

## 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 21 February 2024 and upon recommendations of the Compensation Committee, made the following decisions concerning the compensation for 2023 (ex-post) and the compensation policies for 2024 (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 2023 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 2023 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 2024 financial year (*ex-ante* votes).

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

#### ***Components of compensation paid or granted for or in relation to 2023 (ex-post)***

Components of compensation paid or granted for or in relation to the 2023 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 2023.

They correspond solely to his gross annual fixed compensation paid and granted in 2023, i.e. €400,000, amount unchanged compared to last year. No other compensation was received by the Chairman of the Board of Directors for his duties.

#### ***Compensation policy for 2024 (ex-ante)***

The compensation policy for the Chairman of the Board of Directors for the 2024 financial year includes, as previously, the payment of an unchanged fixed annual remuneration of €400,000. The following adjustments are proposed by the Board to ensure better alignment of the Chairman's compensation with the recommendations of the Afep-Medef Code, and to take into account the points for improvement suggested by certain minority shareholders:

- the removal of the possibility to award a sign-on bonus to a future Chairman of the Board of Directors (non-executive corporate officer);
- the removal of the possibility to award an exceptional compensation for specific assignments or duties entrusted to the Chairman of the Board of Directors.

## 2. Compensation of the Chief Executive Officer (CEO)

### *Components of compensation paid or granted for or in relation to 2023 (ex-post)*

Components of compensation paid or granted for or in relation to the 2023 financial year to the CEO, Alessandro Dazza, are consistent with the compensation policy approved by the Shareholders' General Meeting held on 10 May 2023.

They include the following components:

- **Gross annual fixed compensation paid in 2023:** €920,000 €.
- **Gross annual variable compensation granted in relation to 2023:** €946,849. This amount reflects the achievement of:

→ **81.7% achievement of economic performance criteria**

<i>Quantifiable criteria related to economic performance</i>	<b>Weighting</b>	<b>Achievement rate</b>	<b>Weighted achievement rate<sup>1</sup></b>
Current operating income	26.0%	54.22%	14.1%
Free operating cash-flow	26.0%	150.0%	39.0%
Organic growth in revenue	13.0%	0.0%	0.0%
<b>Total</b>	<b>65%</b>	<b>81.7%</b>	<b>53.10%</b>

→ **122% achievement of ESG performance criteria**

<b>ESG performance criteria (*)</b>	<b>Weighting</b>	<b>Achievement rate</b>	<b>Weighted achievement rate<sup>1</sup></b>	<b>Assessment of the Board</b>
Improve Group Safety Culture Maturity to Level 3.3 across all Business Areas by the end of 2025	15 %	122%	<b>18.30%</b>	With regard to the level of achievement of the quantifiable criteria relating to ESG performance, the Board assessed the level of performance of the criteria in line with the 2023 objectives of the SustainAgility Group's sustainable development roadmap (in relation to the 2022 reference year, with the exception of the criterion relating to the reduction of greenhouse gas emissions which is assessed in relation to 2021 reference year). As a result, the Board noted that all the objectives met or exceeded the target with the exception of the criteria relating to the improvement of the Group's ESG rating and of the criteria relating to the increase of achievement rate of the action plan for the overall improvement of occupational health, which was partially achieved.
Increase the global Occupational Health action plan improvement rate				
Increase the score of the Diversity & Inclusion Index				
Increase the number of women in the Executive Committee				
Assess Imerys portfolio according to the sustainability criteria to cover at least 75% (by revenue) by the end of 2025				
Ensure at least 75% of Group New Product Developments are scored as 'SustainAgility Solutions' (A+ or A++) by the end of 2025				

<sup>1</sup> For sake of clarity, achievement rates have been rounded.

Improve the external sustainability rating of the Group

Reduce environmental impacts by assessing the maturity level of all sites against environmental management requirements

Reduce impact on biodiversity by fulfilling our act4nature commitments and conducting biodiversity audits on the 20 priority sites by the end of 2025

Reduce scopes 1 & 2 greenhouse gas emissions (tCO<sub>2</sub>eq) in alignment with a 1.5°C trajectory by the end of 2030

*(\*) ESG performance criteria are fully disclosed in the 2022 Universal Registration Document.*

→ **110.8 % achievement of individual criteria**

Individual criteria <sup>(*)</sup>	Weighting	Achievement rate	Weighted achievement rate <sup>2</sup>	Assessment of the Board
<ul style="list-style-type: none"> <li>actively managing the business portfolio in accordance with the Group's strategy;</li> <li>put the Group on a growth trajectory;</li> <li>align the organization to the new perimeter of the Group and continue to develop talents;</li> <li>implement the actions necessary to improve operational performance.</li> </ul>	20 %	110.8 %	<b>22.17 %</b>	<p>The Board considered that the Group actively managed its business portfolio in line with its newly-defined long-term growth strategy.</p> <p>The Board noted that in an environment characterized by softer demand and volume decline, the Company still pursued an adequate commercial strategy to protect margins, and implemented actions necessary to develop high-potential activities, in particular in mobile and sustainable energy, investing in new industrial capabilities.</p> <p>The Board took note of the positive developments with regards to internal promotions, both at Executive Committee and lower levels of the organization, as well as the improvement of talent bench strength.</p> <p>The Board appreciated the management's efforts on cost savings, efficiencies and cash generation actions, which delivered above expectations.</p>

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

As a result, Alessandro Dazza's variable compensation for 2023 amounts to €946,849. This amount results from the achievement of 53.10% of the quantifiable economic performance criteria, 18.30% of the quantifiable ESG performance criteria and 22.17% of the personal qualitative criteria. This results in an annual variable compensation corresponding to 93.56%<sup>2</sup> of the annual variable compensation target for 2023.

<sup>2</sup> For sake of clarity, achievement rates have been rounded.

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The annual variable compensation will be paid to the CEO subject to the approval of the resolution submitted to the vote of the next Shareholders' General Meeting.

- **Performance shares:**

Grant of 85,000 performance shares (i.e. 0.1% of the Company's share capital), representing an accounting value of €2,374,083, as of the date of grant. These shares are subject to the same financial performance conditions as those applicable to the 2023 general performance share plan granted to the Group's senior managers.

- **Other:**

With exception of the benefit in kind representing an amount of €109,516 in 2023, 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 2023 in application of the 2023 CEO's compensation policy.

#### ***Compensation policy for 2024 (ex-ante)***

The 2024 remuneration policy for the CEO adopted by the Board of Directors is aligned with that previously approved by the annual General Meeting of May 10, 2023. The Board has decided to confirm all its components, while modifying certain criteria included in the CEO's variable annual compensation.

- **Gross annual fixed compensation:** €920,000, unchanged since 2023.
- **Gross annual variable compensation:** amount determined in 2025 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 financial performance: 65% weighting**

For financial year 2024, while maintaining their weighting within annual variable compensation unchanged at 65%, the Board has decided to modify the quantifiable criteria related to financial performance as follows: EBITDA (32.5%) and free operating cash flow (32.5%).

Deemed relevant for assessing the Group's operating and financial performance and the implementation of its strategy, their achievement thresholds are aligned with the Group's budget targets set by the Board of Directors for the 2024 financial year. For reasons of confidentiality, these targets are not made public.

- **Quantifiable criteria linked to ESG performance: 15% weighting**

The Board has reviewed the quantifiable criteria linked to ESG performance. These criteria are taken from the Group's "SustainAgility" roadmap (as detailed in Chapter 3 of the Universal Registration Document). These criteria are unchanged from 2023, except for one which has been replaced by a criterion on water management.

The targets are set precisely, in relation to the year 2022 (with the exception of the criterion relating to the reduction of greenhouse gas emissions which is assessed in relation to the year 2021) and in line with the Group's 2024 objectives. These targets are not made public for reasons of confidentiality.

Quantifiable ESG performance criteria are detailed in the [appendix](#).

→ **Personal criteria: 20% weighting**

The Board reviewed the personal criteria for the CEO's annual variable compensation as follows:

- Pursue the Group's strategic realignment towards higher-growth end markets
- Roadmap to Lithium production
- Foster growth
- Adjust organization and structure to production levels.

The personal criteria are pre-established and precisely defined. The factors taken into account in assessing these criteria will, as before, be disclosed. These criteria are not made public for reasons of confidentiality.

→ **Calculation and payment terms**

The target value for annual variable compensation is set at 110% of annual fixed compensation. Annual variable compensation may therefore vary between 0% and 165% of annual fixed compensation.

For each criterion, the Board of Directors, on the recommendation of the Remuneration Committee, sets :

- the threshold below which no variable compensation is paid ;
- the target level of variable compensation payable when each objective is met; and
- the maximum amount of variable compensation payable when each target is reached.

Description	Weighting (at target)	Achievement rate at target*	Max. achievement rate (at 150% achievement)*
EBITDA	32.5%	35.75%	53.6%
Free operating cash-flow	32.5%	35.75%	53.6%
ESG - <a href="#">see details in appendix</a>	15%	16.5%	24.8%
Personal criteria	20%	22%	33%
-	<b>100%</b>	<b>110%</b>	<b>165%</b>

\* Applied to the fixed annual compensation.

Payment of this variable annual compensation will be subject to approval by the annual General Meeting called in 2025 to approve the financial statements for the year ending December 31, 2024.

• **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, 2023).

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 2024 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 CEO's long-term compensation its significant share in the composition of his total compensation, while remaining in line with the market practice.

During its meeting on February 21, 2024, the Board of Directors, upon recommendation of the Compensation Committee, left unchanged the quantifiable criteria on which the CEO's long-term share-based compensation is based: net current income (50%) and free operating cash-flow (35%), as well as criteria linked to ESG performance (15%). The quantifiable criteria linked to ESG performance are detailed in the [appendix](#).

The objectives based on these criteria are not made public for reasons of confidentiality. However, they are set in line with the applicable budget 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 (2024-2026) and cannot exceed 100% achievement. At the end of each year of the plan period, for each of the criteria referred to above, 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 (2024-2026). 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.

- **Other benefits and commitments**

All other benefits in kind (excluding accommodation), end-of-contract and non-competition indemnities and retirement commitments are maintained for the benefit of the CEO under the same conditions and according to the same terms and conditions as those retained in the compensation policy applicable to the 2023 financial year.

## **Appendix: description of the quantifiable criteria linked to ESG performance applicable to the 2024 compensation policy for the Chief Executive Officer**

During its meeting of February 21, 2024 the Board of Directors adopted the following criteria applicable to the compensation policy for the Chief Executive Officer for the 2024 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 2024 performance shares plan (criteria 1 to 6)<sup>3</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
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 2022 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 (tCO2eq) by 42% from 2021 base year in alignment with a 1.5°C trajectory by the end of 2030
<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	Maintain the number of women in the Executive Committee above 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	Improve water management by ensuring 100% of priority sites comply with new water reporting requirements by the end of 2025

<sup>3</sup> Subject to approval by a future Board meeting (generally held in May) of the 2024 performance share plan.