

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 9, 2021, took the following decisions regarding the components of remuneration of the Executive Officers.

1. 2020 financial year

The remuneration policy applicable to the Chairman and Chief Executive Officer, in relation to his office, as decided upon by the Board of Directors on February 10, 2020 and presented in the 2019 Universal Registration Document (pages 178 to 186) was approved by the Ordinary General Meeting on May 5, 2020 (11th resolution).

1.1. Variable remuneration for the Chairman and Chief Executive Officer

On the proposal of the Remuneration Committee, the Board of Directors on February 9, 2021 assessed the performance of the Executive Officer in 2020.

1.1.1. Quantifiable financial criteria

In accordance with the remuneration policy approved by the General Meeting of May 5, 2020, the variable remuneration for 2020 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 5).

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 targeted, for the period 2016-2020, 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. **These ambitious objectives were set before the Covid-19 health crisis and have not been reviewed in order to take into consideration this context.** Therefore, these objectives apply to the 2020 fiscal year.

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.

According to this formula, the rate of achievement of each objective is calculated linearly as follows:

- an initial linear gradient between the lower limit of the objective, corresponding to the trigger threshold (0% below this threshold) and the target (corresponding to a 100% achievement of the objective);

- a second linear gradient between the target (100%) and the maximum achievement level (116% of the target).

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 5.

At the end of an extraordinary year 2020, marked by the **Covid-19 pandemic**, the Group has demonstrated its strength and resilience of its business model. Revenue has been gradually recovering since the third quarter of 2020, and is thus almost stable as compared to 2019 on a comparable basis. Recurring net profit (Group share) excluding foreign exchange impact is in turn increasing by more than 4% compared with 2019. Concerning the executive officer's remuneration, the **quantifiable criteria objectives** for 2020 (increase in recurring EPS excluding foreign exchange impact and comparable growth in consolidated revenue), set by the Board of Directors on February 10, 2020, i.e. before the development of the pandemic and the unprecedented crisis which followed, could not, for obvious reasons, be fully achieved, which results in a reduction in Benoît Potier's variable remuneration compared with 2019. The Board of Directors has, however, decided, on the recommendation of the Remuneration Committee, **not to adjust the financial criteria objectives during the course of the year, so that the level of the executive officer's variable remuneration reflects the true economic situation.**

The total amount of the variable remuneration is below target and amounts to 1,459,719 euros, down by -29.3% as compared to the variable remuneration for 2019.

1.1.2. Qualitative personal criteria

For **2020**, 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 personal criteria:

CSR: performance was considered very good.

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

Implementation of the Group's Climate objectives: The Environment and Society Committee met on three occasions in 2020. It reviewed the governance put in place to monitor and advance the roll-out of the Climate Objectives announced by the Group at the end of 2018, together with the environmental and societal risks and the vigilance plan.

Concerning the achievement of the climate Objectives, and in particular the 30% reduction in the Group's Carbon Intensity between 2015 and 2025, this reduction continued in 2020. All country groups (industrial clusters) have drawn up their Climate roadmap up until 2025, with a detailed action plan for each of the three topics: Assets/Customers/Ecosystems.

In each of these groups of countries (clusters), a Climate Champion is responsible for coordinating this matter and volunteer Climate Ambassadors carry out local initiatives and share good practices.

The Group has reinforced its strategic analysis on energy transition and launched a review of its climate objectives, which will be communicated on March 23, 2021 at a Sustainable Development Day.

Concerning the Group's financing, a one-year extension option was exercised, on November 6, 2020, with regard to the syndicated credit facility for an unchanged amount of 2.5 billion euros and with a maturity of December 2025. Since 2019, this facility provides for a correlation mechanism between its financial costs and three CSR objectives in the areas of carbon intensity, gender diversity, and safety.

Contribution to the development of the Hydrogen Ecosystem: Benoît Potier is co-Chair of the Hydrogen Council. This Council, formed in 2017, brings together over 100 leaders in the energy, transport and industry sectors in order to promote hydrogen with a view to achieving climate change objectives. At the annual meeting in January 2020 in Versailles, the chairmen and chief executive

officers presented the results of the latest report: “Path to Hydrogen Competitiveness: A Cost Perspective” which shows that the cost of hydrogen solutions should fall more rapidly than previously expected. Hydrogen is now recognized as a key element for a low-carbon future.

Benoît Potier was also involved in setting up the French National Hydrogen Council, made up of around fifteen French industrialists, tasked with contributing to the roll-out of carbon-free hydrogen in France, the creation of which was announced by the government in September 2020. He was appointed co-chair thereof on January 11, 2021.

He had also chaired the panel of experts mandated by the French government within the framework of the Productive Pact, announced by the President of the Republic in April 2019, to identify those emerging markets where France should position itself. In this regard, he submitted the panel’s report to the government on February 7, 2020, which proposes to select 22 key markets, including 10 priority markets, of which hydrogen is one.

In September 2020, an in-depth session of the Board of Directors was organized on Hydrogen and energy transition, with the intervention of some high-profile personalities from outside the Company and from members of the management and operations teams. In December 2020, Air Liquide, in the presence of Benoît Potier and with the participation of Bertrand Piccard, Initiator and Chairman of the Solar Impulse Foundation, organized the “Hydrogen Generation” digital event, in partnership with the Les Echos - Le Parisien group and Usbek & Rica, concerning the role of hydrogen in energy transition.

Air Liquide Foundation: The Covid-19 pandemic has made strong demands on the Foundation partners, research teams and NGOs, in France and abroad. The Foundation has been able to react quickly to this crisis thanks to its founders, L’Air Liquide S.A. and Air Liquide Santé International (exceptional support of more than 2 millions euros, a significant portion of which has already been committed in 2020), to its Board of Directors, its partners and its network of Group employees.

The Foundation’s Covid-19 initiative aims at allowing to understand the effect of the coronavirus on the respiratory system (10 research projects) and at addressing emergency humanitarian needs (23 projects supported in France and abroad). One-third of the NGOs involved are new partners for the Foundation, introduced by Group employees during this crisis.

In total, the Foundation has approved in 2020 a record of 69 projects over the year, notably in the scientific field, and promoting professional integration, education and disability, both in France and abroad.

In a survey of individual shareholders of Air Liquide, which collected over 6,000 responses, the shareholders expressed strong support for the work of the Foundation.

- **Safety and reliability** (continue efforts to improve safety (lost time accident frequency rate, road traffic accidents and job-related accidents)):

Based on the estimated hours worked, the lost-time accident **frequency rate** of Group employees stood at 0.9 in 2020, compared to 1.2 in 2019 and 1.3 in 2018. This is the **Group’s best performance since the introduction of this indicator**.

However, 2020 was marked by the deaths of 2 employees and of a subcontracted driver. In 2020, road safety formed part of a consolidated action plan aimed at raising awareness of all persons affected and at introducing technical assistance tools in vehicles, as commenced a few years ago and continued in 2020 despite the public health crisis. Concerning **industrial safety / reliability**, the Group’s **IMS** (Industrial Management System) program set up 15 years ago has helped **improve the management** of industrial risks. The new IMS reference system was rolled out to around two-thirds of the clusters, the end of the roll-out to the remaining third being envisaged in mid-2022 due to the sanitary crisis.

In 2020, in terms of **process safety**, a plan to upgrade safety of the production sites has been rolled out and should be finalized by the end of 2021. The Board also noted the leading role of Air Liquide notably in developing harmonized international standards.

Organization/Human Resources: performance was considered excellent. In this context of a public health crisis, very particular attention has been paid to employee health since the start of the Covid-19 crisis. Capitalizing on its international presence and its network organization, the Group set up a crisis unit,

in February 2020, headed by the Director of Human Resources who reports to the Executive Committee. Accordingly, the experience of our Chinese subsidiary was immediately put to good use.

Psychological support, as well as proximity and communication with management have been strengthened. Special attention has been paid to employee commitment. Our first worldwide survey, MyVoice, was launched as planned and specific questions have made it possible to monitor as closely as possible the feedback on the crisis. The roll-out of the “BeActEngage” leadership program proceeded as planned, permitting regular exchanges, although all the workshops were conducted online.

An initial assessment of the crisis has been made and international teams have worked on four areas (teleworking, managerial support, relations with our customers and patients, and office design) to capitalize on the experience gained and accelerate our transformations.

The **Executive Committee** stepped up its meetings throughout the year to steer the Group, while pursuing its transformation and conducting strategic reflection in the context of accelerating trends (digital, energy transition and healthcare systems, in particular).

Since continuity is key, the Group is pursuing its **talent development** policy. Despite the circumstances, regular reviews of our talent and their development have been conducted online, at the level of our operating clusters and up to Executive Committee level. Regular reviews of our **most promising talent** have taken place with the Appointments and Governance Committee.

Good progress continued to be made with the implementation of the inclusion and **diversity** policy within all Group entities (a detailed description of the actions and results is contained in the “Human Resources” section of Chapter 5 of the URD). A “diversity lab” was conducted with international HR leaders and managers to analyze all our processes and practices, identify potential biases and implement corrective measures (“nudges”) to limit those biases. Accordingly, as part of the regular reviews of talent with the highest potential, the diversity of profiles is taken into account, with the aim of continuing to enhance such diversity within the Group's key positions in order to promote the many cultures found within the Group and improve the gender balance.

Individual performance: the individual performance was considered excellent, the executive officer having managed, in the context of a global crisis of unprecedented severity, to steer the Group and to further its development both in terms of performance and in terms of environmental and societal commitment. The performance in this respect was assessed at 100%.

SUMMARY TABLE OF THE VARIABLE REMUNERATION FOR 2020

Indicator	Approved elements by the Annual General Meeting in 2020:				Rate of achievement ^(d)			
	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	As a % of the target remuneration for this criterion	As a % of the fixed remuneration	As a % based on 100	In thousands of euros (rounded off)
Financial criteria (quantifiable) including:	105	70	122	73	-	66	60	873
Increase in recurring net earnings ^(b) excluding the foreign exchange impact, per share (recurring EPS)	75	50	87	52	88	66	60	873
Comparable growth in consolidated revenue ^(c)	30	20	35	21	0	0	0	0
Personal criteria (qualitative) including:	45	30	45	27	-	44	40	586
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 - Contribution to the development of the hydrogen ecosystem)	15	10	15	9	95	14	13	189
Organization/Human Resources (talent development, succession plans, diversity policy)	15	10	15	9	100	15	14	199
Individual performance: assessment by the Board of Directors, notably in light of the external environment for the year	15	10	15	9	100	15	14	199
TOTAL (FINANCIAL AND PERSONAL CRITERIA)	150	100	167	100	-	110	100	1460

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

(b) Excluding exceptional and significant transactions which do not impact the operating income recurring. The calculation is based on the recurring net profit Group share, excluding the foreign exchange impact. See reconciliation in the 2020 Universal Registration Document to be published.

(c) Excluding significant scope impact, foreign exchange impact and energy. See reconciliation in the 2020 Universal Registration Document to be published.

(d) As per decision of the Board of Directors on February 9, 2021.

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 remuneration paid during or awarded in respect of 2020 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	1,459,719
TOTAL (fixed + variable)	2,784,719

The Board of Directors took note that the benefits in kind paid for the benefit of the Executive Officer in 2020 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. 2021 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 5, 2020.

It was drawn up by the Board of Directors on February 9, 2021, upon the recommendation of the Remuneration Committee which had carried out in-depth analyses on the subject on which it reported to the Board of Directors. The Chairman and Chief Executive Officer does not attend deliberations by the Remuneration Committee relating to his personal case and does not take part in deliberations or votes by the Board of Directors on the remuneration components that concern him. The decision-making process followed to determine the policy is also applicable when said policy is reviewed and implemented.

For 2021, the Board of Directors decided to maintain the fixed remuneration at the same level as since 2018. The level of the total annual target remuneration is therefore unchanged.

The structure and principles applicable to the remuneration are in line with previous fiscal years.

- The remuneration policy provides for a **proportionate balance between the three components of the total annual remuneration** (i.e. the fixed remuneration, the variable remuneration and the long-term incentives, comprising performance shares and/or stock options, hereinafter "LTI").

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

The **variable part** continues to be expressed as a target variable remuneration (as a percentage of the fixed remuneration) with a maximum. The total target variable remuneration which is determined 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 various criteria adopted (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 assigned a target weighting (expressed as a percentage of the fixed remuneration) corresponding to a 100% achievement of the target objective set at the beginning of the year, and a maximum weighting (expressed as a percentage of the fixed remuneration).
- **Qualitative criteria:**
 - a **weighting is allocated 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 for the determination of the variable remuneration due in respect of the fiscal year

will be established on the basis of the performance measured for each criterion in light of the target objective, on the basis of the application of a formula for the financial criteria and the assessment of the Executive Officer's performance by the Board of Directors upon the recommendation of the Remuneration Committee for the qualitative criteria. 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 for this criterion, will be made public ex post.

- The performance conditions reflect the Company's strategy. For 2021, they were set **in the trajectory of the principal objectives of the NEOS company program** which incorporated notably sales growth and the ROCE.

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 **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 efficiency objectives that were reevaluated in 2019 compared to the initial NEOS objective contribute to the increase in the recurring EPS.

The LTI performance conditions in turn incorporate the **ROCE**, 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 consistent with the Group's responsible growth approach, the **LTI** plans incorporate with effect from 2020 a **performance condition linked to the Group's Carbon Intensity** (see definition below). 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 over the long-term of objectives related to **safety, Corporate Sustainability Program, Human Resources** and the preparation of the succession plans, thus supporting the **Company's sustainability**.

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 and security, innovation, employee training and development, together with the environment.

The selection of the components for the remuneration of the Executive Officers 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 Executive Officers and senior executives 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 greater **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 varied, relevant programs for the training and **development of employees** throughout their career.

- The **defined contribution pension plan applicable to all employees and Executive Officers** is being **transferred on a collective basis** to a mandatory company retirement savings plan (“PERO”) on January 1, 2021 to bring it into line with the **new legal and regulatory framework** arising from the PACTE Law (see details below).
- The other **principles which apply to the LTI are unchanged** (the proration of the LTI in the event of the Executive Officer’s departure from the Group during the period of assessment of the performance conditions, the level of requirement of the objectives and the rules which are specific to the Executive Officers as described below, the limits on grants).

2.2. Implementation for the 2021 remuneration

By applying the principles defined above, the criteria for the determination, distribution and allocation of the elements which make up the Executive Officer’s total remuneration for 2021 are as follows:

2.2.1. Fixed remuneration

The fixed remuneration is set at 1,325,000 euros, **unchanged since 2018**.

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 2021 would be as follows:

- **two quantifiable financial criteria**, identical to those already included in the criteria for the variable remuneration for 2020:
 - increase in the recurring net earnings (excluding exceptional and significant transactions which do not impact the operating income recurring) excluding currency impact, per share (hereinafter “**recurring EPS**”),
 - comparable growth in **consolidated revenue** (excluding significant scope impact and the impact of currency 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*.

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 allocation key for the quantifiable/qualitative criteria and, within each category, the target and the maximum weights for each element, determined by applying the principles set forth above, is as follows:

Indicator	Target ^(a)		Maximum	
	As a % of the fixed remuneration	As a % based on a 100	As a % of the fixed remuneration	As a % based on a 100
Financial criteria (quantifiable) including:	105	70	122	73
Increase in recurring net earnings ^(c) 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) including:	45	30	45	27
CSR:				
- Safety and reliability: continue efforts to improve safety (lost time accident frequency rate, road traffic accidents and job-related accidents)	15	10	15	9
- Continue the roll-out of the Sustainable Development strategy (implementation of the Group's new Climate/ESG Objectives - 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 100% achievement of the performance criterion.

(b) Excluding significant exceptional transactions that do not impact the operating income recurring. The calculation is based on the recurring net profit (Group share) 2021 excluding the foreign exchange impact (as compared to 2020).

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

The total amount of the variable remuneration due for the 2021 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 approval by an Ordinary General Meeting of the elements of Benoît Potier's remuneration, under the conditions provided for in article L. 22-10-34 II 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 9, 2021 for the allocation programmed for the autumn of 2021:

- 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 2021, 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 grants since 2018,

representing 40.4% of the total target remuneration for 2021, 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.

On the recommendation of the Remuneration Committee, the Board has retained the ROCE, total shareholder return (AL TSR and relative TSR) and Group carbon intensity criteria.

- 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 2021 have been determined by the Board of Directors on February 9, 2021. The number of LTI which are definitively allocated/can be exercised pursuant to the 2021 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 2023 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 in the trajectory of the ROCE target announced by the Company and is maintained at 10% though in 2023-2024, which reflects the impact of the crisis but also a pro-active investment policy in a context of numerous and qualitative opportunities;

(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 2021, 2022 and 2023 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 2021, 2022 and 2023 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, 2023: Greenhouse gas emissions of the Air Liquide Group for the year 2023 in kg-equivalent CO₂ / 2022 EBITDA (calculated at constant exchange rate on the basis of the 2015

¹ For the purposes hereof, the Return on Capital Employed after tax ("ROCE") will be calculated as follows: ((Net profit after tax before deduction of minority interests – net cost of debt after taxes) for the period 2023) / (weighted average of (shareholders' equity + minority interests + net indebtedness) at the end of the last three half years (H2 2023, H1 2023, H2 2022)).

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 2023 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.

Benoît Potier benefits from the defined contribution pension plan which applies to all the employees and the Executive Officers, the contribution to which is paid in equal shares by the employer and the beneficiary on the remuneration which does not exceed eight times the PASS. In order to bring it into line with the new legal and regulatory plan arising from the PACTE Law, this retirement plan is being **transferred collectively to a mandatory company retirement plan (PERO)** on January 1, 2021. As Benoît Potier is covered by this collective plan, his entitlements are also transferred to the PERO on this date. As for the defined contribution plan, the employer and beneficiaries pay equal contributions into the mandatory company retirement plan on remuneration up to a limit of 8 x PASS.

3. Achievement of the performance conditions under the 2018 stock option and performance share plans

3.1. Recording of the achievement of the performance conditions under the September 25, 2018 plans

On the basis of the financial statements for the 2020 fiscal year submitted for the approval of the General Meeting of May 4, 2021, the Board of Directors on February 9, 2021 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 25, 2018 performance share and stock option plans.

The annual 2018 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 undiluted Recurring Earnings Per Share excluding the impact of foreign exchange and significant exceptional items ("Recurring EPS") for the 2018, 2019 and 2020 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.

The average annual growth of the recurring EPS over the aforementioned period amounted to 6.9 %, 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 of total shareholder return defined as the average annual growth rate of an investment in Air Liquide shares, with dividends reinvested, for the 2018, 2019 and 2020 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%.

This growth, over the aforementioned period, amounted to +14.95 % 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 2018, 2019 and 2020 fiscal years.

The applicable formula provided that the rate of achievement of this performance condition was (i) 0% if the average Air Liquide TSR was lower than the average CAC 40 TSR, (ii) 50% if it was equal to the average CAC 40 TSR and (iii) 100% if the average Air Liquide TSR 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 15.21%. That of the CAC 40 index over the same period is 5.78%. Consequently, the difference between the rate of return for Air Liquide and the average rate of return for the CAC 40 is 9.43%, 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 25, 2018 stock option and share performance plans amounts to 100%.

3.2. Number of stock options and performance shares granted to Benoît Potier under the 2018 Plans

The number of stock options and performance shares granted under the 2018 Plans has been adjusted for the 2019 free share attribution to shareholders.

After taking into account such adjustment and the rate of achievement of the performance conditions, the number of stock options and performance shares is as follows: 26,127 stock options and 20,106 performance shares under the 2018 Plans.

4. Long term commitments concerning Benoît Potier

The Board of Directors carried out the examination of the long-term commitments which concern the defined contribution pension plan/the collective pension insurance contract/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 (subject to the collective of the defined contribution pension plan which applies to all the employees and the Executive Officers to a PERO, as explained hereinabove) .

In respect of 2020, the Board meeting on February 9, 2021 took note of the 100% achievement of the performance conditions applicable to Benoît Potier under the collective pension insurance contract with individual and optional subscription. Accordingly, the amount to be paid in 2021 in respect of 2020 under this contract will amount to 340,000 euros (split, in accordance with the remuneration policy approved by the General Meeting of May 5, 2021, between a payment to the insurer and a payment to Benoît Potier intended to cover the social security contributions and similar charges and taxes due on the payments made to the insurer).

5. 2021 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 2020 or awarded in respect of the 2020 to Benoît Potier, Chairman and Chief Executive Officer, on which the General Meeting of May 4, 2021 is invited to vote (10th 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. 22-10-9 I of the French Commercial Code. These elements are the subject of the 11th resolution submitted for the approval of the General Meeting of May 4, 2021.

Finally, the Board of Directors adopted the remuneration policy of the Corporate Officers which is submitted to the General Meeting of May 4, 2021 under the 12th resolution with respect to Executive Officers and 13th resolution with respect to Directors.

The details concerning the remuneration of Corporate Officers that is the subject of the aforementioned resolutions will be included in the 2020 Universal Registration Document.