



COMPENSATION POLICY FOR COMPANY OFFICERS

Determination, review and implementation of the compensation policy

The compensation policy for all Company officers is set by the Board of Directors in accordance with the recommendations of the Compensation Committee, and is reviewed annually to, in particular, consider changes in legislative and regulatory provisions, market practices, the Middenext Code and shareholder votes.

The compensation policy for 2023 was approved by the Board of Directors at its meeting of February 10, 2023 based on recommendations by the Compensation Committee, which met on February 3, 2023, and in accordance with the provisions of article L. 20-10-08 of the French Commercial Code.

The Board of Directors makes sure that the compensation policy in place complies with the corporate interests of the Company, that it is adapted to the strategy of the Company and the context in which it operates, and it takes account of the ecological transition (reduction in carbon intensity and biodiversity, in particular) and shows solidarity (occupational health and safety, inclusion and sharing of profits, in particular). In the context of these issues, it makes sure that it helps to promote its performance (economic, industrial, commercial and CSR/ESG), its viability and its competitiveness in the short, medium and long terms.

The Company's compensation policy aims to:

- support its short, medium and long-term strategy and ensure that short-term results contribute to the attainment of medium and long-term results;
- align the interests of its directors with those of shareholders, employees and all stakeholders, building on its corporate culture and values;
- reward financial, commercial, industrial and CSR/ESG results by:
 - encouraging year-on-year improvements in performance,
 - motivating and rewarding accomplishments, initiatives and innovations pertaining to the ecological transition (reducing emissions of CO₂ and other greenhouse gases, preserving biodiversity, conserving resources, circular economy), solidarity (occupational health and safety, inclusion, diversity, gender equality), and the digital transition (process digitalization, Customer digital experience, etc.), while avoiding any digital divide within the teams,
 - furthering its commercial strategy,
 - encouraging innovation across the board;
- be competitive and perform well in order to continually attract, develop, motivate and retain talent whilst maintaining a balanced financial structure;
- reward individual and collective performances;
- participate actively in employer-employee dialogue, as well as the cohesion and commitment of teams.

In accordance with the provisions of article L. 22-10-8 of the French Commercial Code, the General Meeting of April 7, 2023 will be asked to approve the compensation policy for Company officers. This compensation policy will apply during 2023 to any person who is a Company officer within Vicat.

Compensation Policy for executive Company officers

General principles for determining the compensation policy for executive Company officers

The compensation policy for executive Company officers is fixed by the Board of Directors upon recommendation of the Compensation Committee and is reviewed annually. This committee calls upon external advisers specialized in executive compensation. It is also attentive to comments from shareholders.

The compensation policy for executive Company officers is based on the following principles:

- no executive Company officer is linked to the Company by an employment contract;
- the benefits in kind awarded to executive Company officers correspond to the usual benefits for this type of function (company car, etc.);
- this policy complies with applicable laws and regulations and the recommendations in the Middenext Code;
- studies are regularly carried out, notably with the support of external consulting firms, to measure levels and structures of compensation compared to a range of comparable companies (in terms of size and scope);
- all elements of compensation and benefits of any kind are analyzed comprehensively, using an "element by element"



approach and an analysis of overall coherence in order to reach the best possible balance between fixed and variable, individual and collective, and short, medium and long-term compensation;

- the need to attract, motivate and retain talent is taken on board, along with the requirements of shareholders and other stakeholders, particularly in matters of CSR/ESG (ecological transition and solidarity, etc.), transparency and how this links to performance;
- the performance conditions are demanding and correspond to Vicat Group's key profitable and sustainable growth factors. These conditions are aligned with its published short, medium and long-term objectives, including the CSR/ESG commitments. To promote its development while being mindful of the interests of its stakeholders, the Company ensures that the overall compensation of each company officer reflects the performance within their scope;
- the compensation policy is governed by simple, clear and transparent rules. The Compensation Committee oversees the proper application of all of these principles as part of its work, and in its recommendations to the Board of Directors, when preparing and implementing the compensation policy and when determining the amounts }or valuations of compensation or other benefits.

The compensation of executive Company officers has the following main components:

- Definition of relevant scope.
- Annual fixed gross compensation (hereinafter "fixed compensation"): paid over 13 months and set in line with:
 - the company's culture and values;
 - level and complexity of the duties and responsibilities;
 - competence, experience, expertise and career of the company officer;
 - market analyses and studies on the compensation paid for a similar Company office in companies in the same or comparable sectors.
- Annual variable gross compensation based on performance (hereinafter "variable performance"): determined based on the results of the financial, commercial and industrial criteria (% defined annually) and the CSR/ESG criteria (Environment section (decarbonation, biodiversity, circular economy: % defined annually); Social and Corporate section (occupational health and safety, inclusion, diversity, gender equality: % defined annually, and management assessment (% defined annually), on the scope and period concerned;
- Annual Special variable compensation (hereinafter "special variable compensation"): may be granted to executive Company officers in the following scenarios:
 - the delivery during the financial year of extraordinary deals to accelerate the Group's growth and performance (acquisitions, disposals, mergers, etc.). The amount is determined on the basis of the complexity and scale of the deals delivered. The merger and acquisitions policy of the relevant scope rarely generates good-sized deals,
 - management of one or more extraordinary large crises (health risks, labor trouble outside the Group impacting its smooth operation, armed conflict, cyberattacks, energy crisis, etc.) and consequences within the relevant scope. The amount is determined on the basis of the complexity and extent of the situation.
- *Note: The cumulative maximum amount of the performance variable and of the special variable compensation cannot exceed 150% of the fixed compensation.*
- Supplemental health, insurance and pension benefits: they are compensated by the Company in respect of their Company office on the same terms and conditions as Company managers.
- Benefits in kind: These include company cars, club membership, job loss insurance, etc.
- Retirement indemnities: If they are compensated by the Company in respect of their office, executive Company officers, assuming they retire at the statutory age and finish up their career at the Group, may receive a retirement indemnity on the same terms and conditions as other Group managers, the amount of which will be determined in accordance with the collective bargaining agreement applicable to the Company:
 - after 5 years' service: Gross annual salary/12
 - after 10 years' service: (Gross annual salary/12) x 2
 - after 20 years' service: (Gross annual salary/12) x 3
 - after 30 years' service: (Gross annual salary/12) x 4
 - after 35 years' service: (Gross annual salary/12) x 5
 - after 40 years' service: (Gross annual salary/12) x 6

The gross annual salary is equal to the sum of the last 12 gross monthly wages paid.

The length of service corresponds to the length of service in the Group.

- Compensation of Directors: when they also serve as Company director, executive Company officers may receive compensation in respect of these roles in accordance with the terms of paragraph 5.4.8.



The executive Company officers are not subject with regard to their respective offices to any: non-compete clause; multi-annual gross variable compensation; supplementary pension plans; share-based compensation (aside from the free share plan, as described in section 5.4.7, introduced by the Board of Directors on April 9, 2021, on the authorization of the General Meeting the same day to partly make up for the loss of the so-called “article 39” supplementary defined-benefit pension plan; welcome bonus or golden parachute.

Compensation policy applicable to Guy Sidos, Chairman and Chief Executive Officer (“ex ante”)

At the request of the Compensation Committee, the 2022 compensation of the Chairman and Chief Executive Officer, Guy Sidos, was compared with the results of a benchmarking study conducted by an independent consultancy (Deloitte, data for 2021) involving two panels of companies of a similar size to the Company: Panel 1, CAC Mid60 and Panel 2, 11 industrial firms with revenue of between €1.7 and €7.4 billion. This benchmark does not include supplementary pension plans, free share plans to partly make up for the termination of a supplementary pension plan, benefits in kind or directors’ compensation.

For 2022, the fixed compensation of the Chairman and Chief Executive Officer (€907,616) is close to the 3rd quartile of Panel 1 (€900,000) and of Panel 2 (€800,000) in a comparison with those in the Deloitte benchmark.

His variable (performance and special; €700,000) paid in 2022 in respect of 2021 is close to the median of Panel 1 (€650,000) and of Panel 2 (€750,000).

The annual gross compensation (annual fixed + variable) of the Chairman and Chief Executive Officer (€1,607,616) is between the median (€1,400,000) and the 3rd quartile (€1,800,000) of Panel 1 (€2,126,000) and close to the 3rd quartile of Panel 2 (€1,600,000) of the target monetary compensation (comprising annual fixed + variable) in the Deloitte benchmark.

The compensation of the Chairman and Chief Executive Officer for 2023 would break down as follows:

- Relevant scope: Vicat Group.

- Fixed compensation

Subject to a justified individual increase, the increase in the fixed compensation of the Chairman and Chief Executive Officer (Vicat part and Parfininco part) will be in line with the overall increase for Company employees.

Before overall and individual increases that may apply during 2023, the fixed compensation is €909,000 in 2023, breaking down as follows:

- fixed compensation in respect of his position as Chairman and Chief Executive Officer of the Company and paid by the latter: €866,688; resulting from overall increases (+2% at January 1, 2022 and +1% at March 1, 2022) and individual increases (+2.8% at January 1, 2022) applied in 2022 to the €818,137 base;
- fixed compensation in respect of his position as Chief Operating Officer of Parfininco and paid by the latter: €42,312; resulting from overall increases (+2% at January 1, 2022 and +1% at March 1, 2022) applied in 2022 to the €41,072 base.

With respect to 2023: the overall increase in salaries at the Company and at Parfininco is +5% at January 1, 2023.

- Performance variable

For 2023, this variable will be calculated on the basis of 100% of the fixed compensation assuming 100% of the objectives are achieved (80% of the fixed compensation previously). The rationale for this increase is alignment with the practices of the compensation policies for Chairmen and Chief Executive Officers of similarly sized groups in identical or comparable sectors. It is calculated in the table below:



| Relative weighting of each performance indicator (quantitative and qualitative) Scope of consolidation | Minimum | Target (Objective 100% achieved then =) | Maximum (Objective exceeded then maximum threshold =) | Result: weighting of indicator obtained | Gross amount (Euros) |
|---|-----------|--|--|--|-------------------------|
| Financial, commercial and industrial performance (quantitative indicators) | 0% | 70% | 85% | | |
| CSR/ESG performance Environmental section: reduction in CO ₂ and greenhouse gas emissions, biodiversity protection, saving of resources, circular economy (quantitative indicators) | 0% | 10% | 15% | | |
| CSR/ESG performance Social and Corporate section: occupational health and safety, gender equality, inclusion, diversity (quantitative indicators) | 0% | 10% | 15% | | |
| Management assessment (qualitative indicator) | 0% | 10% | 15% | | |
| TOTAL | 0% | 100% | 130% | | |

The criteria used to determine the annual individual performance bonus are set carefully but are not published for confidentiality reasons.

By law, the payment of this variable is subject to approval by the Ordinary General Meeting to be held in 2024 and deliberating on the compensation paid or allotted to the Chairman and Chief Executive Officer for 2023.

▪ **Special variable**

For 2023, the amount of the special variable that may be awarded may not exceed 20% of the fixed compensation (30% for the previous year).

By law, the payment of this variable is subject to approval by the Ordinary General Meeting to be held in 2024 and deliberating on the compensation paid or allotted to the Chairman and Chief Executive Officer for 2023.

Note: The cumulative maximum amount of the performance variable and of the special variable cannot exceed 150% of the fixed compensation.

- Benefits in kind: company car and club memberships.
- Insurance against job loss: not applicable.
- Supplemental health, insurance and pension benefits: on the same terms and conditions as Company managers.
- Retirement indemnities: no retirement expected in 2023.
- Supplementary pension plan: not applicable.
- Compensation in shares or other financial instruments: not applicable.
- Directors' compensation: as a member and Chairman of the Board of Directors of the Company in accordance with the compensation policy for non-executive Company officers.

Compensation policy applicable to Chief Operating Officers (“ex ante”)

It should be noted that, at present, this compensation policy only applies to Mr. Didier Petetin.

Mr. Lukas Epple, appointed Chief Operating Officer at the Company as from October 30, 2020 does not receive compensation for his position. Should it be decided to award him compensation in respect of his position as Chief Operating Officer of the Company (or in the event of the appointment of a new Chief Operating Officer), the compensation policy applicable to Chief Operating Officers described in paragraph 5.3.2.3 would apply.

At the request of the Compensation Committee, the 2022 compensation Mr. Didier Petetin received in his role as Chief Operating Officer was compared with the results of a benchmarking study conducted by an independent consultancy (Deloitte, data for 2021) involving a panel of companies of a similar size to the Company: Panel 1, CAC Mid60. This benchmark



does not include supplementary pension plans, free share plans to partly make up for the termination of a supplementary pension plan, benefits in kind or directors' compensation.

For 2022, the fixed compensation of this Chief Operating Officer (€357,480) is close to the 1st quartile of Panel 1 (€336,000) in a comparison with those in the Deloitte benchmark.

His variable (performance and special) paid in 2022 in respect of 2021 (€150,000) is below the 1st quartile of Panel 1 (€285,000).

The annual gross compensation (annual fixed + variable) of this Chief Operating Officer (€507,480) is under the 1st quartile of the median of Panel 1 (€621,000) of the target monetary compensation (comprising annual fixed + variable) in the Deloitte benchmark.

The compensation of Mr. Didier Petetin, Chief Operating Officer, for 2023 would break down as follows:

- Relevant scope: Vicat Group in France excluding Papeteries de Vizille.
- Fixed compensation

Subject to a justified individual rise, it will be in line with the overall increase for Company employees.

Before the overall and individual increase that may apply in 2023, the fixed compensation is €358,026; resulting from overall increases (+2% at January 1, 2022 and +1% at March 1, 2022) applied in 2022 to the base of €347,530.

The overall increase in salaries applied in Vicat SA is +5% on January 1, 2023.

Having regard to the change in the size and complexity of Group operations in France and in light of the benchmarks on the compensation of Chief Operating Officers of large Groups and of identical or comparable sectors, an individual increase of +6.4% at January 1, 2023, on top of the aforementioned overall increase.

- Performance variable

For 2023, the amount of this variable will be calculated on the basis of 50% of the fixed compensation assuming 100% of the objectives are achieved (50% previously). It is calculated in the table below:

| Relative weighting of each performance indicator (quantitative and qualitative) Scope of consolidation | Minimum | Target (Objective 100% achieved then =) | Maximum (Objective exceeded then maximum threshold =) | Result: weighting of indicator obtained | Gross amount (Euros) |
|---|-----------|--|--|--|-------------------------|
| Financial, commercial and industrial performance (quantitative indicators) | 0% | 70% | 85% | | |
| CSR/ESG performance Environmental section: reduction in CO ₂ and greenhouse gas emissions, biodiversity protection, saving of resources, circular economy (quantitative indicators) | 0% | 10% | 15% | | |
| CSR/ESG performance Social and Corporate section: occupational health and safety, gender equality, inclusion, diversity (quantitative indicators) | 0% | 10% | 15% | | |
| Management assessment (qualitative indicator) | 0% | 10% | 15% | | |
| TOTAL | 0% | 100% | 130% | | |

The criteria used to determine this variable performance are set precisely but are not published for confidentiality reasons.

By law, the payment of this variable is subject to approval by the Ordinary General Meeting to be held in 2024 and deliberating on the compensation paid or allotted to Mr Didier Petetin for 2023.

- Special variable

For 2023, the amount of this variable performance payment may not exceed 20% of the gross annual fixed compensation (20% for the previous year).

By law, the payment of this bonus is subject to approval by the Ordinary General Meeting to be held in 2024 and



deliberating on the compensation paid or allotted to Didier Petetin for 2023.

- Benefits in kind: company car and insurance against job loss described below.
- Insurance against job loss: the Company has taken out a private insurance policy against job loss (along the lines of what is offered by GSC) on behalf of Didier Petetin (who had an employment contract with the Company before being appointed Chief Operating Officer) to protect him in the event of the involuntary loss of his position. The period covered is 24 months with effect from the date of losing his employment. The compensation is 55% of the net tax salary (post-income tax).
- Supplemental health, insurance and pension benefits: on the same terms and conditions as Company managers.
- Retirement indemnities: no retirement expected in 2023.
- Supplementary pension plan: not applicable.
- Compensation in shares or other financial instruments: not applicable.
- Directors' compensation: not applicable.

Compensation policy for non-executive Company officers

Non-executive Company officers are members of the Board of Directors of the Company, with the exception of the Chairman of the Board of Directors who combines his functions with an appointment as Chief Executive Officer.

The General Meeting set the overall amount of annual compensation allocated to members of the Board of Directors in respect of their positions as directors and as members of Board committees.

The Board of Directors distributes this sum amongst its members in line with the compensation policy approved by the General Meeting, having regard in particular to the effective attendance of each director at Board meetings and, as the case may be, of the committees on which they sit.

At its April 13, 2022 meeting, the General Meeting, at the behest of the Board of Directors, resolved to set the overall amount of directors' compensation at €446,000 to give scope for the establishment, should it be desired, of any new committee.

The rules for the allocation of this compensation amongst the members of the Board of Directors and of its committees were established by the Board of Directors, on the recommendation of the Compensation Committee, as follows:

| | Annual fixed portion | Additional fixed portion for the Chairman |
|----------------------------------|----------------------|---|
| Member of the Board of Directors | €30,000 | €30,000 |
| Member of the Audit Committee | €8,000 | - |
| Member of any other Committee | €4,000 | - |

The Board of Directors may also allocate exceptional compensation for specific missions assigned to certain directors in line with applicable legal provisions.

Lastly, the Board of Directors may also authorize the reimbursement of certain travel expenses and expenses disbursed by the directors in the interest of the Company.

Appointment or end of term of office

In the case of an appointment or departure of a director during the year, these same principles would be applied *pro rata temporis* for the period of exercise of his/her functions.



ORDINARY GENERAL MEETING OF APRIL 7, 2023

Number of shares with voting rights: 44,339,347
Total number of voting rights: 73,829,200

Number of present or represented shareholders or having voted by correspondence: 1,021
Number of present or represented shares or votes by mail: 35,194,958
Quorum in relation to the number of shares with voting rights: 79.38%
Number of votes: present, represented, by correspondence: 62,764,544

| Resolution no. 11 | Abstention | Total votes cast | Pros | | Cons | |
|---|------------|------------------|------------|--------|-----------|-------|
| | | | Votes | % | Votes | % |
| Approval of the compensation policy for company officers - "ex ante" vote | 0 | 62,764,544 | 57,020,434 | 90.85% | 5,744,110 | 9.15% |