Governance

Preparation of the 2022 Annual General Meeting

Proposed Resolutions

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Investor Relations

2021 Roadshow presentation, updated with 2021 URD
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

- Separation of roles between Chairman and Chief Executive Officer
- 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

NEW AS OF 2022
Proposed Resolutions for 2022 Shareholders’ Meeting Ordinary Meeting (1/2)

#1 Approval of the Company financial statements for the fiscal year ended December 31, 2021
#2 Approval of the consolidated financial statements for the fiscal year ended December 31, 2021
#3 Appropriation of earnings and setting of the dividend
#4 Authorization granted to the Board of Directors for a period of 18 months to allow the Company to trade in its own share
#5 Renewal of the term of office as a Director of Mr Benoît Potier
#6 Appointment of Mr François Jackow as Company Director
#7 Renewal of the term of office as a Director of Ms Annette Winkler
#8 Renewal of the term as Principal Statutory Auditors of PricewaterhouseCoopers Audit
#9 Appointment of KPMG S.A. as a Principal Statutory Auditor
#10 Acknowledgement of the expiration of the terms of office of Auditex company and Mr Jean-Christophe Georghiou, Deputy Statutory Auditors
#11 Statutory Auditors’ special report on agreements covered by the articles L. 225-38 et seq. of the French Commercial Code
#12 Approval of the elements of remuneration paid during or awarded in respect of the fiscal year ended December 31, 2021 to Mr Benoît Potier
Proposed Resolutions for 2022 Shareholders’ Meeting Ordinary Meeting (2/2)

#13 Approval of information relating to the remuneration of corporate officers stated in article L. 22-10-9-I of the French Commercial Code

#14 Approval of the remuneration policy for the Chairman and Chief Executive Officer (for the period from January 1, 2022 to May 31, 2022)

#15 Approval of the remuneration policy for the Chief Executive Officer (as of June 1, 2022)

#16 Approval of the remuneration policy for the Chairman of the Board of Directors (as of June 1, 2022)

#17 Approval of the remuneration policy applicable to Directors

#29 Powers for formalities
Proposed Resolutions for 2022 Shareholders’ Meeting
Extraordinary Meeting (1/2)

#18 Authorization granted to the Board of Directors for a period of 24 months to reduce the share capital by cancellation of treasury shares

#19 Delegation of authority granted to the Board of Directors for a period of 26 months in order to increase the share capital through the incorporation of additional paid-in capital, reserves, profits or any other amounts, for a maximum amount of 300 million euros

#20 Authorization granted to the Board of Directors for a period of 38 months to grant to employees and Executive Officers of the Group, or some of such employees and Executive Officers, share subscription options or share purchase options resulting in the waiver by Shareholders of their preferential subscription rights to shares to be issued upon exercise of the subscription options

#21 Authorization granted to the Board of Directors for a period of 38 months to grant existing or new shares to employees and Executive Officers of the Group, or some of such employees and Executive Officers, resulting in the waiver by Shareholders of their preferential subscription rights to the shares to be issued

#22 Delegation of authority granted to the Board of Directors for a period of 26 months to perform share capital increases, with cancellation of preferential subscription rights, reserved for members of a company or group savings plan

#23 Delegation of authority granted to the Board of Directors for a period of 18 months to perform share capital increases, with cancellation of preferential subscription rights, reserved for a category of beneficiaries
Proposed Resolutions for 2022 Shareholders’ Meeting
Extraordinary Meeting (2/2)

#24 Amendment of article 11 of the articles of association (Composition of the Board of Directors) relating to the time limit for the acquisition of the Company’s shares by the Directors

#25 Amendment of article 14 of the articles of association (Board of Directors’ meetings and deliberations) to allow the Board of Directors to take decisions by written consultation

#26 Amendment of article 12 (Organization and management of the Board of Directors) and of article 13 (General Management) of the articles of association concerning the modification of the age limit provided in the articles of association for the Chief Executive Officer in an emergency situation

#27 Amendment of article 17 of the articles of association (Audit of the Company) concerning the appointment of Deputy Statutory Auditors

#28 Harmonization of articles 8 (Rights and obligations governing shares), 18 (General Meetings) and 23 (Disputes) of the Company’s articles of association with the legal and regulatory provisions in force
Agenda

- Update on Board of Directors
- Remuneration policies
- Others
- Appendix
Board of Directors: High Diversity and Independence

As of December 31, 2021

- 91% Independent Directors*
- 55% Women*
- 5 Nationalities
  - France, Germany, Singapore, United Kingdom, United States
- 2 Employee Directors

* Excluding Employee Directors
Air Liquide's Board Extremely Engaged

2021 attendance rates

- **Board of Directors**
  - 6 Board meetings in 2021

- **Audit & Accounts**
  - Siân Herbert-Jones (Chair), ex-CFO of a large company
  - Sin Leng Low
  - Anette Bronder
  - Brian Gilvary
  - Thierry Peugeot
  - 100% of independent members
  - 4 meetings in 2021

- **Environment & Society**
  - Annette Winkler (Chair)
  - Geneviève Berger
  - Philippe Dubrulle
  - 100% of independent members
  - 4 meetings in 2021

- **Remuneration**
  - Xavier Huillard (Chair)
  - Jean-Paul Agon
  - Kim Ann Mink
  - Brian Gilvary
  - 100% of independent members
  - 3 meetings in 2021

- **Appointments & Governance**
  - Jean-Paul Agon (Chair)
  - Xavier Huillard
  - Annette Winkler
  - 100% of independent members
  - 7 meetings in 2021

- **1 joint session in 2021**

(1) From Sept. 2021; (2) Until Sept. 2021; (3) Until May 2021
New competencies added to the Board in 2021

**Bertrand Dumazy**
- French, born in 1971
- 1st appointment: May 2021
- Independent Director
- Chairman and CEO of Edenred
- **Managerial** skills acquired at several global companies in both the industrial and service sectors, experience in digital transformation and change management

**Aiman Ezzat**
- French, born in 1961
- 1st appointment: May 2021
- Independent Director
- Chief Executive Officer of Capgemini
- Extensive experience in the digital sector, financial expertise, knowledge of many industrial sectors and perspective from a major international group
Term Ending in 2022, New Governance Structure

- French
- Born in 1957
- 1st appointment as Director in 2000
- Chairman of the Management Board from 2001 to 2006
- Chairman and Chief Executive Officer of Air Liquide since 2006

Resolution #5

NEW AS OF 2022

Separation of roles between Chairman and Chief Executive Officer of Air Liquide

- Remains Chairman and CEO until May 31st 2022
- Renewal of the term of office as Director as of 2022 AGM
- Renewal of the term of office as Chairman of the Board as from June 1st 2022
- Specific missions performed in collaboration with the CEO to benefit from his strong experience

Benoît Potier
Specific Missions of the Chairman, as of June 1st, 2022

- In consultation with or request from the CEO, especially:
  - Involvement in major decisions concerning the definition of overall strategy and organization, attendance of internal meetings on these topics at the CEO’s request
  - Meeting with the principal shareholders on governance matters (in close collaboration with the CEO), monitoring of shareholder strategy, Chairman of the shareholders’ Communication Committee
  - Making his experience available and ensuring that the Group’s values and culture are upheld

- Attendance of the Appointments & Governance and the Remuneration Committees

- Active role in the recruitment of Directors led by the Appointments & Governance Committee.

- Performance on the specific missions reported to the Board
Appointment of a New CEO, effective June 1\textsuperscript{st} 2022

- French
- Born in 1969
- Member of the Executive Committee Since 2014
- Joined Air Liquide in 1993
- Currently Executive Vice President supervising:
  - Europe and Africa - Middle East - India hubs
  - Healthcare business line
  - Innovation, Technologies, Digital / IT
  - the Customer Experience program
- Former Head of R&D, Large Industries WBL, CEO in Japan, and previously in charge of Corporate strategy
- Experience in Marketing, Business Development, Engineering and Strategy

François Jackow

Resolution #6

- Proposed as new Board Director to the 2022 AGM
- Resignation as Air Liquide employee to become Executive Officer
- CEO role:
  - oversees and manages the operations
  - invested with the broadest powers to act in all circumstances in the Company’s name subject to certain decisions to be submitted to prior authorization of the Board of Directors\textsuperscript{(1)}

\textsuperscript{(1)} For further details, refer to 2021 URD pages 131 and 132
Term Ending in 2022

Jean-Paul Agon

- 1st appointment: 2010
- Independent Director
- Lead Director since 2017
- Chairman of the Appointments and Governance Committee, member of the Remuneration Committee
- Experience as chairman and CEO of an international corporation

Independent Lead Director role maintained

Appointment of a new independent Lead Director

- Ability to ask the Chairman of the Board to convene a Board meeting
- Ability to propose the inclusion of additional points on the agenda for any Board meeting
- Once a year, call of a meeting for a session to be held without the presence of the Group’s executive directors (or former executive directors) or internal directors and employee representatives
- Review of requests made by shareholders with regard to governance
Terms Ending in 2022 and Renewal

Annette Winkler
- German
- Born in 1959
- 1st appointment: 2014
- Independent Director
- Chair of the Environment and Society Committee, Member of the Appointments and Governance Committee
- Experience of a large German industrial group with an international reach in the automotive sector

Philippe Dubrulle
- French
- Born in 1972
- 1st appointment: 2014
- Director representing employees
- Member of the Environment and Society Committee
- Programmes & Services Manager, Aerospace & Defense Air Liquide
- Member of the French Institute of Directors

Renewed by the Group Committee in France in Dec. 2021 for 4 years from AGM 2022
Term Ending in 2022 with no renewal

Sin Leng Low

- Singaporean
- Born in 1952
- 1st appointment: 2014
- Independent Director
- Member of the Audit and Accounts Committee
- held various positions in Sembcorp Industries, including Group COO
- Experience of Management of industrial activities and knowledge of the Asian markets
Executive Committee
Diverse profiles and complementary skills

14 Members
~30% Women
4 Nationalities

Members as of December 31, 2021
Agenda

- Update on Board of Directors
- Remuneration policies
- Others
- Appendix
2021 - Chairman & CEO Remuneration Policy

- Approved by the 2021 AGM
- Proportionate **balance** between 3 remuneration components:
  - Fixed ~25%
  - Variable ~35%
  - LTI ~40%  \[\sim 75\%, \text{ subject to performance conditions}\]

- **Criteria** for the variable remuneration
  - **Quantifiable** for financial criteria (greater relative weight)
  - **Qualitative** for personal criteria (with specific weight for each criteria)

- **Upper limits** on the grant of LTI
  - Performance Shares: max 0.1% of the capital over 38 months
  - Must represent \sim 40\% of remuneration
2021 - Chairman & CEO Remuneration Structure

As a % based on 100

Fixed Remuneration

Annual Variable

70% Financial criteria

50% Recurring EPS growth

20% Comparable growth in consolidated revenue

10% 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

Personal criteria

30% Recurring EPS growth

20% Comparable growth in consolidated revenue

10% 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

Variable

LTI

3-year performance period

50% ROCE

50% ROCE value

40% TSR

20% AL TSR (absolute)

20% AL TSR vs. CAC 40 TSR

10% Climate

10% Reduction of Carbon Intensity
2021 - Evolution of Chairman & CEO Remuneration

In thousands of euros, rounded off

- **2021**: **stable fixed remuneration** and **LTI**
- **Fixed remuneration stable since 2018**
- **LTI grant stable since 2018**

prorated and subject to performance conditions:
  - 2021 plan: 17/36 months granted
  - 2020 plan: 29/36 months granted
## 2021 - Fixed & Variable Remuneration
Compliant with the Voted Remuneration Policy

### Resolution #12

**Approved by the 2021 AGM**

<table>
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<th>Target</th>
<th>Maximum</th>
<th>Achievement</th>
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<td>% of fixed remuneration</td>
<td>% based on 100</td>
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<tr>
<td>Financial criteria</td>
<td>105</td>
<td>70</td>
<td>122</td>
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<td>Recurring EPS</td>
<td>75</td>
<td>50</td>
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<td>Revenue</td>
<td>30</td>
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<td>Personal criteria</td>
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<tr>
<td>CSR</td>
<td>15</td>
<td>10</td>
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<tr>
<td>Organization/HR</td>
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<tr>
<td>Individual performance</td>
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<td><strong>TOTAL</strong></td>
<td><strong>150</strong></td>
<td><strong>100</strong></td>
<td><strong>167</strong></td>
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Adopted by the 2021 AGM

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2021 URD page 175
2021 – LTI Subject to 3-year Performance Conditions:

- **LTI grant:**
  - €2,250k granted, stable since 2018
  - Prorated 17/36 months: €1,060k

- **Subject to performance conditions:**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>ROCE</td>
<td>50%</td>
<td>0% if -200bp lower than objective</td>
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<tr>
<td>Climate</td>
<td>10%</td>
<td>Objective set within the trajectory of the Group’s Climate Objectives: -30% in Carbon Intensity between 2015 and 2025</td>
</tr>
<tr>
<td>TSR</td>
<td>40%</td>
<td>AL: average share annual growth rate, dividends reinvested; objective set in accordance with historic performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CAC 40: rate of AL TSR, dividends reinvested, compared with CAC 40 TSR, dividends reinvested. Source: Bloomberg</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0% if AL TSR &lt; CAC 40 TSR; 50% if AL TSR = CAC 40 TSR; 100% if AL TSR ≥ by 2% CAC 40 TSR</td>
</tr>
</tbody>
</table>
Continuity of the policy: similar structure and principles, improvement of a few points

Recommendations from the Remuneration Committee based on:
- a dedicated benchmark (24 CAC 40 companies and 14 large European companies)
- the previous remuneration practices
- the regulations in place

Same proportionate balance between 3 remuneration components
- Fixed €1,100k ~25%
- Variable ~35%
- LTI ~40% ~75%, subject to performance conditions

Change in the Variable target and maximum, as a percentage of the fixed remuneration:
- target at 120% vs. 150% previously
- maximum at 150% vs. 167% previously

NEW AS OF 2022
2022 - Same Remuneration Structure for New CEO

As a % based on 100

Fixed Remuneration

Annual Variable

70%

Financial criteria

50%
Recurring EPS growth

20%
Comparable growth in consolidated revenue

Personal criteria

10%
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

Variable

30%

ROCE

50%
ROCE value

40%
TSR

20%
AL TSR (absolute)

20%
AL TSR vs. CAC 40 TSR

LTI

3-year performance period

50%
Climate

10%
Aligned with Climate Objectives of reduction of CO₂ emissions in absolute value (ACT 2021)
### Proposed to 2022 AGM

<table>
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<th></th>
<th>Target</th>
<th>Maximum</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>% of fixed remuneration</td>
<td>% based on 100</td>
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<tr>
<td>Financial criteria</td>
<td>84</td>
<td>70</td>
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<tr>
<td>Recurring EPS</td>
<td>60</td>
<td>50</td>
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<tr>
<td>Revenue</td>
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<tr>
<td>Personal criteria</td>
<td>36</td>
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</tr>
<tr>
<td>CSR</td>
<td>12</td>
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<tr>
<td>Organization/HR</td>
<td>12</td>
<td>10</td>
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<tr>
<td>Individual performance</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>120</td>
<td>100</td>
</tr>
</tbody>
</table>

**NEW**
2022 - Continuity for the new CEO Pension Scheme

Pension scheme definition based on:

- **continuity** of existing plan for Senior Executives
- while taking into account the **specificity** of the status of “Executive officer”
- aiming at a **simplified** scheme
- with **best financial efficiency**
- in the **average** of benchmark

Pension scheme includes **mandatory basic** and **supplementary** pension schemes

Detail of **supplementary pension scheme**:

- portions of remuneration between 0 and 8 PASS(1): defined contribution pension plan for the benefit of the senior executives
- portions of remuneration > 8 PASS(1): **pension insurance contract 100% subject to performance condition**, based on the average annual difference between ROCE and WACC over the previous 3 exercises (same condition as before)

**Total contribution** (mandatory and supplementary):

- 15% of fixed and target variable remuneration, aligned with the average benchmark

(1) PASS: **reference remuneration, defined by the annual social security ceiling, €41,136**

Resolution #15
2022 - Continuity of the other remuneration benefits (1/2)

- **Death and disability benefits** plan and **health coverage**. **Same** as for employees.

- **Termination indemnities**. **Same plan** as previously.
  - In case of **forced departure** related to a **change of strategy or a change in control**
  - **Maximum amount of 24 months** of **fixed** remuneration + **2 previous annual variable remuneration actually paid**\(^{(1)}\)
  - **Gradual decrease** when approaching the age limit defined in the Company's articles of association
  - Subject to **performance condition**, based on the average annual difference between ROCE and WACC over the previous 3 exercises (same condition as pension insurance)

\(^{(1)}\) For further details, refer to 2021 URD page 210
2022 - Continuity of the other remuneration benefits (2/2)

- **Non-compete indemnity:** NEW AS OF 2022
  - duration of commitment **24 months**
  - amount at maximum **12 months** of fixed and variable remuneration
  - included in the ceiling for termination indemnity, so that **sum of the non-compete and termination indemnities is maximum 24 months** of fixed and variable remuneration
  - freely **revocable at any time** by the Company

- **Benefits in kind:** same as for previous CEO
  - company car
  - payment to a third-party of the “unemployment insurance contributions for company managers and corporate officers”
2022 - Chairman & CEO Remuneration Policy January to May 2022

- Prorated (January to May 2022)
- Stable Fixed remuneration
- Same target and maximum variable remuneration
- No LTI grant
- Previous LTI attribution: prorated and subject to performance conditions:
  - 2021 plan: 17/36 months granted
  - 2020 plan: 29/36 months granted
2022 - Chairman Remuneration Policy as from June 1st 2022

- **Fixed annual remuneration of €800k** in line with market practices and benchmark
- **No variable remuneration**
- **No LTI grant**
- **Benefits in kind:**
  - company car

Resolution #16

2021 URD pages 211 and 212
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L'Air Liquide S.A.
Corporation for the study and application of processes developed by Georges Claude with registered capital of 2,611,804,778.00 euros
Agenda

- Update on Board of Directors
- Remuneration policies
- Others
- Appendix
Recent evolution of ESG reporting

- 2017: Creation of Environment and Society Committee
- 2018: Announcement of Air Liquide’s first Climate Objectives, including the reduction of our carbon intensity in 2025 vs. 2015 by -30%
- 2018: First Integrated Management Report
- 2019: First joint session between the Environment and Society Committee and the Audit and Account Committee
- URD 2020: Publication of cross-reference tables following the frameworks of Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial (TCFD)
- March 23, 2021: Sustainability Day and announced commitment to carbon neutrality by 2050 with key mid-term milestones
- April 7, 2022: Publication of the first Sustainable Development Report
Agenda

- Update on Board of Directors
- Remuneration policies
- Others
- Appendix
Board Members

Choice criteria & diversity policy

- **Skills:** marketing, services, industry, finance, health, research, technology, digital and innovation
- **Integrity and independence of mind**
- **Gender and geographic diversity**
- Determination to take into account the interests of all shareholders
- **Recruitment process:** led by the Appointments and Governance Committee with the assistance of an external advisor

Term of office

- **Four years**
- **Staggered renewals:** whenever possible, no more than 3 terms of office expiring during the same financial year
- Number of members having more than 12 years of combined terms of office not greater than 1/3
Only 5 CEOs and Chairmen since 1902

Paul Delorme 1902 - 1945
Jean Delorme 1945 - 1985
Edouard de Royère 1985 - 1995
Alain Joly 1995 - 2001
Benoît Potier 2001-present

A long-term vision and management
Long-Term Variable Remuneration - Understanding Timelines

- **Performance shares – Plan “France”**
  - 2021: Vesting period (3 years)
  - 2024: Definitive award date
    - If the performance conditions and condition of continued presence are met, the shares are definitively awarded but may not be sold.
  - 2026: End of holding period
    - The shares can be sold as from this date.

- **Stock Options (no attribution in 2019 and 2020)**
  - 2018: Exercise price
  - 2021: Date of grant of the conditional stock options
  - 2022: Recording of the achievement of the performance conditions
  - 2028: End of the validity period
    - Start of the exercise period
    - Exercise period (6 years)
    - Lock-up period (4 years)
Setting A New Standard

ADVANCE

Delivering financial performance
And beyond,

Decarbonizing the planet

Unlocking progress via technologies

Acting for all
Delivering Financial Performance while Reducing CO$_2$ Emissions

3 Performance Objectives

- **Sales growth**: +5-6% CAGR$^{(1)}$
- **ROCE**: >10% by 2023 and forward
- **CO$_2$ emissions inflection**: around 2025

2 Key Enablers

- **Capital efficiency**
- **Margin Improvement**
An ESG Commitment Structured around 3 Main Priorities

1. Abatement of CO₂ emissions

2. Care for patients

3. Trust as the base
   - to engage with our employees
   - to build a best in class governance
Abatement Of Co2
Setting a Trajectory to Reach Carbon Neutrality

Air Liquide
Commitments

CO₂ emissions start decreasing in absolute value

-30%
Carbon intensity in kg CO₂/€ EBITDA\(^{(a)}\)
vs 2015

Reach Carbon Neutrality by 2050

Decrease scope 1 & 2 CO₂ eq emissions in absolute value by -33\(^{(b)}\)

\(^{(a)}\) at 2015 exchange rate and excluding IFRS16 for greenhouse gas emissions scopes 1 and 2
\(^{(b)}\) from 2020 Market based emissions of 32.5 million tonnes CO₂eq (Scope 1+2)
Regular and Sustained performance
CAGR over 30 years

Revenue (in €m)
+5.4%

Cashflow (in €m)
+5.9%

EPS (2) (in €)
+6.7%

Dividend (2) (in € per share)
+8.3%

(1) Calculated according to prevailing accounting rules over 30 years
(2) Adjusted for the 2-for-1 share split in 2007, for free shares attributions and for the capital increase completed in October 2016