

8.1 PRESENTATION OF THE RESOLUTIONS BY THE BOARD OF DIRECTORS

The resolutions agreed by the Board of Directors at its meeting of February 12, 2020 are submitted for approval at the Shareholders' General Meeting. Resolutions 1 through 18 and 26 will be put to the Ordinary Shareholders' Meeting and resolutions 19 through 25 will be put to the Extraordinary Shareholders' Meeting.

Pursuant to the provisions of articles L. 225-37, L. 225-37-2, L. 225-37-3, L. 225-37-4 and L. 225-100 of the French Commercial Code (*Code de commerce*), [paragraphs 8.1.3 to 8.1.6](#) and [section 8.4 of the present chapter](#) form an integral part of the Corporate Governance Report.

8.1.1 2019 ANNUAL FINANCIAL STATEMENTS AND APPROPRIATION OF PROFIT

(Three resolutions put to the Ordinary Shareholders' General Meeting)

Shareholders are invited to approve the Company's annual financial statements (**first resolution**) and the Group's consolidated financial statements (**second resolution**) for the year ended December 31, 2019.

These financial statements, along with the financial situation, business and results of the Group and the Company for the year ended December 31, 2019, as well as various items of information required by current laws and regulations, are published in [chapter 5 \(Comments on fiscal year 2019\)](#) and [chapter 6 \(Financial statements\)](#).

Shareholders are then called upon to approve the appropriation of the Company's distributable profit for 2019 (**third resolution**). In 2019, the Company's distributable profit totaled €439,043,239.30, which can be broken down as €139,509,137.76 in net income plus €299,534,101.54 in retained earnings brought forward from the prior year. The Board of Directors recommends paying a per-share dividend of €2.15, which is level on the dividend paid in 2019 with respect to the previous financial year.

The total dividend payout will be adjusted according to the number of shares issued for stock options exercised since January 1, 2020 that are eligible for the 2019 dividend at the date of payment. Consequently, the amount allocated to retained earnings will be determined on the basis of the total actual dividend payout. Furthermore, if the Company holds any treasury shares on the date at which the dividend is paid, the corresponding unpaid dividends will also be allocated to retained earnings.

Pursuant to the provisions of article 243 bis of the French Tax Code (*Code général des impôts*), individual shareholders domiciled for tax purposes in France may benefit from a 40% tax allowance on the totality of the proposed dividend for 2019, as stipulated in article 158-3-2° of the French Tax Code, subject to the taxpayer opting to be taxed according to the standard progressive income tax bands set out in article 200-A-2 of said Code.

Dividends paid for the past three financial years were as follows:

Financial year ending	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016
Net dividend per share	€2.15*	€2.075*	€1.87*
Number of shares carrying dividend rights	79,083,935	79,313,151	79,265,238
Total net payout	€170 M	€164.6 M	€148.2 M

* Fully eligible for the 40% tax allowance for individual shareholders domiciled in France for tax purposes stipulated in article 158-3-2° of the French Tax Code.

8.1.2 OPTION FOR PAYMENT OF DIVIDEND IN CASH AND/OR SHARES

(One resolution put to the Ordinary Shareholders' General Meeting)

Shareholders are asked under the **fourth resolution** to offer all shareholders the option of choosing whether to receive payment for the dividend approved in the third resolution in cash and/or shares.

Shareholders living outside France must themselves inquire about and comply with the terms and conditions applicable locally to this alternative option. Shareholders deciding whether or not to opt for payment in shares for all or part of the dividend they are eligible to receive should take into consideration the risk inherent to such an investment.

The new shares will be issued at a price equal to 95% of the average opening market price for the Imerys share traded on Euronext Paris over the last 20 trading days prior to the date of the present Shareholders' General Meeting, minus the net dividend amount rounded up to the nearest euro cent.

As previously stated, shareholders must decide whether to receive the dividend payment in cash and/or in shares between

May 19, 2020 and June 8, 2020 inclusive, and inform the financial intermediaries authorized to pay the dividend or, for holders of shares in pure registered form, the account holder of the Company, CACEIS Corporate Trust – Service Assemblées Générales – 14, rue Rouget de Lisle – 92862 ISSY-LES-MOULINEAUX Cedex 9, France. Any shareholder who has not made their choice known to receive payment for all or part of the dividend in shares within this period will receive the full dividend payment in cash.

If the amount of the dividend payable in shares does not correspond to a whole number in the equivalent of shares, shareholders will receive the amount of shares rounded down to the nearest whole number and the remaining balance in cash paid by the Company.

The dividend will be payable from June 12, 2020. Shareholders who opt for the alternative payment option for all or part of the dividend will receive their shares on this same date.

8.1.3 RELATED PARTY AGREEMENTS AND COMMITMENTS

(One resolution put to the Ordinary Shareholders' General Meeting)

Pursuant to the provisions of article L. 225-40 of the French Commercial Code, shareholders are asked to approve the Statutory Auditors' special report on related party agreements and commitments (*conventions réglementées*) governed by articles L. 225-38 *et seq.* of said Code and published in [chapter 6, section 6.3 \(fifth resolution\)](#).

Without prejudice to the commitments given by the Company to Alessandro Dazza, who on December 17, 2019 was appointed to the office of Chief Executive Officer of the Company as of February 17, 2020, which are detailed in [chapter 4, paragraph 4.3.3](#), the Company did not enter into any new related parties agreements or commitments (*conventions réglementées*) in 2019.

Shareholders are also informed that at its meeting held on February 12, 2020 and in accordance with legal requirements and its internal charter on related party agreements and commitments (*conventions réglementées*) and standard agreements and commitments with related parties (*conventions libres*) ([see chapter 7, section 7.8](#)), the Board of Directors reviewed all the related party agreements and commitments (*conventions réglementées*) that were authorized and concluded by the Company in previous years and remained in force in 2019.

The Board of Directors noted that:

- no related party agreements (*conventions réglementées*) were concluded in 2019; and

- the related party agreements (*conventions réglementées*) concluded in previous years that have already been approved by the Shareholders' General Meeting and continued to apply in 2019 were conducted in accordance with the terms and conditions applicable in 2018. The related party agreements (*conventions réglementées*) that continued to apply throughout part or the whole of 2019 were as follows:

- commitments given to Gilles Michel (as described in further detail in [paragraph 8.1.5](#)):
 - the specific responsibility to support Conrad Keijzer in order to guarantee a smooth handover as Chief Executive Officer office in 2018 but amount of which was determined in 2019 and its payment authorized,
 - obligations covered by the Company for the actual payment of all rights due as part of the defined benefit pension plan, which occurred in 2019,
- commitments given to Conrad Keijzer (as described in further detail in [paragraph 8.1.4](#)):
 - termination benefit (due to a change in control, strategy or a major disagreement over these issues),
 - complementary defined contribution pension plan,
 - unemployment insurance for corporate officers (GSC).

All related party agreements (*conventions réglementées*) and subject to the procedure set forth in the article L. 225-38 of the French Commercial Code are detailed in the Statutory Auditors' special report published in [chapter 6, paragraph 6.6.3](#).

8.1.4 POLICY ON COMPENSATION AWARDABLE TO CORPORATE OFFICERS

(Two resolutions put to the Ordinary Shareholders' General Meeting)

Pursuant to the provisions of article L. 225-37-2 of the French Commercial Code, shareholders are asked to approve the policy on compensation awardable to corporate officers (executive corporate officers and members of the Board of Directors), which protects the Company's corporate interests, contributes to its long-term success and reflects its business strategy (**sixth and seventh resolutions**). The Board of Directors determined this policy at its meeting held on February 12, 2020, based on proposals made

by the Compensation Committee. It includes the same items as in 2019, with the exception of the impatriation bonus, which has not been renewed for 2020, and the possibility to award long-term compensation, which has been expressly specified.

The corporate officers' compensation policy (applicable to executive corporate officers and members of the Board of Directors in 2020) is set out in detail in [chapter 4, paragraph 4.3.1](#).

8.1.5 COMPONENTS OF COMPENSATION PAID OR AWARDED TO CORPORATE OFFICERS IN 2019

(Four resolutions put to the Ordinary Shareholders' General Meeting)

8.1.5.1 INFORMATION ON COMPONENTS OF COMPENSATION AWARDED TO CORPORATE OFFICERS (EIGHTH RESOLUTION)

Pursuant to the provisions of article L. 225-100 II of the French Commercial Code, shareholders are asked to approve the information set forth in article L. 225-37-3 I. of said Code

(new report on compensation) included in the Corporate Governance Report, as set out in [chapter 4, section 4.3](#).

8.1.5.2 COMPONENTS OF COMPENSATION PAID OR AWARDED TO CONRAD KEIJZER FOR THE YEAR ENDED DECEMBER 31, 2019 (NINTH RESOLUTION)

Conrad Keijzer held the following positions:

- Deputy Chief Executive Officer (from March 8, 2018 to May 4, 2018);
- Chief Executive Officer and director (from May 4, 2018 to October 21, 2019).

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 4, 2020

PRESENTATION OF THE RESOLUTIONS BY THE BOARD OF DIRECTORS

Components of compensation subject to approval	Amount paid in the year ended December 31, 2019	Amount granted in the year ended December 31, 2019 or equivalent accounting value	Details
Fixed compensation	€643,478.29 <i>(Cf. fixed compensation for 2019, prorata temporis)</i>	€643,478.29 <i>(Cf. fixed compensation for 2019, prorata temporis)</i>	The amount of annual gross fixed compensation agreed by the Board of Directors (at its meeting of February 13, 2019) for 2019 totaled €800,000. √ For further details, see chapter 4, paragraph 4.3.3.2.
Annual variable compensation	€500,347 <i>(Cf. variable compensation for 2018)</i>	€188,796 <i>(Cf. variable compensation for 2019)</i>	<p><u>Annual variable compensation for 2018</u> The annual variable compensation granted by the Board of Directors (at its meeting of March 8, 2018) for 2018, the amount of which was set by the Board of Directors (at its meeting of February 13, 2019) and paid in 2019 as approved by the Shareholders' General Meeting of May 10, 2019 (seventh resolution).</p> <p><u>Annual variable compensation for 2019</u> At its meeting of February 12, 2020 and based on the recommendations of the Compensation Committee, the Board of Directors considered the extent to which Conrad Keijzer had achieved the quantitative and qualitative targets set for 2019 in order to determine the amount of variable compensation payable for the year. The quantitative criteria for 2019 were tied to targets for the Group's net income from current operations, free operating cash flow and return on capital employed, accounting for 50%, 30% and 20%, respectively. The qualitative criteria are based on achieving objectives linked to the Group's organic and external growth the success of the Group's transformation plan, the leadership of the senior management team, product stewardship and customer satisfaction. After assessing the extent to which the quantitative criteria have been met, the resulting amount of annual variable compensation is calculated based on the reference compensation equal to 110% of annual fixed compensation, multiplied by a factor of between 0.8 and 1.2 depending on the fulfillment of the qualitative criteria. The overall percentage achievement for these criteria may be increased or decreased by 3% depending on whether or not the workplace health & safety objective (applicable to all senior executives in the Group) was met. The maximum total variable compensation that may be granted was capped at 165% of annual fixed compensation. Consequently, the variable compensation payable to Conrad Keijzer for 2019 amounts to €188,796, representing 29.34% of his fixed compensation paid in 2019. This figure reflects the achievement of 36.75% of the quantitative targets, a minimum individual performance component (i.e. 0.8, factor between 0.8 and 1.2) and the application of a 3% reduction given the specific workplace health & safety objective was not achieved. This sum will be paid to Conrad Keijzer, subject to the approval of the ninth resolution submitted to the Shareholders' General Meeting of May 4, 2020. √ For further details, see chapter 4, paragraph 4.3.3.2.</p>
Multi-annual variable compensation	N/A	N/A	No decision regarding multi-annual variable compensation in 2019.
Impatriation bonus	€379,030	€249,682	Conrad Keijzer received an annual impatriation bonus equal to 30% of the fixed and variable compensation paid to him each year. Conrad Keijzer was awarded €379,030 in 2019, the difference of €129,348 between the amount paid and the amount due will be added to the annual variable compensation. √ For further details, see chapter 4, paragraph 4.3.3.2.
Exceptional compensation	N/A	N/A	No decision regarding exceptional compensation in 2019.

Components of compensation subject to approval	Amount paid in the year ended December 31, 2019	Amount granted in the year ended December 31, 2019 or equivalent accounting value	Details
Stock options, performance shares and any other long-term benefit	N/A	N/A	<p><u>Performance shares</u></p> <p>At its meeting held on May 10, 2019 and based on the recommendations of the Compensation Committee, the Board of Directors decided to grant Conrad Keijzer 65,000 performance shares. This grant was made pursuant to the authorization granted by the Ordinary and Extraordinary Shareholders' General Meeting of May 4, 2018 (fourteenth resolution).</p> <p>The shares were subject to the same financial performance conditions as those applicable to the 2018 General Performance Share Plan offered to the Group's executive managers. The objectives were equally weighted between the increase in net income from current operations per share and the Group's return on capital employed over the period 2019-2021.</p> <p>Given Conrad Keijzer is no longer with the Group, all the performance shares awarded to him (95,000 shares) have been canceled. Consequently, the value of shares recognized in the 2019 consolidated statements was nil.</p> <p>No other benefit/long-term compensation was granted in 2019.</p> <p>√ For further details, see chapter 7, paragraph 7.3.5.4.</p>
Severance package	N/A	€2,239,982	<p><u>Termination benefit:</u></p> <p>Conrad Keijzer was owed a severance package when he had to step down from his duties following a change of control or strategy or a major disagreement over such issues. No compensation would have been due had Conrad Keijzer voluntarily stepped down and was soon able to claim retirement benefits or had he been dismissed for gross or serious misconduct. If the term of his office exceeded two years, the maximum amount of the severance package was calculated on the basis of two years' compensation (fixed and variable). Its payment was subject and proportionate to meeting a performance condition appraised on the mean of the percentage to which he achieved the quantitative targets over the last three financial years, as set to determine variable compensation for each year. The condition was as follows:</p> <ul style="list-style-type: none"> ■ If the average achievement percentage (calculated over the last three years) for such objectives were less than 40%, no severance pay would be due. ■ If the percentage exceeded 80%, the maximum amount of severance pay would be due. <p>At its meeting held on February 12, 2020 and based on the recommendations of the Compensation Committee, the Board of Directors set the severance pay due to Conrad Keijzer, whose duties were terminated on October 21, 2019, at €2,239,982.</p> <p>√ For further details, see chapter 4, paragraph 4.3.2.</p> <p><u>Non-compete indemnity:</u></p> <p>A two-year non-compete period was agreed, starting on the date at which Conrad Keijzer's duties as Chief Executive Officer were terminated, with no compensation other than the aforementioned severance package. The Board of Directors reserved the right to decide whether or not to enforce this clause.</p> <p>At its meeting held on February 12, 2020 and based on the recommendations of the Compensation Committee, the Board of Directors decided to apply the non-compete clause.</p>

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 4, 2020

PRESENTATION OF THE RESOLUTIONS BY THE BOARD OF DIRECTORS

Components of compensation subject to approval	Amount paid in the year ended December 31, 2019	Amount granted in the year ended December 31, 2019 or equivalent accounting value	Details
Complementary pension plan	N/A	N/A	Conrad Keijzer benefited from a complementary defined contribution pension plan, which the Company put in place on October 1, 2009 to contribute 8% of the compensation of eligible employees, capped at eight times the annual French social security. Contributions from the beneficiary are set at 3% and employer contributions at 5%. √ For further details, see chapter 4, paragraph 4.3.3.
Directors' compensation	N/A	N/A	Conrad Keijzer did not receive any compensation for his duties as a director.
Benefits in kind	€135,076	€135,076	Benefits in kind include official accommodation, a company car with driver and the contributions to an unemployment insurance scheme for corporate officers.

8.1.5.3 COMPONENTS OF COMPENSATION PAID OR AWARDED TO GILLES MICHEL FOR THE YEAR ENDED DECEMBER 31, 2019 (TENTH RESOLUTION)

Gilles Michel held the following positions:

- Chairman & Chief Executive Officer until May 4, 2018;
- Chairman of the Board from May 4, 2018 to June 25, 2019.

Components of compensation subject to approval	Amount paid in the year ended December 31, 2019	Amount granted in the year ended December 31, 2019 or equivalent accounting value	Details
Fixed compensation	N/A	N/A	N/A
Annual variable compensation	€246,635 <i>(Cf. variable compensation for 2018)</i>	N/A	The annual variable compensation granted by the Board of Directors (at its meeting of February 14, 2018) for 2018, the amount of which was set by the Board of Directors (at its meeting of February 13, 2019) and paid in 2019 as approved by the Shareholders' General Meeting of May 10, 2019 (eighth resolution).
Multi-annual variable compensation	N/A	N/A	N/A
Impatriation bonus	N/A	N/A	N/A
Exceptional compensation	€150,000 <i>(Cf. exceptional compensation for 2018)</i>	N/A	Exceptional compensation for 2018 covered the specific mission of Gilles Michel to support Conrad Keijzer, as decided by the Board of Directors (at its meeting held on May 4, 2018) and approved as a related party agreement (<i>convention réglementée</i>) by the Shareholders' General Meeting of May 10, 2019 (fifth resolution). The amount was set by the Board of Directors (at its meeting held on February 13, 2019) and paid in 2019.
Stock options, performance shares and any other long-term benefit	N/A	N/A	No shares or other long-term benefit were granted to Gilles Michel in 2019. √ For further details, see chapter 7, paragraph 7.3.5.4.
Severance package	N/A	N/A	N/A
Complementary pension plan	€8,923,692.19 <i>(gross amount before contributions)</i>	N/A	Payment of all rights due to Gilles Michel under the defined benefit pension plan – see paragraph 8.1.3 above.
Directors' compensation	€143,611 <i>(including €72,500 in respect of 2018)</i>	€71,111	In line with the allocation bands set by the Board and its committees in force at the date and as per the attendance of Gilles Michel at meetings of the Board and the Strategic Committee of which he was a member. √ For further details, see chapter 4, paragraph 4.3.2.
Benefits in kind	N/A	N/A	N/A

8.1.5.4 COMPONENTS OF COMPENSATION PAID OR AWARDED TO PATRICK KRON FOR THE YEAR ENDED DECEMBER 31, 2019 (ELEVENTH RESOLUTION)

Patrick Kron held the following positions:

- Chairman of the Board of Directors (from June 25, 2019);
- Interim Chief Executive Officer (from October 21, 2019). His duties in this role were terminated on February 16, 2020, the date at which Alessandro Dazza took up the office of Chief Executive Officer.

Components of compensation subject to approval	Amount paid in the year ended December 31, 2019	Amount granted in the year ended December 31, 2019 or equivalent accounting value	Details
Fixed compensation	€125,000	€125,000	Annual gross fixed compensation (€125,000 for 2019 and €250,000 going forward) approved by the Board of Directors (at its meeting held on June 25, 2019) for the office of Chairman of the Board. Patrick Kron did not receive any additional compensation for his duties as Interim Chief Executive Officer. √ For further details, see chapter 4, paragraphs 4.3.2 and 4.3.3.
Annual variable compensation	N/A	N/A	N/A
Multi-annual variable compensation	N/A	N/A	N/A
Impatriation bonus	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A
Stock options, performance shares and any other long-term benefit	N/A	N/A	N/A
Severance package	N/A	N/A	N/A
Complementary pension plan	N/A	N/A	N/A
Directors' compensation	N/A	N/A	See details under "fixed compensation" above.
Benefits in kind	N/A	N/A	N/A

8.1.6 COMPOSITION OF THE BOARD OF DIRECTORS

(Six resolutions put to the Ordinary Shareholders' General Meeting)

The terms of office of Aldo Cardoso, Paul Desmarais III, Marion Guillou, Colin Hall and Martina Merz are due to expire at the close of the present Shareholders' General Meeting. Furthermore, Odile Desforges has confirmed her decision to step down from her duties on the Board of Directors at the close of the present Shareholders' General Meeting.

At its meeting held on February 12, 2020 and having considered the opinion given by the Appointments Committee, the Board of Directors:

- took note of the decision made by Martina Merz and Marion Guillou not to seek the renewal of their term of office, and Odile Desforges to step down from her duties at the close of the present Shareholders' General Meeting;
- decided to submit for approval at the Shareholders' General Meeting on May 4, 2020:
 - the renewal for a term of three years, *i.e.* until the Shareholders' General Meeting held in 2023 to approve the financial statements for the year ending December 31, 2022, the directorships of Aldo Cardoso, Paul Desmarais III and Colin Hall (**thirteenth to fifteenth resolutions**),
 - the appointment of Annette Messemer and Véronique Saubot as new directors (**sixteenth and seventeenth resolutions**) for a term of three years, *i.e.* until the Shareholders' General Meeting held in 2023 to approve the financial statements for the year ending December 31, 2022,

- the ratification of Patrick Kron as a director, after he was appointed by the Board of Directors on June 25, 2019 for the remainder of the term of office of his predecessor, Gilles Michel, *i.e.* until the Shareholders' General Meeting held in 2021 to approve the financial statements for the year ending December 31, 2020 (**twelfth resolution**).

Details of the careers of the directors put forward for re-appointment or ratification are published in [chapter 4, paragraph 4.1.2](#).

Furthermore, in accordance with article R. 225-83, 5° of the French Commercial Code, the details of the careers of Annette Messemer and Véronique Saubot who have been put forward for appointment are also published in [chapter 4, paragraph 4.1.2](#).

In accordance with the principles applied by the Company to determine the independent status of its directors, and after assessing their individual situations, based on the recommendations of the Appointments Committee, the Board of Directors recognized the independent status of Patrick Kron, Aldo Cardoso, Marie-Françoise Walbaum, Annette Messemer and Véronique Saubot, but not Paul Desmarais III and Colin Hall (for further details, [see chapter 4, paragraph 4.1.1](#)).

At the close of the Shareholders' General Meeting of May 4, 2020 and subject to approval of the above proposals, the Board of Directors will be made up of the following 12 people:

Expiration of term of office	Name	Independent
2020	Éliane Augelet-Petit, employee representative director	N/A
	Éric d'Ortona, employee representative director	N/A
2021	Patrick Kron	Yes
	Ulysses Kyriacopoulos	No
	Marie-Françoise Walbaum	Yes
2022	Ian Gallienne	No
	Lucile Ribot	Yes
2023	Aldo Cardoso	Yes
	Paul Desmarais III	No
	Colin Hall	No
	Annette Messemer	Yes
	Véronique Saubot	Yes

Laurent Raets is also a non-voting observer on the Board.

8.1.7 SHARE BUY-BACK PROGRAM

(One resolution put to the Ordinary Shareholders' General Meeting)

Share buy-back program

The authorization to buy back the Company's shares, granted to the Board of Directors for an 18-month period by the Ordinary and Extraordinary Shareholders' General Meeting of May 10, 2019 will expire on November 9, 2020. Shareholders are therefore asked to renew the authorization in accordance with the provisions of articles L. 225-209 *et seq.* of the French Commercial Code, articles 241-1 to 241-7 of the AMF's General Regulations and Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (**eighteenth resolution**).

✓ For further details about the way in which the Company implemented its share buy-back programs in 2019, *see chapter 7, paragraph 7.3.4.*

This authorization enables the Board of Directors to purchase a maximum of 10% of Company shares outstanding at January 1, 2020 (*i.e.* 7,950,045 shares) mainly for the purpose of:

- canceling the shares at a later date to reduce the Company's share capital, in accordance with the authorization granted to the Board of Directors by the twenty-second resolution of the Shareholders' Meeting held on May 10, 2019;
- covering stock option plans and/or free share grants, as well as any shares granted under employee share ownership plans set up by the Company (or assimilated plans), or with respect to profit-sharing programs for current employees, former employees and/or corporate officers of the Company and/or any related companies as defined by articles L. 225-180, L. 225-197-2 and L. 233-16 of the French Commercial Code, within the current legal framework or ad hoc plans set up by the Company;

- granting or exchanging shares purchased, in particular, on exercise of rights or issue of shares or securities redeemable, convertible, exchangeable or otherwise exercisable for shares of the Company;
- maintaining the liquidity of the market through an investment services firm acting in the name and on behalf of the Company, under a liquidity agreement in accordance with a code of conduct recognized by the AMF; and
- more generally, operating for any other purpose that is or may come to be authorized by law, and/or implementing any market practice that may come to be authorized by the AMF.

The number of shares that may be held, directly or indirectly at any time, may not exceed 10% of the Company's share capital. Finally, the purchase price may not exceed €85 per share, representing a maximum total investment of €675.6 million.

Shares may be purchased by any means, including block transfers and with the use of derivatives, at any time except during a public offer for the Company's shares.

Details of this new program, drawn up in accordance with the provisions of articles 241-1 to 241-7 of AMF's General Regulations, will be available on the Company's website (www.imerys.com – Finance – Publications & Regulated Information) prior to the Shareholders' General Meeting of May 4, 2020. A copy of this information can also be obtained on request from the Company's headquarters.

8.1.8 FINANCIAL AUTHORIZATIONS

(Three resolutions put to the Extraordinary Shareholders' General Meeting)

The Board of Directors has been granted a number of financial authorizations, renewed most recently at the Ordinary and Extraordinary Shareholders' Meeting held on May 10, 2019, which enable it to increase the Company's capital by issuing shares, debt securities or securities carrying rights to shares of the Company, either immediately or at a later date, with or without preferential subscription rights, or by capitalizing retained earnings, profits, additional paid-in capital or any other means (the table summarizing the delegations and financial authorizations currently in force is published in *chapter 7, paragraph 7.3.3*).

As in previous years, these financial authorizations are designed to give the Board of Directors the greatest scope and flexibility to decide the most effective and appropriate way of issuing shares to drive growth for the Company and the Group that are also the best suited to market conditions and the economic context at that time.

In light of recent regulatory changes regarding certain financial delegations of authority already in place, shareholders are asked to renew these authorizations for the sole purpose of reflecting said regulatory changes. The new delegations and authorizations will expire on July 9, 2021 to align them with the other financial authorizations and delegations of authority. They will supersede those previously granted by the Ordinary and Extraordinary Shareholders' Meeting held on May 10, 2019, which will then cease to be valid.

Furthermore, the Board of Directors cannot exercise these delegations and authorizations during a public offer for the Company's shares without prior approval from the Shareholders' General Meeting.

Issue of shares or securities carrying rights to shares without preferential subscription rights

The **nineteenth resolution** proposes to renew the delegation of authority granted to the Board of Directors to issue ordinary shares or any other securities without preferential subscription rights open to the public, excluding the offers referred to in article L. 411-2 1° of the French Monetary and Financial Code and provided for in the twentieth resolution. The possibility to carry out such issues enables the Company to attract a wider pool of investors both in France and overseas as well as reduce the time it takes to implement share issues, making them easier to carry out. The Board of Directors may grant shareholders a priority subscription period, set up in accordance with the legal requirements in force.

The Board of Directors proposes to maintain the ceiling for capital increases of this kind at €15 million (representing approximately 9.4% of the Company's share capital at December 31, 2019). The amount would constitute a sub-ceiling in which all issues without preferential subscription rights would be included.

The total par value of debt securities that may be issued under the present delegation may not exceed €1 billion. The amount is included in the overall ceiling for issues of debt securities set in the **twenty-third resolution**.

The subscription price for shares that may be issued under this delegation is set by the Board of Directors in accordance with the provisions of articles L. 225-136 1° and R. 225-119 of the French Commercial Code. The price must be equal to at least the weighted average of the Imerys share price from the last three trading days preceding the issue date, which may be discounted by a maximum of 10%.

The **nineteenth resolution** proposes that ordinary shares or securities carrying rights to shares may be issued in consideration for securities tendered to the Company as part of a public share exchange offer that meets the conditions stipulated by article L. 225-148 of the French Commercial Code.

Share capital increases granted to qualified institutional buyers or a limited number of investors

Shareholders are asked to approve in the **twentieth resolution** the renewal of the delegation granted to the Board of Directors to carry out share capital increases by issuing shares or securities carrying rights to shares of the Company to qualified institutional buyers or a limited number of investors. These capital increases would entail a waiver of shareholders' preferential subscription rights in favor of qualified institutional buyers or a limited number of investors as defined by article L. 411-2 1° of the French Monetary and Financial Code (*Code monétaire et financier*), offering the Company greater flexibility and faster access to the market. The Board of Directors proposes to set the overall ceiling for capital increases that may be carried out under the present delegation at 10% of the Company's share capital at the date of issue. This amount is included in the total ceiling of €15 million for any capital increases carried out without preferential subscription rights. The subscription price for shares that may be issued under the present delegation is set in accordance with the provisions of article R. 225-119 of the French Commercial Code. The price must be equal to at least the weighted average Imerys share price from the last three trading days preceding the issue date, which may be discounted by a maximum of 10%. The present delegation would make it possible to offer financial partners in particular the option of buying shares in the Company by reducing implementation time, and therefore offering faster access to the market.

Issue ceilings

The overall ceiling applicable to increases of the Company's share capital that may result from using the delegations and authorizations granted by the nineteenth and twentieth resolutions is set at €75 million, representing approximately 47% of capital at December 31, 2019 (**twenty-first resolution**). Furthermore, shareholders are reminded that the capital increases carried out without preferential subscription rights under the nineteenth and twentieth resolutions are included in a separate ceiling set in the nineteenth resolution of €15 million, representing approximately 9.4% of capital at December 31, 2019. Where necessary, the ceilings are increased by the par value of shares to be issued due to adjustments required to maintain the rights of bearers of securities or other shares carrying rights to shares that may exist at the date at which the issue in question is carried out.

The maximum par value of debt securities that may be issued under authorizations to issue securities carrying rights, immediately or at a later date, to a proportion of share capital granted by the **nineteenth and twentieth resolutions** remains at €1 billion.

8.1.9 SPECIFIC AUTHORIZATIONS GRANTED TO EMPLOYEES AND/OR CORPORATE OFFICERS OF THE GROUP

(Two resolutions put to the Extraordinary Shareholders' General Meeting)

Shareholders are asked to renew the authorizations previously granted to the Board of Directors by the Ordinary and Extraordinary Shareholders' Meeting of May 3, 2017 and May 4, 2018 to issue stock options (**twenty-second resolution**) and free share grants (**twenty-third resolution**) to employees and/or corporate officers of the Group in order to retain and closely tie them to its development (the policy and detail of stock option and free share grants agreed by the Board of Directors under existing authorizations is published in [chapter 7, paragraph 7.3.5.4](#)).

The terms and conditions attached to these new authorizations, which are similar to those existing, are as follows:

- in the event of a stock option grant, the subscription price would be equal to the average opening price for the Imerys share from the twenty trading days preceding the issue date, which therefore precludes the Board from applying a discount;
- in the event of a stock purchase plan, the purchase price would be equal to average price at which the Company purchased its treasury shares under articles L. 225-208 and L. 225-209 of the French Commercial Code, which therefore precludes the Board from applying a discount;
- stock option grants, stock purchase plans and free share grants may be subject to fulfilling one or several performance criteria set by the Board of Directors at the issue date. Performance criteria will always apply for any grants awarded to the Group's executive corporate officers;
- the total number of shares to which stock options or purchase plans carry rights, as well as the total number of performance shares awarded to executive corporate officers under these authorizations may not exceed 0.5% of the share capital at the date at which the Board of Directors issue the plans.

Furthermore, in the event of a free share grant, the minimum vesting and lock-up periods will be set in accordance with the regulations in force at the issue date.

The total number of shares awarded through stock options, purchase plans or free share grants may not exceed the overall ceiling of 3% of the Company's share capital. At its meeting of April 25, 2013 and based on the recommendations made by

the Appointments and Compensation committees, the Board of Directors reviewed its policy and decided to award free shares subject to the fulfillment of quantitative objectives within a given timeframe (called "performance shares"), with the exception of any stock options with which they had previously been combined.

Shareholders are asked to grant the Board of Directors the authorization to award stock options and free shares of the Company for a period of 38 months from the date of the present Shareholders' General Meeting (**twenty-second resolution**).

Shareholders are also asked to grant the Board of Directors the authorization to award performance shares to employees and/or executive corporate officers of the Group (**twenty-third resolution**). This authorization will supersede the previous one approved by the Ordinary and Extraordinary Shareholders' General Meeting of May 4, 2018. The terms and conditions attached to this new authorization, which is identical to the existing one, are as follows:

- free share grants may be subject to fulfilling one or several performance criteria set by the Board of Directors at the issue date. Performance criteria will always apply for any grants awarded to the Group's executive corporate officers;
- the total number of performance shares awarded to executive corporate officers under this authorization may not exceed 0.5% of the share capital at the date at which the Board of Directors issue the grant;
- shares that currently exist or will be issued under this authorization cannot represent more than 3% of the Company's share capital at the date the Board decides to award the shares;
- the aforementioned ceilings of 0.5% and 3% both come within those set for stock option and free share grants;
- the minimum vesting period would be set at (i) one year, following which the shares remain subject to a further lock-up period of one year, or (ii) two years, following which no lock-up period would apply. The Board of Directors has the choice between these two options and may use them alternatively or concurrently. The Board also has the possibility of extending the vesting and/or lock-up periods in scenario (i) or extend the vesting period and/or introduce a lock-up period in scenario (ii).

8.1.10 CAPITAL INCREASES RESERVED FOR MEMBERS OF A COMPANY OR GROUP SAVINGS PLAN

(One resolution put to the Extraordinary Shareholders' General Meeting)

As the present Shareholders' General Meeting has been asked to approve the renewal of a number of delegations and financial authorizations granted to the Board of Directors that may lead to increases on one or several occasions in the Company's capital, shareholders are asked under the **twenty-fourth resolution** to renew the delegation of authority previously granted by the

Shareholders General Meeting dated May 10th, 2019 to the Board of Directors for a period expiring on July 9, 2021 to carry out capital increases reserved for employees and/or corporate officers who are members of a Company or Group savings plan. Subject to shareholders' approval, the present delegation will supersede the previous one, which would cease to be valid.

8.1.11 AMENDMENTS TO THE COMPANY'S BY-LAWS

(One resolution put to the Extraordinary Shareholders' General Meeting)

The **twenty-fifth resolution** seeks to amend, supplement or remove certain provisions in the Company's by-laws regarding the composition, powers or workings of the Board of Directors, related party agreements (*conventions réglementées*) or the organization of Shareholders' Meetings, primarily in order to reflect changes to laws and regulations in force and to improve legibility.

Shareholders are therefore asked to approve the new language of articles 4, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23 and 29 presented hereinafter, and more generally, the by-laws as a whole. Amendments appear in bold.

Article 4 – Registered office

The language currently used in article 4 reflects the legal rule in force before the introduction of France's Sapin II Act (No. 2016-1691 of December 9, 2016), which limited the competence of the Board of Directors to transfer the Company's registered office to within the same or neighboring *département*. The provisions of article L. 225-36 of the French Commercial Code introduced by the Sapin II Act stipulate the Board of Directors may now transfer the registered office to anywhere within France, subject to the decision being ratified at the next Ordinary General Meeting of the Shareholders. In order to be able to apply these new provisions, the following amendments will be made to paragraph 2 of article 4:

*"It may be transferred to any other place in **France** by decision of the Board of Directors, subject to ratification by the next Ordinary General Meeting of the Shareholders, and anywhere else pursuant to a decision by an Extraordinary General Meeting of the Shareholders."*

All other paragraphs in article 4 remain unchanged.

Article 12 – Composition of the Board of Directors

The language of article 12 as it currently stands stipulates that the Board of Directors must include an employee representative director when the number of directors appointed by the Shareholders' General Meeting is below or equal to 12 and that it must include two employee representative directors when the number of

directors appointed by the Shareholders' General Meeting exceeds 12. Furthermore, the article stipulates that the first employee representative director will be appointed by the European Works Council and the second by the France Group Committee.

In order to comply with the provisions of article L. 225-27-1 of the French Commercial Code, as amended by the French law No. 2019-486 of May 22, 2019, the following amendments will be made to paragraphs 2 and 4 of article 12 of the Company's by-laws:

*"In accordance with legal provisions, the Board of Directors shall also comprise one (1) Director representing employees who is designated by the **France Group Committee**. When the number of Directors appointed by the Shareholders' General Meeting is higher than **eight (8)**, a second Director representing employees shall be designated by the **European Works Council**.*

(...)

*In the event that the number of Directors appointed by the Shareholders' General Meeting falls to **eight (8) or fewer**, the second Director representing employees shall remain in office until his/her term expires."*

All other paragraphs in article 12 remain unchanged.

Article 14 – Organization of the Board of Directors

The official Order 2017-1162 of July 12, 2017 introduced an obligation for the Board of Directors of French Public Limited Companies to prepare a corporate governance report. This report replaces the report prepared by the Chairman of the Board that was previously only required for listed companies.

In order to reflect the regulations in force, the third and fourth sentences of paragraph 3 of article 14 of the Company's by-laws, which are now obsolete given the Chairman's report is no longer required, will be removed.

All other paragraphs in article 14 remain unchanged.

Article 15 – Workings of the Board of Directors

In order to simplify the workings of the Board of Directors, the following amendments will be made to article 15 of the Company's by-laws in order to authorize the Board, after taking into account opinions submitted in writing, to take decisions for which such advice is permitted in application of the new provisions of article L. 225-37 paragraph 3 of the French Commercial Code introduced by the French law No. 2019-744 of July 19, 2019.

Consequently, article 15 will be supplemented with a new paragraph that reads as follows:

"The decisions that fall within the responsibility of the Board of Directors, as stipulated by article L. 225-24 of the French Commercial Code (provisional appointment of directors), the last paragraph of article L. 225-35 of the French Commercial Code (authorization of endorsements, sureties and guarantees given by the Company), the second paragraph of article L. 225-36 of the French Commercial Code (necessary amendments to the Company's by-laws to ensure compliance with legal and regulatory provisions) and the first paragraph of article L. 225-103 of the French Commercial Code (notice of meeting sent to shareholders prior to the General Meeting), as well as the decision to relocate the registered office within the same département, can also be taken by the Chairman, Secretary of the Board or one of the Vice-Chairmen of the Board of Directors, after taking into account the opinions submitted by directors in writing. The terms of gathering the written opinions of directors are set out in the Internal Charter of the Board of Directors."

Article 16 – Powers of the Board of Directors

In accordance with legal provisions, the following amendments will be made to the first paragraph:

*"The Board of Directors lays down the orientations of the Company's business and ensures that they are implemented **in accordance with its corporate interest and taking into account the social and environmental impact of its business.**"*

In order to comply with legal provisions regarding oversight of executive pay, in particular with respect to say on pay, the following amendments will be made to the sixth paragraph:

*"The Board determines, **in accordance with the law**, the compensation and allowances, whether fixed, proportional or both, of the Chairman of the Board of Directors and of any person temporarily delegated to the duties of the Chairman, Chief Executive Officer, or of any Delegate Chief Executive Officers, of any other officers or persons with an assignment or who are part of the Committees provided for in the previous paragraph, all of which shall be charged to general expenses, subject to compliance with legal provisions."*

All other paragraphs in article 16 remain unchanged.

Article 17 – Compensation of members of the Board of Directors

In order to ensure the change in terminology used to refer to executive pay (previously known as attendance fees) is reflected in the Company's by-laws and complies with the legal provisions regarding the oversight of executive pay, in particular with respect to say on pay, the following amendments will be made to article 17:

*"The Directors shall receive as remuneration for their activity a fixed and/or proportional sum as **executive pay**, the maximum **annual amount of which shall be determined by the General Meeting of the Shareholders and shall be maintained until a decision to the contrary is made.**"*

The Board shall distribute the amount among its members in accordance with the law.

In particular, the Board may allocate a greater share to the Directors that are members of the Committees.

*It may also allocate exceptional remunerations, **in accordance with the law**, for any assignments or offices given to Directors. Such remunerations shall be subject to the legal provisions relating to agreements subject to the prior authorization of the Board of Directors."*

Article 18 – Chief Executive Officer/Delegate Chief Executive Officer(s)

In order to comply with legal provisions regarding the appointment of Delegate Chief Executive Officer(s) and the oversight of executive pay, in particular with respect to say on pay, the following amendments will be made to:

- the sixth paragraph:

*"**In accordance with the law**, on the proposal of the Chief Executive Officer, the Board of Directors may appoint one or more natural persons to assist the Chief Executive Officer, with the title of Delegate Chief Executive Officer. The maximum number of Delegate Chief Executive Officers is set at five (5)."*

- the tenth paragraph:

*"The Board of Directors shall determine the remuneration of the Chief Executive Officer and of the Delegate Chief Executive Officers **in accordance with the law**. Such remuneration may be fixed and/or proportional."*

All other paragraphs in article 18 remain unchanged.

Article 19 – Related party and prohibited agreements

In order to reflect in the Company's by-laws the legal provisions in force regarding related party agreements (*conventions réglementées*), the following amendments will be made to article 19:

“Any agreement, whether direct or via an intermediary, between the Company and its Chief Executive Officer, any of its Delegate Chief Executive Officers, any of its Directors, any of its shareholders with a share of voting rights greater than the threshold provided by the regulations in force or, in the case of a shareholding company, the company controlling it in the sense of article L. 233-3 of the French Code of Commerce, shall be subject to the prior authorization of the Board of Directors.

The same applies to agreements in which any of the above-mentioned persons is involved.

Agreements between the Company and another company are also subject to the prior authorization of the Board of Directors, if the Chief Executive Officer, one of the Delegate Chief Executive Officers or one of the Directors of the Company is an owner, partner with unlimited liability, manager, director or member of the Supervisory Board or, in general, runs such company.

*The person in question shall inform the Board as soon as he or she becomes aware of an agreement that requires authorization. He or she may not take part in **either deliberations or the** vote on the requested authorization.*

Prior authorization of the Board of Directors is justified on the basis of the interest of the agreement for the Company, namely by specifying the related financial conditions.

In accordance with applicable regulations, the Company will publish information regarding the agreements subject to prior authorization by the Board of Directors on its website no later than the conclusion of the agreement.

The Chairman of the Board of Directors shall notify the Statutory Auditors of all agreements authorized and concluded and shall submit such agreements to the approval of the General Meeting of the Shareholders.

Statutory Auditors shall present a special report on such agreements to the General Meeting of the Shareholders, which will vote on the report.

The person directly or indirectly concerned by the agreement cannot take part in the vote. His or her shares are not taken into account in the calculation of the majority.

The agreements concluded and authorized in previous financial years that remain effective in the last financial year will be examined every year by the Board of Directors and communicated to the Statutory Auditors in order to establish their report.

Under penalty of making the contract null and void, the Directors other than legal entities are prohibited from taking out borrowings in any form whatsoever with the Company, having the Company grant them an overdraft, a current or other account, or having the Company guarantee or stand surety with third parties for their commitments.

The same prohibition applies to the Chief Executive Officer, to the Delegate Chief Executive Officers and to the permanent representative of the legal entity Directors. It also applies to the spouses, ancestors and descendants of the above-mentioned persons, and to any intermediary.”

Article 20 – Statutory Auditors

In order to reflect in the provisions of article L. 823-17 of the French Code of Commerce, the following correction will be made to the language of the final paragraph of article 20 of the Company by-laws with respect to convening Statutory Auditors to the meetings of the Board of Directors:

*“The Statutory Auditors shall be convened to those meetings of the Board of Directors which **review or** vote on the **annual or interim** financial statements, and to all General Meetings of the Shareholders.”*

All other paragraphs in article 20 remain unchanged.

Article 21 – Effect of decisions – calling of meetings – attendance

In order to reflect that the works council was replaced by the social and economic council, the following amendments will be made to paragraph 4 of the section “Calling of meetings”:

“General Meetings shall be called by the Board of Directors and shall be held at the registered office or any other place indicated in the notice of meeting. Failing that, they may also be called:

- *by the Statutory Auditors under the conditions set forth by the applicable regulations;*
- *by a representative appointed by the courts following an application by any interested party or the **social and economic council** if the matter is urgent, or by one or more shareholders representing the percentage of capital required by the applicable regulations, or by any group of shareholders which complies with the conditions provided by law.”*

All other paragraphs in article 21 remain unchanged.

Article 22 – Organization of General Meetings

In order to reflect the legal provisions applicable to the double voting right, the following amendments will be made to paragraph 5:

*“The double voting right shall automatically cease for any share that is registered as a bearer share or transferred and shall only be regained when the new owner has registered said share in a registered account in his, her or its own name for at least two (2) years. Nevertheless, such period shall not be interrupted and any rights acquired shall be retained when a registered share is transferred and retains the registered form following an intestate or testate succession, a division of the marital community of property, or an inter vivos donation in favor of a spouse or a relative entitled to inherit. **The same applies in the event of a transfer following a merger or a split of a shareholder company.**”*

All other paragraphs in article 22 remain unchanged.

Article 23 – Powers

For the sake of consistency with the amendments proposed above for articles 14 and 17, the following amendments will be made to article 23:

*“The Annual Ordinary General Meeting of the Shareholders shall take note of the corporate and consolidated financial statements, the management report for the Company and the Group, **the corporate governance report prepared by the Board of Directors**, the general and special reports by the Statutory Auditors on the corporate financial statements, and their report on the consolidated financial statements.*

The General Meeting shall discuss, approve, correct or reject the corporate financial statements and fix the dividend to be distributed and the profits or losses to be carried forward.

It shall decide whether to create any reserve funds.

It shall fix the amounts to be withdrawn from them and rule on the distribution thereof.

*It shall determine the amount of **total maximum annual amount of executive pay to be distributed among the members of the Board.***

It shall appoint, replace, re-elect or remove from office the members of the Board of Directors and shall ratify their provisional appointments by the Board of Directors.

It shall deliberate on any issues which do not fall within the exclusive scope of the Extraordinary General Meeting of the Shareholders.”

Article 29 – Financial documents

For the sake of consistency with the amendments proposed above for articles 14 and 23, the following amendments will be made to paragraph 1 of article 29:

*“At the close of each financial year, the Board of Directors shall draw up the corporate accounts, the management report **and the corporate governance report**. It shall also examine the consolidated financial statements and the Group management report, in accordance with the law.”*

All other paragraphs in article 29 remain unchanged.

All other provisions included in the Company's by-laws, in particular with respect to the Company name, purpose, registered office and share capital, remain unchanged.

8.1.12 POWERS

(One resolution put to the Ordinary Shareholders' General Meeting)

As in previous years, the **twenty-fifth resolution** grants all necessary powers to carry out legal formalities arising from the Shareholders' General Meeting.