



Governance

Preparation of the 2021
Annual General Meeting

Proposed Resolutions

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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

2022

2023

2024

82%
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

2020 attendance rates



7 Board meetings in 2020



- **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



- **Annette Winkler** (Chair)*
- **Geneviève Berger**
- **Philippe Dubrulle**

3 meetings in 2020



- **Xavier Huillard** (Chair)
- **Jean-Paul Agon**
- **Brian Gilvary***

3 meetings in 2020
100% of independent members



- **Jean-Paul Agon** (Chair)
- **Xavier Huillard***
- **Annette Winkler**

4 meetings in 2020
100% of independent members

1 joint session in 2020

* New since 2020 AGM

Visio Conferences for Board Meetings

Resolution #13

- **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 2nd Employee director

- 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 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



Xavier Huillard

- 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 **Aéroports de Paris**
- Experience as a chairman and CEO of a large international group and knowledge of **construction business**

Candidates Proposed to the 2021 AGM

Resolution #6

Pierre Breber

- American
- Born in 1964
- Independent Director
- **Vice President and Chief Financial Officer of Chevron**, where he has held several management positions spanning a career of over 30 years
- Strong operational and financial skills, very international profile

Resolution #7

Aiman Ezzat

- French
- Born in 1961
- 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

Resolution #8

Bertrand Dumazy

- French
- Born in 1971
- 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

Executive Committee

Diverse profiles and complementary skills

14
Members

>1/3
Women

3
Nationalities



Members as of September 1st, 2019

- Update on Board of Directors
- **Remuneration policies**

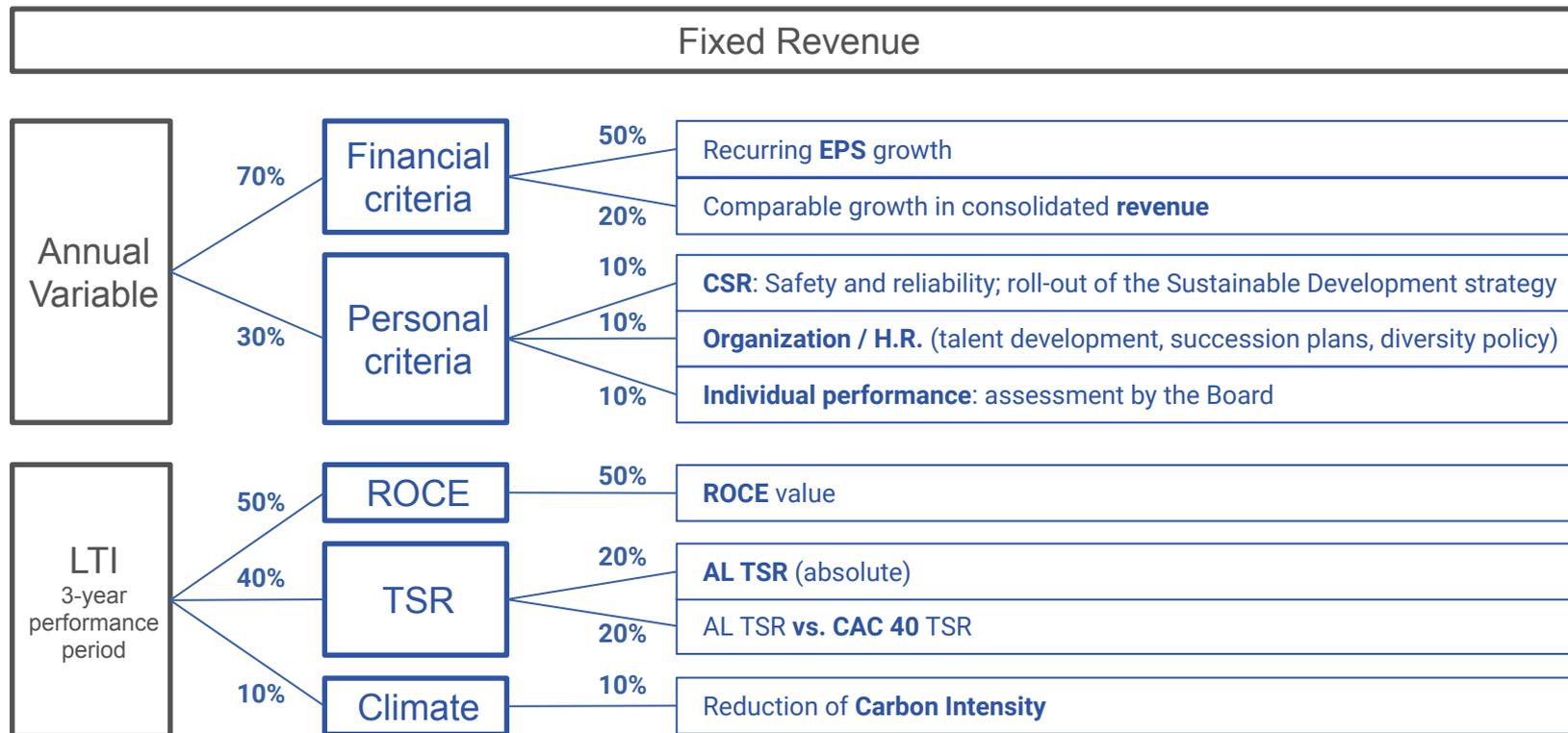
2020 - Chairman & CEO Remuneration Policy

Reminder

- Approved by the 2020 AGM
- Proportionate **balance** between 3 **remuneration components**:
 - Fixed ~25%
 - Variable ~35%
 - LTI ~40% } ~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

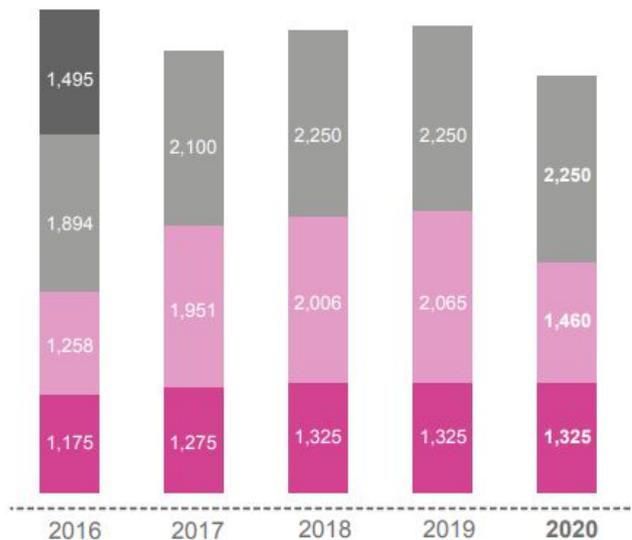
2020 - Chairman & CEO Remuneration Structure

As a % based on 100



2020 - Evolution of Chairman & CEO Remuneration

In thousands of euros, rounded off



- LTI ("Airgas" Plan) subject to performance conditions
- LTI (Annual Plans) subject to performance conditions
- Variable annual remuneration in respect of the fiscal year
- Fixed 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

	Approved by the 2020 AGM						
	Target		Maximum		Achievement		
	<i>% of fixed remuneration</i>	<i>% based on 100</i>	<i>% of fixed remuneration</i>	<i>% based on 100</i>	<i>% of target</i>	<i>% of fixed remuneration</i>	<i>in thousands of euros</i>
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

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

2020 - Remuneration Ratios

included in
resolution #11

Chairman and Chief Executive Officer (Benoît Potier)

	2015	2016	2017	2018	2019	2020 (c)
Remuneration ratio compared to the Company employee average	45	57	50	50	50	49
<i>N/N-1 change in %</i>	-2.2%	26.7%	-12.3%	0.0%	0.0%	-2.0%
Remuneration ratio compared to the Company employee median	62	79	72	73	73	70
<i>N/N-1 change in %</i>	-1.6%	27.4%	-8.9%	1.4%	0.0%	-4.1%

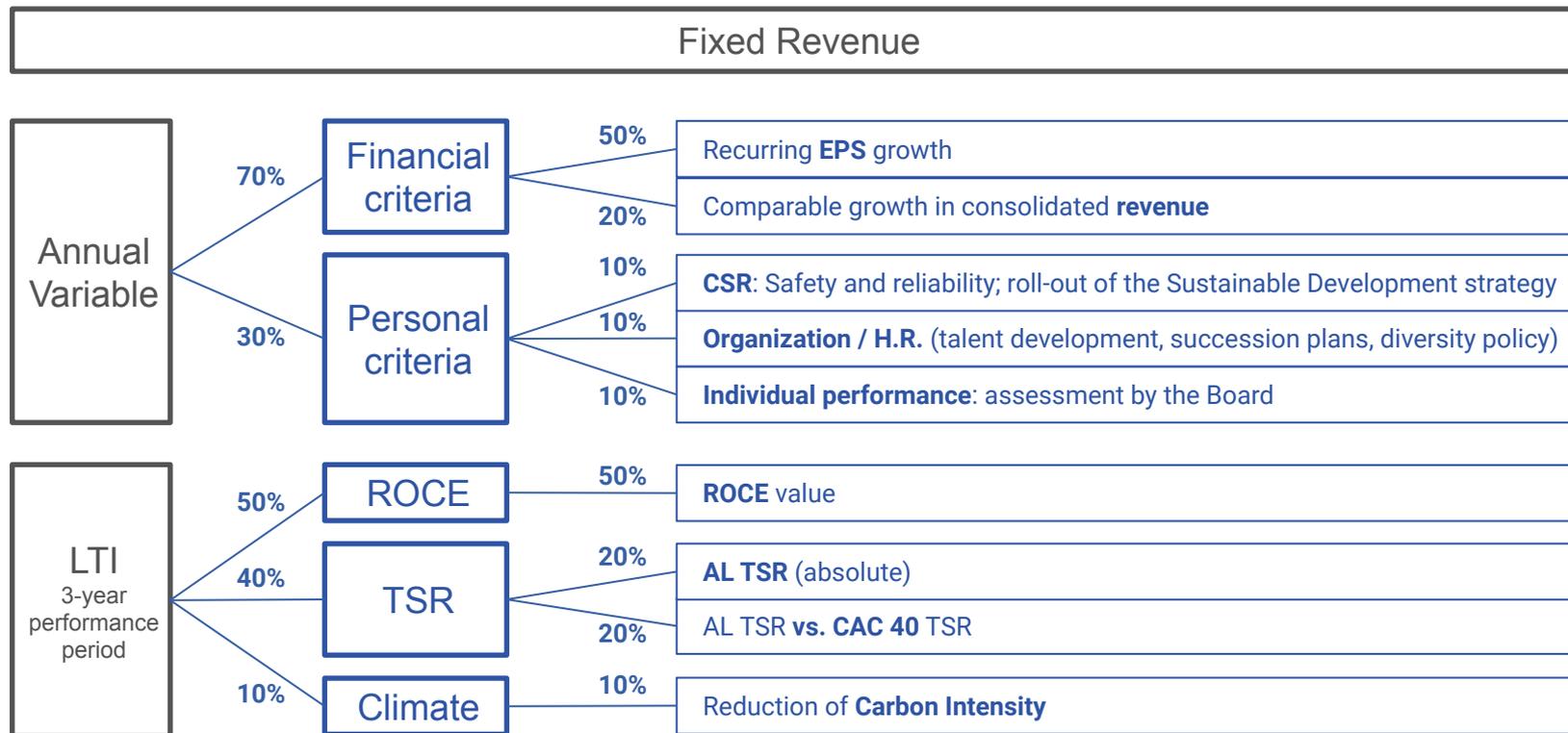
2021 - Same Chairman & CEO Remuneration Policy

Resolution #12

- **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% } ~75%
with 2021 grant representing an IFRS value of ~€2,250k (stable since 2018)

2021 - Same Chairman & CEO Remuneration Structure

As a % based on 100



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