same period is 11,62%. Consequently, the difference between the rate of return for Air Liquide and the average rate of return for the CAC 40 is 4,62 %, i.e. an objective achieved as to 100 %.

Consequently, the Board of Directors recorded that the rate of achievement of the performance conditions for the September 20, 2017 stock option and share performance plans amounts to 100 %.

3.2. Recording of the achievement of the performance condition which is specific to Benoît Potier under the July 29, 2016 "Airgas" performance share plan

The Board of Directors, at its meeting on July 29, 2016, decided to make a specific grant of performance shares to mark the Company's recognition for the work carried out by all the teams which contributed to the successful completion of the Airgas acquisition.

For each of these "Airgas" Plans ("France" Plan and "World" Plan), the Board adopted performance conditions calculated over three fiscal years and identical to those for the November 29, 2016 stock option and performance share plans.

On the basis of the financial statements for the 2018 fiscal year submitted for the approval of the General Meeting of May 7, 2019, the Board of Directors on February 13, 2019 recorded, the rate of achievement of the performance conditions, which apply to the whole of the performance shares granted to any beneficiary and which were determined at the time of the grant of the July 29, 2016 Airgas performance share plans which amounts to 82.87%.

Pursuant to the decision of the Board of Directors on July 27, 2017, **specifically for Benoît Potier**, an additional performance condition was added, based on the **rate of achievement of the synergies following the Airgas acquisition**. The Board of Directors on February 10, 2020 recorded that the **level of achievement**

of this additional performance condition is 100 %. As a result, the total proportion of performance shares acquired by Benoît Potier under the “Airgas” France plan amounts to 82.87%.

3.3. Number of stock options and performance shares granted to Benoît Potier under the 2017 Plans and the July 29, 2016 “Airgas” performance share plan

The number of stock options and performance shares granted under the 2017 Plans has been adjusted for the 2017 and 2019 free share attribution to shareholders and amounted after adjustment to 28,092 stock options and 21,864 performance shares under the 2017 Plans and to 24,977 performance shares under the Airgas Plan of July 29, 2016.

After taking into account the rate of achievement of performance conditions, the number of stock options and performance shares is as follows: 28,092 stock options and 21,864 performance shares under the 2017 Plans, and 20,698 performance shares under the “Airgas” plan of July 29, 2016.

4. Regulated agreements and commitments relating to termination of duties concerning Benoît Potier

In accordance with French law, the Board of Directors carried out the annual re-examination of the agreements and commitments relating to termination of duties entered into and authorized during previous financial years which continued to be performed during the last financial year. These agreements and commitments concern the defined contribution and defined benefit pension plans/termination indemnity/death and disability benefit/life insurance plans applicable to Benoît Potier. On the recommendation of the Remuneration Committee, the Board of Directors decided to maintain the current authorizations in force for Benoît Potier.

Concerning the defined benefit pension plan, for 2019, the Board of Directors recorded, on February 10, 2020, that the performance condition had been 100% achieved with an increase of the conditional rights of 1%, corresponding to a potential acquisition of an additional 1% of the Reference Remuneration for the relevant year. About the freeze of this plan and the alternative system as from January 1, 2020, see above.

5. 2020 General Meeting - Resolutions relating to remuneration

The Board of Directors adopted the draft resolution as well as the summary table presenting the components of the remuneration paid in 2019 or awarded in respect of the 2019 to Benoît Potier, Chairman and Chief Executive Officer, on which the General Meeting of May 5, 2020 is invited to vote (9th resolution).

The Board of Directors adopted the draft resolution and the Report on Corporate Governance including the components of remuneration of the Chairman and Chief Executive Officer and the Directors of the Company pursuant to article L. 225-37-3 I of the French Commercial Code. These elements are the subject of the 10th resolution submitted for the approval of the General Meeting of May 5, 2020.

The details concerning the remuneration of Corporate Officers that is the subject of the aforementioned resolutions will be included in the 2019 Universal Registration Document.