

Governance

**Preparation
of the 2024
Annual General Meeting
Proposed Resolutions**

Investor Relations

2023 Roadshow presentation, updated with 2023 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 Efficient Governance

- Separation of roles between **Chairman** and **Chief Executive Officer**
- **Independent Lead Director**
- **Annual evaluation questionnaire** for Board of 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 **Chairman of the Board** or **Lead Director**
- **Joint session** between the Audit & Accounts and the Environment & Society Committees

Proposed Resolutions for 2024 Shareholders' Meeting Ordinary Meeting (1/2)

- #1 Approval of the Company financial statements for the fiscal year ended December 31, 2023
- #2 Approval of the consolidated financial statements for the fiscal year ended December 31, 2023
- #3 Appropriation of 2023 earnings; 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 shares
- #5 Renewal of the term of office of Ms Kim Ann Mink as Company Director
- #6 Renewal of the term of office of Ms Monica de Virgiliis as Company Director
- #7 Statutory Auditors' Special Report on agreements covered by the articles L. 225-38 et seq. of the French Commercial Code
- #8 Approval of the components of the remuneration paid during or awarded in respect of the fiscal year ended December 31, 2023 to Mr François Jackow, Chief Executive Officer
- #9 Approval of the components of the remuneration paid during or awarded in respect of the fiscal year ended December 31, 2023 to Mr Benoît Potier, Chairman of the Board of Directors
- #10 Approval of information relating to the remuneration of corporate officers stated in article L. 22-10-9-I of the French Commercial Code

Proposed Resolutions for 2024 Shareholders' Meeting Ordinary Meeting (2/2)

- #11 Approval of the remuneration policy for the Chief Executive Officer
- #12 Approval of the remuneration policy for the Chairman of the Board of Directors
- #13 Approval of the remuneration policy applicable to Directors
- #14 Setting of the total annual amount of Directors' remuneration
- #15 Appointment of the company PriceWaterhouseCoopers Audit as Statutory Auditor in charge of certifying the sustainability information
- #16 Appointment of the company KPMG S.A. as Statutory Auditor in charge of certifying the sustainability information
- #23 Powers for formalities

Proposed Resolutions for 2024 Shareholders' Meeting Extraordinary Meeting

- #17** Authorization granted to the Board of Directors for a period of 24 months to reduce the share capital by cancellation of treasury shares
- #18** Delegation of authority granted to the Board of Directors for a period of 26 months to increase the share capital through the incorporation of additional paid-in capital, reserves, profits or any other amounts, for a maximum amount of 320 million euros
- #19** 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
- #20** 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
- #21** Amendment of article 11 (Composition of the Board of Directors) of the articles of association concerning the modification of the age limit applicable to a percentage of Directors
- #22** Amendment of article 12 (Organization and management of the Board of the Board of Directors) of the articles of association concerning the modification of the age limit for the Chairman of the Board of Directors

Agenda

Update on Board of Directors

- Remuneration
- Others
- Appendix

Board of Directors: High Diversity and Independence

As of December 31, 2023

NEW from 2023 AGM

NEW from 2023 AGM

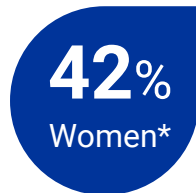
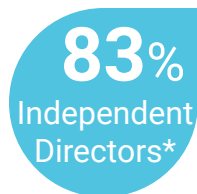


Term ends: **2024**

2025

2026

2027



France, Germany, China,
Italy, United States



* Ratio excluding Employee Directors

Air Liquide's Board Extremely Engaged

2023 attendance rates, as of December 31, 2023



(1) Including the attendance rate of Geneviève Berger until May 2023

(2) Employee Director

(3) Ratio excluding Employee Directors

Catherine Guillouard



- French
- Born in 1965
- Independent Director
- **Former Chairwoman and CEO of RATP** (until Sept. 2022) and previously **CFO** and **Deputy CEO of Rexel**, **CFO of Eutelsat** and **Air France**
- **Extensive financial skills**, experience as an executive in a major public transport group, where she led the transformation and **decarbonization plan**, experience as a **Director** in other **major global listed European groups**

Christina Law



- Chinese (Hong-Kong)
- Born in 1967
- Independent Director
- Held various positions at **Procter & Gamble, Johnson & Johnson, General Mills; CEO of Raintree** Group of Companies (since 2019)
- In-depth knowledge of **Asian markets**, managerial experience in **large international groups** specializing in the fields of **healthcare** and treatment

Alexis Perakis-Valat



- French and Greek
- Born in 1971
- Independent Director
- **President of the Consumer Products Division of the L'Oréal group**, the group's main division
- In-depth knowledge of **consumer product markets**, managerial experience within a **leading international group**, where he has been one of the driving forces behind **major transformations** carried out in recent years, notably in **digital, environmental & social responsibility** areas and development of the **distribution channels**

Michael H. Thaman



- American
- Born in 1964
- Independent Director
- Former **CEO and Chairman** (13 years as Chairman and CEO and 18 years as Executive Chairman) of **Owens Corning**, a world leader in **construction materials** and one of the **highest-rated American groups on ESG criteria**
- Strong **international profile**, extensive knowledge of **North American industrial markets**, 30 years of experience at Owens Corning, experience as a **Director** in other major global listed US groups such as NextEra Energy, which developed a **clean energy growth strategy**

Monica de Virgiliis



- Italian and French
- Born in 1967
- Independent Director
- **Former Director of Strategy at the CEA** in Paris after a career in the field of **electronics at ST Microelectronics and Infineon, founder and President of Chapter Zero France**, a non-profit association aiming to raise awareness of **climate issues** to Directors
- >15 years of experience in **electronics**, strong skills in **technology and energy**, commitment to **energy transition**

** The Board of Directors on February 15, 2023 co-opted Ms Monica de Virgiliis for the remaining term of office of Anette Bronder and this decision has been ratified by the 2023 AGM.*

Renewal of 3 Members

Resolution #5

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**

Resolution #6

Monica de Virgiliis



See previous slide

Renewed by the EWC⁽¹⁾

Fatima Tighlaline

Employee Director



- French, born in 1979
- 1st appointment: October 2020
- Appointed by the EWC⁽¹⁾
- **22-year long career** at Air Liquide
- Positions in **logistics, purchasing** and **cash accounting**, notably in **Industrial Merchant** and **Healthcare**. Currently manager of the Île-de-France respiratory planning team

(1) European Works' Council
Renewal on November 2023 for 4 years from AGM 2024

Executive Committee

Diverse profiles and complementary skills

13
Members

31%
Women

5
Nationalities



Roles reassigned from Sept.1st 2023



New comex member
(HR Director)

As of January 1st, 2024

Agenda

Update on Board of Directors

CEO Remuneration

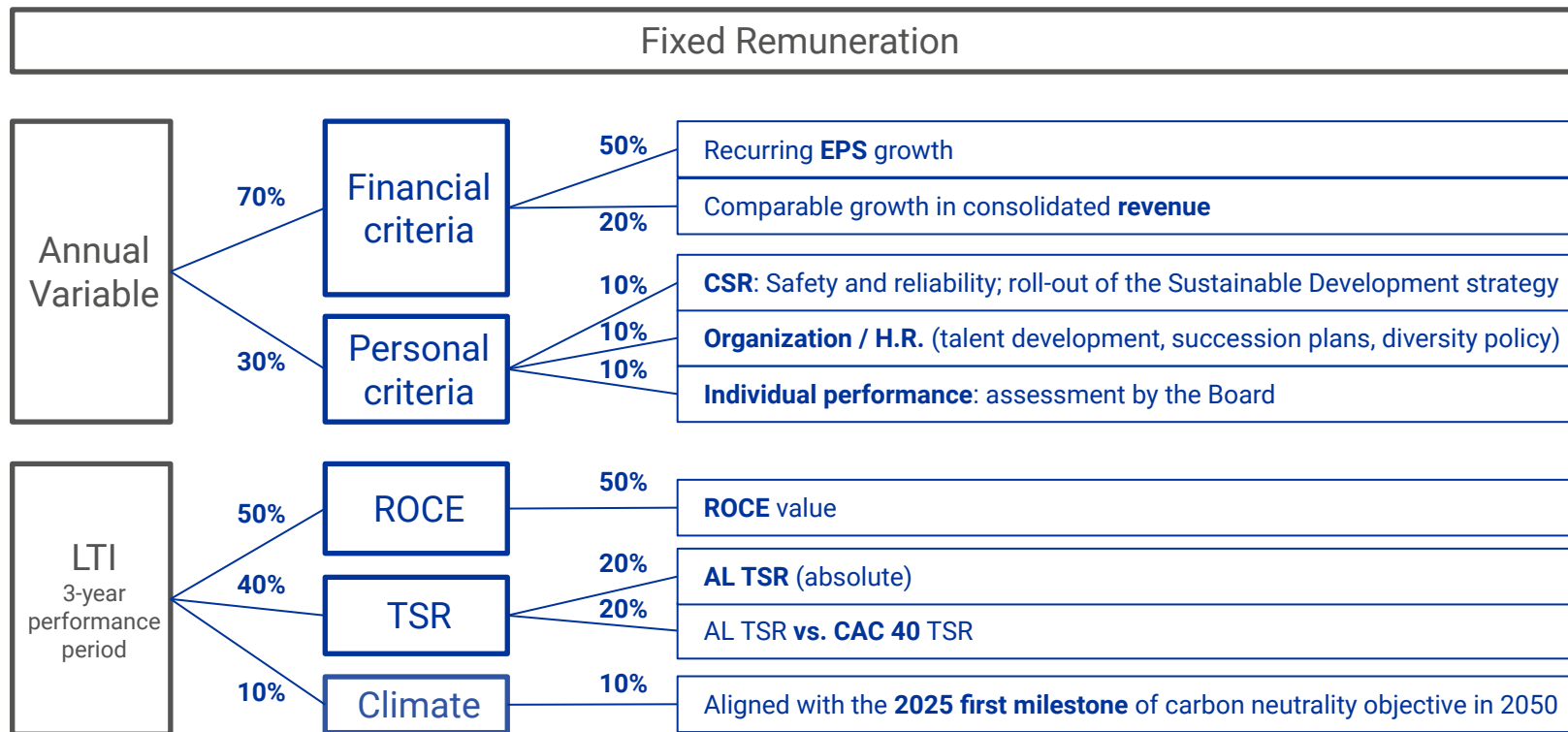
- Others
- Appendix

- Proportionate **balance** between **3 remuneration components**:
 - **Fixed €1,100k/y** ~25%
 - **Annual Variable** ~35%
 - **LTI** ~40% } ~75%, subject to performance conditions
- **Annual Variable remuneration**:
 - **Criteria**
 - **Quantifiable** for financial criteria (greater relative weight)
 - **Qualitative** for personal criteria (with specific weight for each criteria)
 - **Target and maximum**, as a percentage of the fixed remuneration:
 - **target** at **120%**
 - **maximum** at **150%**
- **LTI Performance Conditions**:
 - 50% **Recurring ROCE**
 - 40% **TSR**
 - 10% **Climate**

2023 - CEO Remuneration Structure

Reminder of the policy

As a % based on 100



2023 - CEO Variable Remuneration ex Post

**Resolution #8
ex Post**

	Approved by the 2023 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	84	70	105	70	113	95	1,042
Recurring EPS	60	50	75	50	125	75	825
Revenue	24	20	30	20	82	20	217
Personal criteria	36	30	45	30	108	39	429
CSR	12	10	15	10	105	13	139
Organization/HR	12	10	15	10	105	13	139
Individual performance	12	10	15	10	115	14	152
TOTAL	120	100	150	100	111	134	1,471

2023 - CEO LTI Subject to 3-year Performance Conditions

Resolution #8
ex Post

- **LTI attribution:** subject to performance conditions
 - Granted in 2023: **€1,649k** (IFRS Value)

ROCE	50%	<ul style="list-style-type: none"> • Objective to maintain the ROCE >10% at the end of 2025 • 0% if 200bp lower than objective
TSR	40%	<ul style="list-style-type: none"> • AL TSR (absolute): average share annual growth rate, dividends reinvested; objective set in accordance with historic performance.
		<ul style="list-style-type: none"> • AL TSR vs. CAC 40 TSR: rate of AL TSR, dividends reinvested, compared with CAC 40 TSR, dividends reinvested. source: Bloomberg <ul style="list-style-type: none"> • 0% if AL TSR < CAC 40 TSR; • 50% if AL TSR = CAC 40 TSR; • 100% if AL TSR ≥ by 2% CAC 40 TSR
Climate	10%	<ul style="list-style-type: none"> • Aligned with the 2025 first milestone of carbon neutrality objective in 2050 (see slide 38).

2024 - Update of CEO Remuneration (1/2)

Resolution #11

- **+10%** increase on total CEO's remuneration (fixed + variable + LTI) in 2024
- **No further increase** until the end of term of office in 2026
 - → **+3.2%** average annual increase
- Rationale⁽¹⁾:
 - The positioning of the CEO's total target remuneration compared to that of his CAC 40 peers⁽²⁾ is **18% below** that of the average of the 2023 benchmark⁽³⁾
 - The average wage increased by **+5.5%** per year over the last 3 years for employees at group level⁽⁴⁾
- Total target annual compensation proposed in 2024:
 - Fixed salary: €1,210k
 - Annual variable target (120% fixed remuneration): €1,452k
 - Annual LTI (at 100% performance achieved): €1,815k

(1) See details in URD page 206 (2) CAC 40 groups with a separated governance mode (3) Update of the 2021 benchmark - homogeneous panel excluding a data item that is not representative as much higher than the average (4) Wages including social security contributions; average annual increase over the period 2021, 2022 and 2023

2024 - No change of other components of the CEO Remuneration (2/2)

No change

Resolution #11

- Pension Scheme
- Death and disability benefits plan and health coverage
- Termination indemnities
- Non-compete indemnity
- Benefits in kind

No change
See appendix for further details

Agenda

Update on Board of Directors

Chairman Remuneration

- Others
- Appendix

2023 ex-post

Resolution #9

- **Fixed annual remuneration** of €800k
- **No change** in the policy vs 2022
 - No variable remuneration
 - No LTI grant
 - Benefits in kind: company car
 - Death insurance

2024 policy

Resolution #12

- **Same fixed annual remuneration** of €800k
- **No change** in the policy vs 2023
 - No variable remuneration
 - No LTI grant
 - Benefits in kind: company car
 - Death insurance

Agenda

Update on Board of Directors
Remuneration policies

Others

- Appendix

Increase of the **age limit** from **70 to 72** applicable to a percentage of Directors and to the Chairman of the Board

- **Proposed modifications of by-laws**
 - No appointment of a Director over **72** years of age if more than 1/3 of board members are over **72**
 - No appointment of a Chairman of the Board over **72** years of age
- **Objectives**
 - In a context of **longer working lives**
 - Continue to **benefit from the skills and the expertise** of experienced Directors
 - Leave the maximum number of **options open** when renewing terms of office
- **In line** with market practices

Others - for information

- **Board members skill matrix**

NEW in 2023 URD p135

- Highlighting the **skills of Board members**
- Individualized matrix, splitting **functional skills** (financial, digital, CSR etc.) and **sectoral skills** (chemistry, health etc.)

- **Trainings**

- External **ESG training for all Board members** end 2022
 - **Updated training in January 2024** (including CSRD new regulation)
- Internal training of **new Board members** (financial & extra financial performance, business & geographies ...)
- **Advanced external ESG training** for P. Dubrulle (Employee Director, member of the Environment & Society committee)

Agenda

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

2023 - Achievement of the 2021 Performance Share Plan

- Recording of the **achievement of the performance conditions** under the 2021 annual plan
 - Applying to any beneficiary
 - Definitive award date : 2024 for the France plan

Item	% of based on 100	Objective	Results of the 2021 annual plan	% of target
ROCE	50%	<ul style="list-style-type: none"> Objective to maintain the ROCE >10% at the end of 2023 0% if 200bp lower than objective 	10.60%	100%
TSR	40%	<ul style="list-style-type: none"> AL TSR (absolute): average share annual growth rate, dividends reinvested; objective set in accordance with historic performance. At the objective of AL TSR \geq 6%, the grant of shares is 100%, and then decreases on a straight-line basis to +2% 	13.65%	100%
		<ul style="list-style-type: none"> AL TSR vs. CAC 40 TSR: rate of AL TSR, dividends reinvested, compared with CAC 40 TSR, dividends reinvested. source: Bloomberg <ul style="list-style-type: none"> 0% if AL TSR < CAC 40 TSR; 50% if AL TSR = CAC 40 TSR; 100% if AL TSR \geq by 2% CAC 40 TSR 	AL TSR: 16.21% CAC 40: 15.09%	78.06%
Carbon intensity	10%	<ul style="list-style-type: none"> Aligned with the 2018 Group's Climate Objectives aiming to reduce the carbon intensity by -30% between 2015 and 2025. The achievement rate was set at 0% for carbon intensity above 4.7, 50% for carbon intensity equal to 4.6 and 100% for carbon intensity less than or equal to 4.5 	carbon intensity 3.88	100%
TOTAL	100%			95.61%

2023 URD page 181 - Definitive grant reduced by -52,9% for Mr Benoît Potier (application of the prorating principle), no award as CEO to Mr François Jackow

- Simplified pension scheme definition based on:
 - **continuity** of existing plan for senior executives
 - while taking into account the **specificity** of the status of “Executive officer”
 - with **best financial efficiency**
- Pension scheme includes **mandatory basic** and **supplementary** pension schemes
 - total Air Liquide contribution: **15% of fixed and targeted variable remuneration**, as in previous years
- 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 conditions**, based on the average annual difference between ROCE⁽²⁾ and WACC over the 3 previous fiscal years

(1) PASS: reference remuneration, defined by the annual social security ceiling, €43,992 in 2023

(2) Recurring ROCE excluding major acquisitions, with major acquisitions: > 5% of capital employed

For further details on pension scheme, refer to 2023 URD pages 208-209

2024 - CEO other remuneration benefits (1/2)

No change

Resolution #11

- **Death and disability benefits** plan and **health coverage**. **Same** as for employees.
- **Termination indemnities**.
 - 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 fiscal years

(1) For further details, refer to 2023 URD pages 209 & 210

2024 - CEO other remuneration benefits (2/2)

No change

Resolution #11

- **Non-compete indemnity⁽¹⁾: no change in 2024 policy**
 - 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 Board of Directors
- **Benefits in kind⁽²⁾: no change in 2024 policy**
 - company car
 - payment to a third-party of the “unemployment insurance contributions for company managers and corporate officers”

(1) 2023 URD page 210

(2) 2023 URD page 207

Selection of Board Members, Term of Office

Choice criteria & diversity policy

- **Skills:** marketing, services, industry, finance, healthcare, research, technology and corporate social responsibility
- **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, as the case may be 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 6 CEOs and Chairmen since 1902



Paul Delorme
1902 - 1945



Jean Delorme
1945 - 1985



Edouard de Royère
1985 - 1995



Alain Joly
1995 - 2001

2001-2006
President of the
Management Board



Benoît Potier
2001-2022

2006-2022
Chairman
and CEO

2022-current
Chairman



François Jackow
2022-current
CEO

A long-term vision and management

ADVANCE



Delivering financial performance

And beyond,



Decarbonizing the planet



Unlocking progress via technologies



Acting for all





3 Performance Objectives



2 Key Enablers



Capital efficiency



Margin Improvement

(1) Group comparable sales growth 2021-2025 CAGR

(2) Recurring ROCE based on Recurring Net Profit

Doubling the ADVANCE Margin Improvement Ambition

Confirmed **ADVANCE** objectives and investments decisions

- ✓ Sales growth **+5-6%** CAGR⁽¹⁾
- ✓ ROCE **>10%** by 2023 and forward⁽²⁾
- ✓ CO₂ emissions **inflection** around 2025
- ✓ **€16bn investment decisions**⁽³⁾

Acceleration of margin improvement

+320
bps

over 4 years⁽⁴⁾

x 2



vs. initial ambition
in March 2022

(1) Group comparable sales growth 2021-2025 CAGR (2) Recurring ROCE based on Recurring Net Profit, see definition in the appendix of the management report
(3) Cumulated industrial and financial investments decisions over 4 years 2022-2025 (4) Calculated as the sum of yearly OIR margin improvements at the energy price of the previous year; over the period 2022-2025

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

~2025

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



2035

Decrease scope 1 & 2
CO₂eq emissions in
absolute value by
-33%^(b)

Reach **Carbon Neutrality** by 2050

2050



(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)

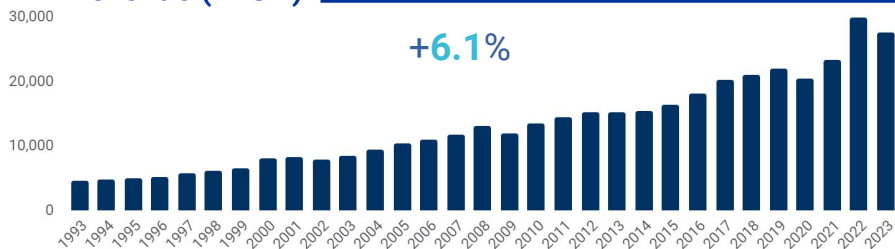
Recent evolution of ESG reporting

- 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
- March 22, 2022: Announcement of **new strategic plan ADVANCE**, combining financial and extra-financial performance
- April 7, 2022: Publication of the first **Sustainable Development Report**
- May, 2022: **Validation by SBTi** of the Air Liquide CO₂ emissions trajectory “well below 2°C”
- March 2023, **new scope 3 objectives**: 75% of its top 50 customers committed to 2050 Carbon neutrality by 2025, and bring it to 100% by 2035
- October 2023: biodiversity commitments recognized by **Act4Nature** International initiative

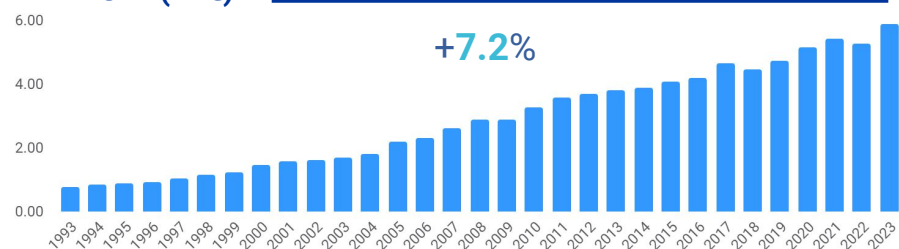
Regular and Sustained performance

CAGR over 30 years⁽¹⁾

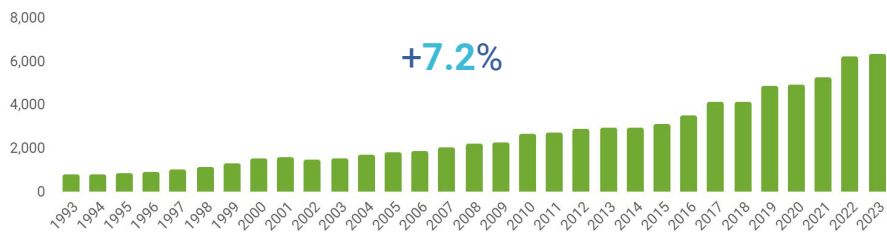
Revenue (in €m)



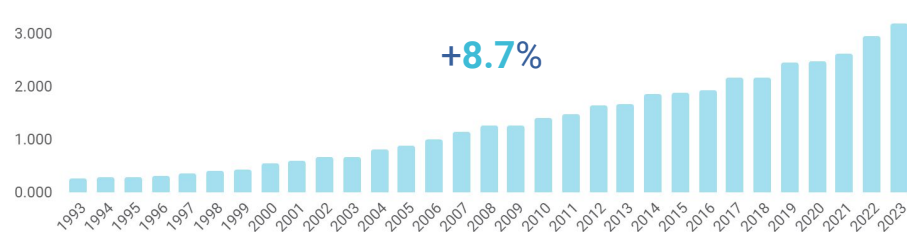
EPS⁽²⁾ (in €)



Cash Flow (in €m)



Dividend Per Share⁽²⁾ (in €)



(1) Calculated according to prevailing accounting rules over 30 years (2) Based on current year results and proposed for payment the following year. Adjusted for the 2-for-1 share split in 2007, for free share attributions and for the capital increase completed in October 2016

2023 - Demonstrating Once Again the Strength of the Business Model

Resilience

Sustained growth drivers



Healthcare



Industrial Merchant



Growth



Growth accelerators



Energy Transition



Electronics

Performance

Doubling **ADVANCE** initial margin improvement ambition

Supported by strong Innovation & outstanding Teams

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