

## Information relating to the corporate officers' compensation in accordance with recommendations of the AFEP-MEDEF Corporate Governance Code

In accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code, the Board of Directors, in its meeting on 16 February 2023 and upon recommendation of the Compensation Committee, made the following decisions concerning the compensation for 2022 (ex-post) and the compensation policies for 2023 (ex-ante) of the Company's corporate officers:

- Patrick Kron, acting as Chairman of the Board of Directors, and
- Alessandro Dazza, acting as Chief Executive Officer.

All elements below will be further detailed in the Company's 2022 Universal Registration Document.

In application of Articles L. 22-10-8 and L. 22-10-34 of the French Commercial Code, upon the Board proposal, the Company's Shareholders' General Meeting shall be called upon to approve the components of compensation paid or granted for or in relation to 2022 financial year of the Chairman of the Board and the Chief Executive Officer (*ex-post* votes) and on the compensation policies of said corporate officers for 2023 financial year (*ex-ante* votes).

### 1. Compensation of the Chairman of the Board

#### ***Components of compensation paid or granted for or in relation to 2022 (ex-post)***

Components of compensation paid or granted for or in relation to the 2022 financial year to the Chairman of the Board, Patrick Kron, are consistent with the compensation policy approved by the Shareholders' General Meeting held on 10 May 2022.

They correspond solely to his gross annual fixed compensation paid and granted in 2022, i.e. €400,000. No other compensation was received by the Chairman of the Board of Directors for his duties.

#### ***Compensation policy for 2023 (ex-ante)***

The compensation policy for the Chairman of the Board of Directors for the 2023 financial year is identical to that previously voted by the Shareholders' General Meeting on 10 May 2022. It includes the payment of an unchanged fixed annual compensation of €400,000.

## 2. Compensation of the Chief Executive Officer

### *Components of compensation paid or granted for or in relation to 2022 (ex-post)*

Components of compensation paid or granted for or in relation to the 2022 financial year to the Chief Executive Officer, Alessandro Dazza, are consistent with the compensation policy approved by the Shareholders' General Meeting held on 10 May 2022.

They include the following components:

- **Gross annual fixed compensation:** €800,000 €.
- **Gross annual variable compensation:**
  - **paid in 2022:** €1,265,000, this amount having been determined by the Board of Directors in its meeting held on 16 February 2022, and paid in 2022 following the approval of the Shareholders' General Meeting held on 10 May 2022.
  - **granted in relation to 2022:** €660,000.

This amount reflects the achievement of:

- 62.5 % the overall rate of achievement of the quantitative criteria, such as:

<i>Quantitative criteria</i>	<b>Weighting</b>	<b>Individual achievement rate*</b>	<b>Overall achievement rate</b>
Net income from current operations	40.0%	125.0%	50.0%
Free operative cash-flow	40.0%	0.0%	0.0%
Organic growth in revenue	20.0%	62.5%	12.5%
<b>Total</b>	<b>100%</b>		<b>62.5%</b>

\* The percentage of achievement allowing a maximum payment is 125% for each quantitative criteria.

- 100% achievement of individual criteria<sup>1</sup> such as:

#### **Individual criteria <sup>(1)</sup>**

#### **Assessment of the Board**

Pursue Imerys' growth strategy in the most promising markets through market share gains and targeted acquisitions and through targeted investments to promote organic growth.

The Board considered that the Group had pursued an appropriate commercial strategy in a difficult economic context and implemented the actions necessary to develop high-potential activities (particularly in sustainable mobility and green energy).

Effectively manage Imerys' cost base in an inflationary environment.

The Board noted the effective management of inflationary impacts on this cost base and their fair impact in commercial policies.

Retain and develop key talent in order to strengthen the Group's succession plan.

The Board noted the implementation of internal promotions within the Executive Committee as well as the internal development of talent in an extremely dynamic social environment.

Deploy the Group's ESG policy, in particular by accelerating CO2 reduction and making progress in terms of diversity within the Executive Committee and Senior Management.

The Board took note of the positive developments, particularly in the following key areas: safety and health at work, diversity and inclusion, environmental audits, reduction of greenhouse gas emissions, external rating of the Group in terms of sustainable development, deployment of solutions "SustainAgility Solution Assessments" (SSA).

*(1) These criteria are confidential and so cannot be published in full.*

<sup>1</sup>The percentage of achievement of individual objectives gives rise to the application of a multiplier factor of the overall rate of achievement of the quantitative criteria between 0.8 and 1.2

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The overall rate of achievement of the quantitative criteria (62.5%), after application of the multiplier factor resulting from the achievement of individual criteria (1.2), gives a pay-out of 75% of the fixed compensation annual target (110% of its fixed component) serving as the basis for calculating its variable portion, which thus amounts to at €660,000.

- **Exceptional compensation:**

Allocation by the Board, on a proposal from the Compensation Committee, of an exceptional compensation in the amount of €250,000, i.e. 31.25% of the annual fixed compensation of the Chief Executive Officer.

This allocation is part of the successful completion of the Group's strategic repositioning, in a particularly difficult context, with the sale of the High Temperature Solutions activity finalized in January 2023. The Board took into consideration the strategic and structuring nature of this transaction for the Group, its implementation in line with the expected valuation objectives, as well as its contribution to the repositioning of the Group as a pure-player player in specialty minerals in line with the strategic orientations set by the Board and the announcements made to the financial markets in 2022.

Consequently, the total cash compensation of the Chief Executive Officer for the 2022 financial year would amount to €1,710,000, i.e. €800,000 (fixed compensation) and €910,000 (variable compensation) to be paid to the Chief Executive Officer for the 2022 financial year, i.e. a decrease of 17.1% compared to the previous financial year (€2,065,000) .

The amounts corresponding to the annual variable and exceptional compensation will be paid to the Chief Executive Officer subject to the approval of the resolution submitted to the vote of the next Shareholders' General Meeting.

- **Performance shares:**

Grant of 75,000 performance shares (i.e. 0.09% of the Company's share capital), representing an accounting value of €1,857,093, as of the date of grant. These shares are subject to the same financial performance conditions as those applicable to the 2022 general performance share plan granted to the Group's senior managers.

- **Other:**

With exception of the benefit in kind representing an amount of €119,880 in 2022, and without prejudice to the commitments given by the Company to Alessandro Dazza, concerning termination benefits, non-compete indemnity and complementary pension plan, no other compensation was paid or granted to him in 2022.

### ***Compensation policy for 2023 (ex-ante)***

The main components of the compensation policy for the Chief Executive Officer for 2023 financial year would be in line with those previously approved by the Shareholders' General Meeting on 10 May 2022.

Without prejudice to the generality of the foregoing, the Board of Directors has decided to confirm these components, while making certain significant changes intended to simplify the applicable variable compensation structure and to reflect even more the Group's commitments in ESG matters.

The changes envisaged are based on studies and analyzes of the market practices of comparable companies carried out by independent experts, in order to have a competitive compensation policy allowing the Company to retain or attract high-level managers within the Group.

The Board of Directors considered that the proposed modifications would allow in particular:

- a better alignment between the interests of the Shareholders and the compensation policy of the Chief Executive Officer by responding to certain observations made by them;
- to take into account the growing importance of ESG issues, in particular for the climate, and the way in which these must be reflected in the compensation structure of executives, in particular in favor of and for the climate;
- to reward the possible achievement of the ambitious objectives set, and to encourage performance, in a context of deployment of new strategic ambitions for the Group.

The main changes to the compensation policy for the Chief Executive Officer proposed by the Board of Directors for 2023 are as follows:

- **Gross annual fixed compensation:** increase from €800,000 to €920,000 (i.e. +15%).

The Board considered that such a change was justified with regard, in particular, to the following elements: a positioning in relation to the market below the fixed annual compensation observed within a panel of comparable companies and the absence of change of the fixed annual compensation of the Chief Executive Officer since his appointment in December 2019.

- **Gross annual variable compensation:** amount determined in 2024 by the Board of Directors, following the recommendations of the Compensation Committee, depending on the level of achievement of the criteria below:

→ **Quantifiable criteria related to economic performance: 65% weighting**

The quantifiable criteria detailed in the following table remain unchanged from the 2022 compensation policy. Deemed relevant for assessing the Group's operational and financial performance and the implementation of its strategy, their thresholds are aligned with the Group budget targets set by the Board of Directors for the 2023 financial year. These objectives are not made public for confidentiality reasons.

Quantifiable criteria related to economic performance	Weighting of objectives in annual variable compensation	Thresholds (for fiscal year 2023)	Payout rate as a % of the variable compensation
Current operating income	26%	If results less than or equal to 85% of the budgeted objective	0%
		If results equal to 100% of the budgeted objective	26%
		If results equal to 115% of the budgeted objective	39%
Free operating cash flow	26%	If results less than or equal to 50% of the objective	0%
		If results equal to 100% of the objective	26%
		If results equal to 125% of the objective	39%
Organic growth in revenue	13%	If results less than or equal to 50% of the objective	0%

		If results equal to 100% of the objective	13%
		If results equal to 125% of the objective	19,50%
	65%		

→ **quantifiable criteria linked to ESG performance: 15% weighting**

The weighting and consideration of quantifiable criteria linked to ESG performance, particularly for the climate, have been reinforced. The expected threshold for achieving each of these criteria, detailed in the following table, is set by the Board of Directors for the 2023 financial year in line with the commitments made by the Group as part of its ESG SustainAgility roadmap (reference year 2022).

The calculation methods are as follows: (i) if the result is below the minimum threshold specific to each criterion, then the target achievement rate would be equal to 0; (ii) if the result is equal to 100% of the target objective, its achievement rate would be equal to 15%; (iii) if the result is above the maximum threshold specific to each criterion, then its achievement rate would be equal to 22.5%.

The quantifiable criteria linked to ESG performance are detailed in the appendix.

→ **Individual criteria: 20% weighting**

The personal criteria set by the Board of Directors for the Chief Executive Officer for the 2023 financial year include in particular: (i) actively managing the business portfolio in accordance with the Group's strategy; (ii) place the Group on a growth trajectory; (iii) align the organization with the new scope of the Group and continue to develop talent; (iv) implement the actions necessary to improve operational performance.

The confidential nature of these criteria and the associated objectives does not allow them to be published in full.

The measurement of these personal achievements will be defined within a range between 0 and 150% (100% at the target goal).

The amount of the annual variable remuneration resulting from the measurement of the achievement of all the criteria (quantifiable and qualitative) as defined above is calculated by applying this rate of achievement of the objectives to a reference base equal to 110% of the annual fixed compensation (corresponding to the achievement of the target objective).

In the event of outperformance relative to the target objective, the maximum amount is thus set at 165% of the annual fixed compensation.

• **Long-term compensation in the form of equity securities or securities giving access to capital**

The Board of Directors plans to proceed, as long-term compensation of the Chief Executive Officer, with a free allocation of 85,000 performance shares (i.e. 0.10% of the share capital as of December 31, 2022).

This allocation would be made, provided that (i) the valuation of the planned number of shares respects the cap set at 18 months of gross annual compensation (fixed portion + maximum of the variable portion) (in IFRS 2 value), and (ii) the 2023 general performance share plan intended for the Group's senior managers, in which it forms part, is adopted at a forthcoming meeting of the Board of Directors (generally in May).

This allocation would reflect the Board of Directors' desire to keep the Chief Executive Officer's long-term compensation its significant share in the composition of his total compensation, while remaining in line with the reference panel used in the analysis of market carried out referred to above.

The Board of Directors, at its meeting of February 16, 2023, after consulting the Compensation Committee, wished to integrate several criteria related to ESG and climate performance, defined in accordance with the objectives of the Group's SustainAgility program and detailed below. These criteria are identical to those used for the annual variable compensation of the Chief Executive Officer, with the exception of four of them, in order to strictly align them with the criteria applicable to all beneficiaries of the plan. Thus, long-term variable compensation would be based on the following three quantifiable criteria: net current income (50%) and free-operating cash-flow (35%) as well as criteria related to ESG performance (including climate) (15%).

The objectives based on these criteria are not made public for reasons of confidentiality. However, they are set in line with the applicable budgetary objectives, for the financial criteria, and in line with the commitments made by the Group as part of its ESG SustainAgility roadmap.

Performance achievement is measured annually and averaged at the end of the plan period (2023-2025) and cannot exceed 100% achievement. At the end of each year of the plan period (2023-2025), if the criteria were met by less than 70%, the annual performance of the plan would be nil; in the event of achievement of the criteria equal to 90%, the annual performance of the plan would be 50%; if the criteria were met at 100%, the annual performance of the plan would be 100%; in the event of achievement of the criteria equal to or greater than 120%, the annual performance of the plan would be 120% (subject to the average achievement cap at the end of the plan period).

The achievement of the performance conditions would be, after review by the Compensation Committee, decided by the Board at the end of each financial year of the period considered on the basis of the Group's consolidated financial statements. All of these performance shares would be definitively acquired, depending on the achievement of the objectives to which they would be subject, at the end of a period of three years following their date of allocation; consequently and in application of the provisions of Article L. 225-197-1 I paragraph 7 of the French Commercial Code, these shares would not be subject to any retention obligation at the end of their acquisition period.

The quantifiable criteria linked to ESG performance are detailed in the appendix.

- **Other benefits and commitments**

All other benefits in kind, end-of-contract and non-competition indemnities and retirement commitments are maintained for the benefit of the Chief Executive Officer under the same conditions and according to the same terms and conditions as those retained in the compensation policy applicable to the 2022 financial year.

## Appendix: description of the quantifiable criteria linked to ESG performance applicable to the 2023 compensation policy for the Chief Executive Officer

At its meeting of February 16, 2023, the Board of Directors adopted the following criteria applicable to the compensation policy for the Chief Executive Officer for the 2023 financial year, it being specified that:

- all the criteria defined below have been retained for the ESG performance conditions applicable to the annual variable compensation of the Chief Executive Officer (criteria 1 to 10);
- a selection of these criteria has been retained as part of the ESG performance conditions applicable to the long-term variable compensation of the Chief Executive Officer, in order to ensure strict alignment of the said conditions with those retained for all beneficiaries of the 2023 performance shares plan (criteria 1 to 6)<sup>2</sup>.

<i>Criteria common to the annual and long-term variable compensation of the Chief Executive Officer</i>		
	Objet	Critère
1	Safety	Improve Group Safety Culture Maturity to Level 3.3 across all Business Areas by the end of 2025
2	Diversity and Inclusion	Increase the score of the Diversity & Inclusion Index to 100% by the end of 2025 (NEW)
3	Product Sustainability	Assess Imerys portfolio according to the sustainability criteria to cover at least 75% (by revenue) by the end of 2025
4	Business Ethics & Compliance	Improve the external sustainability rating of the Group by 7% compared to 2021 assessment by the end of 2025
5	Biodiversity and Land Rehabilitation	Reduce impact on biodiversity by filling our act4nature commitments and conducting biodiversity audits on the 20 priority sites by the end of 2025
6	Climate change mitigation	Reduce Group scope 1 & 2 greenhouse gas emissions (tCO <sub>2</sub> eq) by 42% from 2021 base year in alignment with a 1.5°C trajectory by the end of 2030 (relative to the previous year, in 1000t of reduction)
<i>Criteria applicable only to the annual variable compensation of the Chief Executive Officer</i>		
7	Occupational Health	Increase the global Occupational Health action plan improvement rate to 75% by the end of 2025
8	Diversity and Inclusion	Increase the number of women in the Executive Committee to 30% by the end of 2025
9	Product Sustainability	Ensure at least 75% of Group New Product Developments are scored as 'SustainAgility Solutions' (A+ or A++) by the end of 2025
10	Environmental Management	Reduce environmental impacts by assessing the maturity level of 100% of sites against environmental management requirements by the end of 2025

<sup>2</sup> Subject to approval by a future Board meeting (generally held in May) of the 2023 performance share plan.

***The world's leading supplier of mineral-based specialty solutions for industry** with €4.3 billion in revenue and 14,000 employees in 2022. Imerys delivers high value-added, functional solutions to a great number of sectors, from processing industries to consumer goods. The Group draws on its understanding of applications, technological knowledge and expertise in material science to deliver solutions by beneficiating its mineral resources, synthetic minerals and formulations. Imerys' solutions contribute essential properties to customers' products and their performance, including heat resistance, hardness, conductivity, opacity, durability, purity, lightness, filtration, absorption and water repellency. Imerys is determined to develop responsibly, in particular by fostering the emergence of environmentally-friendly products and processes.*

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Relations Investisseurs

Vincent Gouley + 33 (0)1 49 55 64 69  
finance@imerys.com

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