Governance

Preparation of the 2021 Annual General Meeting

Proposed Resolutions

Aude Rodriguez
Muriel Légeron
Investor Relations
Governance Principles at Air Liquide

- Knowledgeable and engaged Directors
- Dedicated and industry-expert Management
- Powerful controls and fine-tuned organization
- Regular and long-term attention to shareholders
- Importance of continuous progress for Governance
  - Integrating main shareholders’ feedback...
  - ...while showing consistency: long-term value creation, history and culture
Well-Balanced and Controlled Governance

- **Independent Lead Director**
- **Annual evaluation** questionnaire for Board Directors
- Once a year meeting *without the presence of Air Liquide’s* Executive Directors and internal members
- Information of Board regarding *discussions* between Chairman & CEO and main shareholders
- Possibility, on request, where applicable, to *hold discussions* between main shareholders and Lead Director
- **Joint session** between the Audit & Accounts and the Environment & Society Committees
Proposed Resolutions for 2021 Shareholders’ Meeting

Ordinary Meeting

#1 and #2 Approval of the financial statements for the year
#3 Approbation of earnings and setting of the dividend
#4 Buyback by the Company of its own shares (18 months)
#5 Renewal of the term of office of Mr Xavier Huillard as Director
#6 Appointment of Mr Pierre Breber as Company Director
#7 Appointment of Mr Aiman Ezzat as Company Director
#8 Appointment of Mr Bertrand Dumazy as Company Director
#9 Regulated agreements
#10 Approval of the remuneration of Executive Officers paid in 2020 or awarded in respect of 2020
#11 Approval of information relating to the remuneration of Corporate Officers in accordance with “Pacte” law
#12 Approval of the remuneration policy applicable to Executive Officers
#13 Approval of the remuneration policy applicable applicable to Directors
#19 Powers for formalities
Proposed Resolutions for 2021 Shareholders’ Meeting
Extraordinary Meeting

#14 Authorization to reduce the share capital by cancellation of treasury shares (24 months)

#15 Delegation of authority granted to the Board of Directors in order to increase the share capital via the issuance of ordinary shares with retention of shareholders’ preferential subscription rights (max amount: 470 million euros) (26 months)

#16 Authorization granted to the Board of Directors to increase the issuance amount of securities in the event of oversubscription (26 months)

#17 Share capital increases reserved for employees (26 months)

#18 Share capital increases reserved for employees - category of beneficiaries (18 months)
▪ Update on Board of Directors
▪ Remuneration policies
Board of Directors: High Diversity and Independence

As of December 31, 2020

Term ends: 2021

- 82% Independent Directors*
- 55% Women*
- 5 Nationalities: France, Germany, Singapore, United Kingdom, United States
- 2 Employee Directors

* Excluding Employee Directors

Governance

A world leader in gases, technologies and services for Industry and Health
Air Liquide’s Board Extremely Engaged

2020 attendance rates

Board of Directors 99%
7 Board meetings in 2020

Audit & Accounts 100%
- Siân Herbert-Jones (Chair)
  ex-CFO of a large company
- Sin Leng Low
- Brian Gilvary
  ex-CFO of a large company
- Thierry Peugeot
5 meetings in 2020
75% of independent members

Environment & Society 100%
- Annette Winkler (Chair)*
- Geneviève Berger
- Philippe Dubrulle
3 meetings in 2020

Remuneration 100%
- Xavier Huillard (Chair)
- Jean-Paul Agon
- Brian Gilvary*
3 meetings in 2020
100% of independent members

Appointments & Governance 100%
- Jean-Paul Agon (Chair)
- Xavier Huillard*
- Annette Winkler
4 meetings in 2020
100% of independent members

* New since 2020 AGM

1 joint session in 2020
Visio Conferences for Board Meetings

- **Current** remuneration policy: attendance by *video conference* or telephone remunerated half the fixed amount

- **Proposal**: *Full amount paid*
  - Meeting / travel restrictions due to sanitary crisis
  - Enhanced video conference system → Participation in “real conditions”
  - General principle of the Directors’ remuneration policy:
    - Competitive remuneration internationally
    - To benefit from the best and most appropriate skills and expertise
    - In compliance with our diversity policy

- Application to meetings held starting from September 2020 onwards part of ex-ante vote on remuneration
New Board Members in 2020

Anette Bronder
- German, born in 1967
- 1st appointment: May 2020
- Independent Director
- Chief Operating Officer at Swiss Re
- Strong digital expertise, experience of large international groups in the fields of IT and telecom

Kim Ann Mink
- American, born in 1959
- 1st appointment: May 2020
- Independent Director
- Director at Eastman Chemical Company and Avient
- Scientific academic background, experience in research and innovation, deep understanding of the chemical sector

Fatima Tighlaline
- French, born in 1979
- 1st appointment: October 2020
- Appointed by the EWC
- 18-year long career at Air Liquide
- Positions in logistics, purchasing and cash accounting, notably in Industrial Merchant and Healthcare. Currently Respiratory Planning Manager
Two Terms Ending in 2021

Thierry Peugeot
- French
- Born in 1954
- 1st appointment: 2017
- Independent Director
- President of the Remuneration Committee
- Chairman and CEO of Vinci
- Permanent representative of Vinci at the Board of Directors of Aeroports de Paris
- Experience as a chairman and CEO of a large international group and knowledge of construction business

Xavier Huillard
- French
- Born in 1957
- 1st appointment: 2005
- Member of the Audit and Accounts Committee
- Permanent representative of the Compagnie Industrielle de Delle on the LISI Board of Director
- Management experience within a large company in the automobile industry

Resolution #5
### Candidates Proposed to the 2021 AGM

<table>
<thead>
<tr>
<th>Resolution #6</th>
<th>Resolution #7</th>
<th>Resolution #8</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pierre Breber</strong></td>
<td><strong>Aiman Ezzat</strong></td>
<td><strong>Bertrand Dumazy</strong></td>
</tr>
<tr>
<td>- American</td>
<td>- French</td>
<td>- French</td>
</tr>
<tr>
<td>- Born in 1964</td>
<td>- Born in 1961</td>
<td>- Born in 1971</td>
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<tr>
<td>- Independent Director</td>
<td>- Independent Director</td>
<td>- Independent Director</td>
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<tr>
<td>- <strong>Vice President and Chief Financial Officer of Chevron</strong>, where he has held several management positions spanning a career of over 30 years</td>
<td>- <strong>Chief Executive Officer of Capgemini</strong></td>
<td>- <strong>Chairman and CEO of Edenred</strong></td>
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<td></td>
<td>- Extensive experience in the digital sector, financial expertise, knowledge of many industrial sectors and perspective from a major international group</td>
<td>- Managerial skills acquired at several global companies in both the industrial and service sectors, experience in digital transformation and change management</td>
</tr>
</tbody>
</table>
Executive Committee

Diverse profiles and complementary skills

14 Members
>1/3 Women
3 Nationalities

Members as of September 1st, 2019

A world leader in gases, technologies and services for Industry and Health
- Update on Board of Directors
- Remuneration policies
2020 - Chairman & CEO Remuneration Policy

- Approved by the 2020 AGM
- Proportionate balance between 3 remuneration components:
  - Fixed ~25%
  - Variable ~35%
  - LTI ~40%
  \[ \text{~75\%} \]
- Criteria for the variable remuneration
  - Quantitative for financial criteria (greater weight)
  - Qualitative for personal criteria (with specific weight for each criteria)
- Upper limits on the grant of LTI
  - Performance Shares: 0.1\% of the capital
  - Must represent ~40\% of remuneration
2020 - Chairman & CEO Remuneration Structure

As a % based on 100

<table>
<thead>
<tr>
<th>Annual Variable</th>
<th>70%</th>
<th>Financial criteria</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>30%</td>
<td>Personal criteria</td>
</tr>
<tr>
<td>LTI</td>
<td>50%</td>
<td>ROCE</td>
</tr>
<tr>
<td></td>
<td>40%</td>
<td>TSR</td>
</tr>
<tr>
<td></td>
<td>10%</td>
<td>Climate</td>
</tr>
</tbody>
</table>

**Fixed Revenue**

- Recurring EPS growth (50%)
- Comparable growth in consolidated revenue (20%)
- CSR: Safety and reliability; roll-out of the Sustainable Development strategy (10%)
- Organization / H.R. (talent development, succession plans, diversity policy) (10%)
- Individual performance: assessment by the Board (10%)
- ROCE value (50%)
- AL TSR (absolute) (20%)
- AL TSR vs. CAC 40 TSR (20%)
- Reduction of Carbon Intensity (10%)

As a % based on 100
2020 - Evolution of Chairman & CEO Remuneration

- **Stable fixed remuneration** since 2018
- **Stable LTI grant** since 2018
- **-29.3% of variable remuneration** vs. 2019

The quantifiable criteria objectives for 2020 were set by the Board of Directors before the Covid-19 pandemic.

The Board of Directors has decided **not to adjust the financial criteria objectives** during the course of the year.
2020 - Variable Remuneration Achievement

| Financial criteria | 105 | 70 | 122 | 73 | - | 66 | 873 |
| Recurring EPS      | 75  | 50 | 87  | 52 | 88 | 66 | 873 |
| Revenue             | 30  | 20 | 35  | 21 | 0  | 0  | 0   |

| Personal criteria  | 45  | 30 | 45  | 27 | -  | 44 | 586 |
| CSR                | 15  | 10 | 15  | 9  | 95 | 14 | 189 |
| Organization/HR    | 15  | 10 | 15  | 9  | 100 | 15 | 199 |
| Individual performance | 15  | 10 | 15  | 9  | 100 | 15 | 199 |

| TOTAL                | 150 | 100 | 167 | 100 | -  | 110 | 1,460 |

Approved by the 2020 AGM

% of fixed remuneration | % based on 100 | % of fixed remuneration | % based on 100 | % of target | % of fixed remuneration | in thousands of euros
--- | --- | --- | --- | --- | --- | ---
Financial criteria | 105 | 70 | 122 | 73 | - | 66 | 873 |
Recurring EPS | 75 | 50 | 87 | 52 | 88 | 66 | 873 |
Revenue | 30 | 20 | 35 | 21 | 0 | 0 | 0 |
Personal criteria | 45 | 30 | 45 | 27 | - | 44 | 586 |
CSR | 15 | 10 | 15 | 9 | 95 | 14 | 189 |
Organization/HR | 15 | 10 | 15 | 9 | 100 | 15 | 199 |
Individual performance | 15 | 10 | 15 | 9 | 100 | 15 | 199 |
TOTAL | 150 | 100 | 167 | 100 | - | 110 | 1,460 |

2020 URD page 165
2020 – LTI Subject to 3-year Performance Conditions
Granted: ~€2,250k (IFRS Value)

- **Stable LTI grant** since 2018

<table>
<thead>
<tr>
<th></th>
<th>ROCE</th>
<th>Climate</th>
<th>TSR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>50%</td>
<td>10%</td>
<td>40%</td>
</tr>
<tr>
<td></td>
<td>objective set within the trajectory of NEOS to get back to double digit by 2023-24 0% if -200bp lower than objective</td>
<td>objective set within the trajectory of the Group’s Climate Objectives: -30% between 2015 and 2025</td>
<td><strong>AL</strong>: average annual growth rate, dividends reinvested; objective set in accordance with historic performance <strong>CAC 40</strong>: rate of AL TSR, dividends reinvested, compared with CAC 40 TSR, dividends reinvested. source: Bloomberg</td>
</tr>
<tr>
<td></td>
<td>0% if -200bp lower than objective</td>
<td>-30% between 2015 and 2025</td>
<td>0% if AL TSR &lt; CAC 40 TSR; <strong>50%</strong> if AL TSR = CAC 40 TSR; <strong>100%</strong> if AL TSR ≥ by 2% CAC 40 TSR</td>
</tr>
</tbody>
</table>
2020 - Remuneration Ratios

<table>
<thead>
<tr>
<th>Chairman and Chief Executive Officer (Benoît Potier)</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020 (*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration ratio compared to the Company employee average</td>
<td>45</td>
<td>57</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>49</td>
</tr>
<tr>
<td>N/N-1 change in %</td>
<td>-2.2%</td>
<td>26.7%</td>
<td>-12.3%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Remuneration ratio compared to the Company employee median</td>
<td>62</td>
<td>79</td>
<td>72</td>
<td>73</td>
<td>73</td>
<td>70</td>
</tr>
<tr>
<td>N/N-1 change in %</td>
<td>-1.6%</td>
<td>27.4%</td>
<td>-8.9%</td>
<td>1.4%</td>
<td>0.0%</td>
<td>-4.1%</td>
</tr>
</tbody>
</table>

Included in resolution #11
2021 - Same Chairman & CEO Remuneration Policy

- In line with previous fiscal years
- Proportionate balance between 3 remuneration components:
  - **Fixed** ~25%
    amount to ~€1,325k (unchanged since 2018)
  - **Variable** ~35%
  - **LTI** ~40%
    with 2021 grant representing an IFRS value of ~€2,250k (stable since 2018)
2021 - Same Chairman & CEO Remuneration Structure

As a % based on 100

Fixed Revenue

Annual Variable
- Financial criteria (50%)
  - Recurring EPS growth
  - Comparable growth in consolidated revenue
- Personal criteria (20%)
  - CSR: Safety and reliability; roll-out of the Sustainable Development strategy
  - Organization / H.R. (talent development, succession plans, diversity policy)
  - Individual performance: assessment by the Board

Variable
- LTI (3-year performance period)
  - ROCE (50%)
    - ROCE value
  - TSR (40%)
    - AL TSR (absolute)
    - AL TSR vs. CAC 40 TSR
  - Climate (10%)
    - Reduction of Carbon Intensity
For further information, please contact:

**Investor Relations**

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