

## 8.2 PRESENTATION OF THE RESOLUTIONS BY THE BOARD OF DIRECTORS

Of the resolutions submitted for approval at the Shareholders' General Meeting, resolutions 1 to 13 and 24 will be submitted to the Ordinary Shareholders' Meeting and resolutions 14 to 23 will be submitted to the Extraordinary Shareholders' Meeting.

Pursuant to the provisions of articles L. 225-37, L. 22-10-8, L. 22-10-9, L. 225-37-4, L. 22-10-10, L. 225-100 and L. 22-10-34 of the French Commercial Code (*Code de commerce*), *paragraphs 8.2.3 to 8.2.5* and *section 8.4 of the present chapter* form an integral part of the Corporate Governance Report.

### 8.2.1 2020 ANNUAL FINANCIAL STATEMENTS AND APPROPRIATION OF PROFIT

*(Three resolutions submitted 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, 2020.

These financial statements, along with the financial situation, business and results of the Group and the Company for the year ended December 31, 2020, as well as various items of information required by current laws and regulations, are published in *chapter 5 (Comments on 2020)* and *chapter 6 (Financial statements)*.

Shareholders are then called upon to approve the appropriation of the Company's distributable profit for 2020 (**third resolution**). In 2020, the Company's distributable profit totaled €701,924,929.41, representing €399,820,903.31 in net profit plus €303,106,763.10 in retained earnings brought forward from the prior year, minus €1,002,737.00 added to the legal reserve. The Board of Directors recommends paying a per-share dividend of €1.15.

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

The total dividend payout will be adjusted to take into account the number of shares issued for stock options that have been exercised since January 1, 2021 and are eligible for the 2020 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 2020, 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.

Financial year ending	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
Net dividend per share	€1.72*	€2.15*	€2.075*
Number of shares carrying dividend rights	79,032,835	79,083,935	79,313,151
<b>Total net distribution</b>	<b>€135.9 million**</b>	<b>€170 million</b>	<b>€164.6 million</b>

\* 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.

\*\* The Ordinary and Extraordinary Shareholders' Meeting of May 4, 2020 approved an alternative payment option in shares for the dividend paid with respect to the 2019 financial year, which led to a €119.8 million increase in capital (issuance premium included) and a payment in cash totaling €16.1 million.

The ex-dividend date will be May 13, 2021 and the dividend will be paid on May 17, 2021.

## 8.2.2 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 governed by articles L. 225-38 *et seq.* of said Code and published in [chapter 6, section 6.3](#) (**fourth resolution**).

Shareholders are also informed that at its meeting held on February 17, 2021 and in accordance with legal requirements and its internal charter on related party and arm's length agreements and commitments ([see chapter 7, section 7.8](#)), the Board of Directors reviewed all agreements in place with related parties.

The Board of Directors noted that:

- no related party agreements were concluded in 2020; and
- no related party agreements concluded before 2020 and already approved by the Shareholders' General Meeting continued to apply in 2020.

The Statutory Auditors' special report on this matter is published in [chapter 6, paragraph 6.3.3](#).

## 8.2.3 2021 CORPORATE OFFICERS COMPENSATION POLICIES

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

Pursuant to the provisions of article L. 22-10-8 of the French Commercial Code, shareholders are asked to approve the compensation policies applicable to corporate officers (executive corporate officers and member of the Board of Directors) with respect to the 2021 financial year, which protect the Company's corporate interests, contribute to its long-term success and reflect its business strategy (**fifth and sixth resolutions**). The Board of Directors determined the policies at its meeting held on February 17, 2021, based on proposals made by the Compensation Committee, that include the same items as in 2020.

Details of the corporate officers compensation policies applicable to executive corporate officers and members of the Board of Directors with respect to the 2021 financial year are set out in [chapter 4, section 4](#).

## 8.2.4 COMPONENTS OF COMPENSATION PAID OR GRANTED TO CORPORATE OFFICERS IN 2020

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

### 8.2.4.1 INFORMATION ON COMPONENTS OF CORPORATE OFFICERS COMPENSATION IN 2020 (SEVENTH RESOLUTION)

Pursuant to the provisions of article L. 22-10-34 I of the French Commercial Code, shareholders are asked to approve the information set out in article L. 22-10-9 I of said Code, which includes in particular details of 2020 compensation of all

corporate officers, as well as the CEO-to-average worker pay ratio. This information forms part of the Corporate Governance Report and is presented in [chapter 4, section 4.3](#).

### 8.2.4.2 COMPONENTS OF COMPENSATION PAID OR GRANTED TO ALESSANDRO DAZZA FOR THE YEAR ENDED DECEMBER 31, 2020 (EIGHTH RESOLUTION)

Alessandro Dazza took up his position as Chief Executive Officer on February 17, 2020.

Components of compensation subject to approval	Amount paid in the year ended December 31, 2020	Amount granted in the year ended December 31, 2020 or equivalent accounting value	Details
Annual fixed compensation	€666,667	€700,000	<p>Gross annual fixed compensation (prorata temporis):</p> <ul style="list-style-type: none"> <li>■ granted with respect to 2020: €700,000, as approved by the Board of Directors, based on fixed annual compensation of €800,000 (at its meeting of December 17, 2019 and February 12, 2020)</li> <li>■ paid in 2020: €666,667, taking into account the 25% reduction over a two-month period, in accordance with the recommendations made by AFEP with respect to the Covid-19 pandemic.</li> </ul> <p>√ For further details, <a href="#">see chapter 4, paragraph 4.3.3.2.</a></p>
Annual variable compensation	0	€742,000	<p>At its meeting of February 17, 2021 and based on the recommendations of the Compensation Committee, the Board of Directors considered the extent to which Alessandro Dazza had achieved the quantitative and personal targets set for 2020 in order to determine the amount of variable compensation payable for the year. The quantitative criteria for 2020 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.</p> <p>The personal criteria were centered around achieving objectives related to organization and leadership, the implementation of the transformation plan, operational action plans to grow market share, strategic debates with the Board of Directors and the implementation of the "Sustainability" CSR program.</p> <p>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 personal criteria. The overall percentage achievement for these criteria may be increased or decreased by 3% depending on whether or not the workplace health &amp; safety objective (applicable to all senior managers in the Group) was met.</p> <p>Total variable compensation could not be lower than 82.5% and exceed a maximum cap of 165% of its annual fixed compensation.</p> <p>Consequently, the variable compensation payable to Alessandro Dazza with respect to 2020 amounts to €742,000, representing 106% of his fixed compensation paid in 2020 (excluding Covid reduction). This figure reflects the achievement of 83.8% of the quantitative targets, 115% of the individual performance component (reflecting a factor of 1.15, which may range between 0.8 and 1.2). Despite having acknowledged the specific workplace health &amp; safety objective was achieved, the Board of Directors decided not to apply the 3% increase to the Chief Executive Officer's annual variable compensation, as an early application of the compensation policy for 2021.</p> <p>This sum will be paid to Alessandro Dazza, subject to the approval of the eighth resolution submitted to the Shareholders' General Meeting of May 10, 2021.</p> <p>√ For further details, <a href="#">see chapter 4, paragraph 4.3.3.2.</a></p>
Multi-annual variable compensation	N/A	N/A	No decision was made to award multi-annual variable compensation with respect to 2020.
Exceptional compensation	N/A	N/A	No decision was made to award exceptional compensation with respect to 2020.



## Ordinary and Extraordinary Shareholders' Meeting of May 10, 2021

Presentation of the resolutions by the Board of Directors

Components of compensation subject to approval	Amount paid in the year ended December 31, 2020	Amount granted in the year ended December 31, 2020 or equivalent accounting value	Details
Stock options, performance shares and any other long-term benefit	N/A	2,567,760 (accounting value of performance shares granted in 2020)	<p><u>Performance shares</u></p> <p>At its meeting held on April 29, 2020 and based on the recommendations of the Compensation Committee, the Board of Directors decided to grant Alessandro Dazza 120,000 performance shares. This grant was made pursuant to the approved compensation policy and the authorization granted by the Ordinary and Extraordinary Shareholders' General Meeting of May 4, 2020 (sixth and twenty-third resolutions).</p> <p>The shares were subject to the same financial performance conditions as those applicable to the 2020 General Performance Share Plan offered to the Group's senior managers. The objectives related to the increase in net income from current operations per share and the Group's free cash flow over the period 2020-2022 (weighted 60/40).</p> <p>No other benefit/long-term compensation was granted in 2020.</p>
Severance package	N/A	N/A	<p><u>Termination benefit</u></p> <p>Alessandro Dazza would be due severance pay in the event of a change in control, strategy or a major disagreement over these issues.</p> <p>The amount paid with respect to this package would be subject and proportionate to performance conditions relating to cash flow and the change in current operating income over a three-year period prior to departure. In the event the term of office exceeds two years, the severance package may not exceed two years' annual compensation (fixed and average variable compensation for the last two full financial years). Should Alessandro Dazza leave within the first two financial years, the amount of variable compensation taken into account will reflect the sum of the variable components paid over the period, divided by the number of years in office.</p> <p>No compensation would be due if Alessandro Dazza voluntarily steps down and is soon able to claim retirement benefits or if he is dismissed for gross or serious misconduct.</p> <p>✓ For further details, <a href="#">see chapter 4, paragraph 4.3.3.</a></p> <p><u>Non-compete indemnity</u></p> <p>Alessandro Dazza is subject to a non-compete period of one year following the date at which his duties as Chief Executive Officer are terminated. The Board of Directors reserves the right to decide whether or not to enforce this clause. In the event it is enforced, Alessandro Dazza will receive the equivalent of one year's annual fixed compensation plus the average of the last two years' annual variable compensation.</p> <p>No compensation would be due if Alessandro Dazza opts to claim retirement benefits.</p> <p>✓ For further details, <a href="#">see chapter 4, paragraph 4.3.3.</a></p>
Complementary pension plan	N/A	N/A	Alessandro Dazza benefits from complementary defined contribution pension plans as defined in article 83 (awarded to certain senior executives in the Group) and article 82, to which the Company makes contributions of 5% of his annual fixed compensation.
Director's compensation	N/A	N/A	-
Benefits in kind	93,230	93,230	Benefits in kind include contributions for life insurance plans (covering death, long-term illness or disability), official accommodation, relocation expenses, a company car, if any, as well as health insurance benefits, tax consultants, and an annual medical check-up. In 2020, the Company did not make any contributions to the unemployment insurance scheme for corporate officers ("GSC").

**8.2.4.3 COMPONENTS OF COMPENSATION PAID OR GRANTED TO PATRICK KRON FOR THE YEAR ENDED DECEMBER 31, 2020 (NINTH RESOLUTION)**

In 2020, Patrick Kron held the following positions:

- Chairman of the Board of Directors (from June 25, 2019)
- Interim Chief Executive Officer (from October 21, 2019 to February 16, 2020)

Components of compensation subject to approval	Amount paid in the year ended December 31, 2020	Amount granted in the year ended December 31, 2020 or equivalent accounting value	Details
Fixed compensation	€239,583	€250,000	<ul style="list-style-type: none"> <li>■ Gross annual fixed compensation (for his duties as Chairman of the Board):                             <ul style="list-style-type: none"> <li>• granted with respect to 2020: €250,000, as approved by the Board of Directors (at its meeting of June 25, 2019 and February 12, 2020)</li> <li>• paid in 2020: €239,583, taking into account the 25% reduction over a two-month period, in accordance with the recommendations made by AFEP with respect to the Covid-19 pandemic.</li> </ul> </li> <li>■ Patrick Kron did not receive any additional compensation for his duties as Interim Chief Executive Officer.</li> </ul> <p>√ For further details, <a href="#">see chapter 4, paragraph 4.3.3.2</a></p>
Annual variable compensation	N/A	N/A	N/A
Multi-annual variable compensation	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
Director's compensation	N/A	N/A	See details under <a href="#">"fixed compensation" above</a> .
Benefits in kind	N/A	N/A	N/A

## 8.2.5 COMPOSITION OF THE BOARD OF DIRECTORS

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

The terms of office of Patrick Kron, Ulysses Kyriacopoulos and Marie-Françoise Walbaum are due to expire at the close of the present Shareholders' General Meeting.

At its meeting held on February 17, 2021 and having considered the opinion given by the Appointments Committee, the Board of Directors:

- took note of Ulysses Kyriacopoulos' wish not to renew his term of office;
- decided to submit for approval at the Shareholders' General Meeting the renewal for a term of three years, *i.e.* until the Shareholders' General Meeting to be held in 2024 to approve the financial statements for the year ending December 31, 2023 the directorships of Patrick Kron and Marie-Françoise Walbaum and to appoint Paris Kyriacopoulos as a new director (**tenth, eleventh and twelfth resolutions**).

Details and careers of the directors put forward for re-appointment 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 and the career of Paris Kyriacopoulos, who has been put forward for appointment, are also published in [chapter 4, paragraph 4.1.2](#).

Regarding these candidates for appointment or renewal, the Board of Directors considered that:

- when they appointed Patrick Kron as a director and Chairman of the Board in 2019, his experience and skills would be a considerable asset for the Company. The Board was keen to bring in an independent candidate with in-depth knowledge of the Group and extensive international and industrial expertise. As the initial appointment of Patrick Kron was approved by the Shareholders' General Meeting of May 4, 2020 for the remainder of the term of office of his predecessor, Gilles Michel, renewal in 2021 would simply extend the mandate previously given by Shareholders;

- renewing the directorship of Marie-Françoise Walbaum was in the interest of the Company, especially given her significant contribution to the work of the Board and its Committees, in particular the Appointment and Compensation Committees, which she chairs. Marie-Françoise Walbaum has invaluable experience in banking, not least in investment and finance. Renewing the term of office of Marie-Françoise Walbaum would also help to maintain the proportion of women on the Board at 40%;
- appointing Paris Kyriacopoulos would be beneficial for the Company, given his expertise in industry, international experience and in-depth knowledge of the Group, in which he has held a number of positions, in particular as head of FiberLean Technologies between 2016 and 2020. Furthermore, as set out in [chapter 7, paragraph 7.3.5.3 "Shareholders' agreement"](#), Ulysses Kyriacopoulos, outgoing director, and Paris Kyriacopoulos, nominated for a directorship, are affiliates to Blue Crest Holding SA that has a right to be represented on the Company's Board of Directors and Strategic Committee, in accordance with the terms of the agreement in force between Belgian Securities B.V. and Blue Crest Holding S.A. *inter alia*.

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 and Marie-Françoise Walbaum, but not Paris Kyriacopoulos (for further details, [see Chapter 4, paragraph 4.1.1](#)).

Consequently, at the close of the Shareholders' General Meeting of May 10, 2021 and subject to approval of the above proposals, the Board of Directors will be made up of 10 people, 40% of whom are women and 60% of whom are independent, as well as two employee representative directors. In detail, the Board will be composed as follows:

Expiration of term of office	Name	Independent
2024	Patrick Kron, Chairman of the Board	Yes
	Paris Kyriacopoulos	No
	Marie-Françoise Walbaum	Yes
2023	Dominique Morin, employee representative director	N/A
	Carlos Perez, employee representative director	N/A
2023	Aldo Cardoso	Yes
	Paul Desmarais III	No
	Colin Hall	No
	Annette Messemer	Yes
	Véronique Saubot	Yes
2022	Ian Gallienne	No
	Lucile Ribot	Yes

In addition, Laurents Raets is a non-voting observer on the Board of Directors whose term of office will be considered for renewal by the Board in 2021.

## 8.2.6 SHARE BUYBACK PROGRAM AND CANCELLATION OF TREASURY SHARES

*(One resolution put to the Ordinary Shareholders' General Meeting and one resolution put to the Extraordinary Shareholders' General Meeting)*

### Share buyback 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 4, 2020 will expire on November 3, 2021. Shareholders are therefore asked to renew the authorization at the present meeting, which would be subject to the same terms and conditions and in accordance with current provisions (**thirteenth resolution**).

For further details about the way in which the Company implemented its share buyback programs in 2020, *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, 2021 (*i.e.* 8,494,095 shares) mainly for the purpose of:

- canceling the shares at a later date to reduce the Company's share capital, subject to shareholders approving the twenty-third resolution;
- implementing and 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, and
- more generally, operating for any other purpose that is or may come to be authorized by law or regulations, and/or implementing any market practice that is or 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. Furthermore, the purchase price may not exceed €85 per share, representing a maximum total investment of €721,998,075.

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](http://www.imerys.com) – Finance – Publications & Regulated Information) prior to the Shareholders' General Meeting of May 10, 2021. A copy of this information can also be obtained on request from the Company's headquarters.

### Cancellation of treasury shares

Shareholders are also invited in the **twenty-third resolution** to renew the authorization (subject to the same terms and conditions and for a period of 26 months) granted to the Board of Directors to cancel all or part of the treasury shares held due to a Company share buyback program, representing up to 10% of its capital per 24-month period, reducing its share capital by an equal amount and allocating the difference between the purchase price of the canceled shares and their par value to issue premiums and retained earnings.

In accordance with the authorization granted by the Shareholders' General Meeting of May 10, 2019, the Company canceled 314,684 shares, *i.e.* 0.19% of its share capital, on February 12, 2020 and 74,100 shares, *i.e.* 0.04% of its share capital, on December 3, 2020.

## 8.2.7 FINANCIAL AUTHORIZATIONS

*(Eight 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' Meetings held on May 10, 2019 and May 4, 2020, which enable it to increase the Company's capital by issuing shares, debt securities or securities conferring entitlement to the Company's share capital, either immediately or at a later date, with or without pre-emptive subscription rights, or by capitalizing retained earnings, profits, additional paid-in capital or any other means (the table

summarizing the delegations and financial authorizations 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.





None of the delegations and authorizations that will expire on July 9, 2021 were exercised by the Board of Directors. Shareholders are asked to renew the delegations and authorizations under the same terms and conditions. The new delegations and authorizations will be granted for a period of 26 months, expiring the November 9, 2023, and will supersede those previously granted by the Ordinary and Extraordinary Shareholders' Meetings held on May 10, 2019 and May 4, 2020, which would no longer be valid. Financial delegations and authorizations are subject to various caps that remain unchanged. The Statutory Auditors' reports, which were made available to shareholders within the legal deadlines, are published *in paragraph 8.3 of the present chapter*.

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 conferring entitlement to the Company's share capital with pre-emptive subscription rights**

The **fourteenth resolution** proposes to renew the delegation of authority granted to the Board of Directors to issue ordinary shares and any other securities conferring entitlement to the Company's share capital with pre-emptive subscription rights for a period of 26 months and under the same terms and conditions. The Board of Directors proposes to maintain the cap for capital increases of this kind at **€75 million** (representing approximately 44% of the Company's share capital at December 31, 2020), or the equivalent value. The total par value of debt securities that may be issued under this delegation may not exceed **€1 billion**, or the equivalent value. The amount is included in the overall cap for debt securities issues set in the **twenty-first resolution**.

#### **Issue of shares or securities conferring entitlement to the Company's share capital through an offer to the public without pre-emptive subscription rights**

Shareholders are asked in the **fifteenth resolution** to renew the delegation of authority granted to the Board of Directors for a period of 26 months to issue ordinary shares or any other securities through an offer to the public without pre-emptive subscription rights, with the exclusion of offers detailed in article L. 411-2 1° of the French Monetary and Financial Code (*Code monétaire et financier*) and comprised in the sixteenth 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 term and modalities to be set up in accordance with the legal requirements in force.

The Board of Directors proposes to maintain the cap for such capital increases at **€15 million** (*i.e.* 8.8% of the Company's share capital at December 31, 2020), or the equivalent value. This amount is included in the overall cap of **€75 million** for all capital increases and the sub-cap of **€15 million** for capital increases carried out without pre-emptive subscription rights set in the **twenty-first resolution**.

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

The subscription price for shares that may be issued under the present delegation is set by the Board of Directors in accordance with the provisions of articles L. 22-10-52 and R. 22-10-32 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 amount immediately received by the Company for issues of securities conferring entitlement to the Company's share capital, plus where applicable the amount that may be received by the Company at a later date for each ordinary share of the Company issued as a result of the securities issue, must for each share issued as a result of issuing these securities be at least equal to the minimum issue price set for the shares.

The **fifteenth resolution** proposes that ordinary shares or securities conferring entitlement to the Company's share capital 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. 22-10-54 of the French Commercial Code.

#### **Issue of shares or securities conferring entitlement to the Company's share capital without pre-emptive subscription rights addressed to qualified buyers or a limited number of investors**

Shareholders are asked in the **sixteenth resolution** to renew the delegation granted to the Board of Directors for a period of 26 months to carry out share capital increases by issuing shares, securities or debt securities conferring entitlement to the Company's share capital to qualified buyers or a limited number of investors, as defined in article L. 411-2 1° of the French Monetary and Financial Code. These capital increases would entail a waiver of shareholders' pre-emptive subscription rights, enabling the Company to take advantage of greater flexibility and faster access to the market, and thereby enjoy favorable financing terms.

The Board of Directors proposes to set the overall cap 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 overall cap of **€75 million** for all capital increases and the sub-cap of **€15 million** for any capital increases carried out without pre-emptive subscription rights set in the **twenty-first resolution**.

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

The subscription price for shares that may be issued under the present delegation is set in accordance with the provisions of article R. 22-10-32 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%.



### **Increase in the number of shares to be issued in the event of excess demand, up to a maximum of 15% of the number of shares initially issued**

In accordance with the provisions of article L. 225-135-1 of the French Commercial Code, the delegation put forward in the **seventeenth resolution** enables the Board of Directors to increase the number of shares to be issued, within the conditions and deadlines set out in current regulations and within the cap of the fourteenth, fifteenth and sixteenth resolutions, if it observes excess demand for shares as part of an issue carried out under these resolutions. The provisions of article R. 225-118 of the French Commercial Code set the currently applicable conditions and deadlines as follows: the number of shares must be increased within thirty days of the subscription closing, by a maximum of 15% of the number of shares and at the same price as that set for the initial issue.

### **Setting of the issue price**

In the **eighteenth resolution**, shareholders are invited to renew the authorization granted to the Board of Directors to overlook the conditions for setting the issue price of shares or securities conferring entitlement to the Company's share capital, within the annual cap of 10% of the Company's share capital, as part of shares issues without pre-emptive subscription rights. This price can then be set:

- for ordinary share issues, at a price equal to at least the share price from the last trading day of the Imerys share preceding the date at which the price is set, which may be discounted by a maximum of 10%.
- for issues of securities conferring entitlement to the Company's share capital, at a price equal to the amount immediately received by the Company, plus where applicable the amount likely to be received by the Company at a later date. Therefore, for each ordinary share issued as a result of the securities issue, a price at least equal to the issue price of the aforementioned shares.

This possibility, set out in the provisions of article L. 22-10-52, paragraph 2 of the French Commercial Code, makes it possible to carry out capital increases in the event of a downward trend on the Imerys share, which the fifteenth and sixteenth resolutions do not allow.

### **Capital increases in consideration for contributions in kind made up of shares or securities**

Shareholders are also invited to approve the **nineteenth resolution** to renew the delegation of powers granted to the Board of Directors, for a period of 26 months and under similar terms and conditions, to carry out capital increases by issuing shares, securities or debt securities conferring entitlement to the Company's share capital on one or several occasions in consideration for contributions in kind tendered to the Company not as part of a public exchange offer and made up of shares or securities carrying rights to shares of another company, within the limit of **10% of the Company's share capital** and upon presentation of a report prepared by one or several auditors. This amount is included in the overall cap of **€75 million** for all capital increases and the sub-cap of **€15 million** for any capital increases carried out without pre-emptive subscription rights set in the **twenty-first resolution**.

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

This delegation is intended in particular to finance acquisitions by remunerating the vendor of shares or securities conferring entitlement to the Company's share capital with shares of the Company.

### **Capital increases paid up by capitalizing retained earnings, profits, additional paid-in capital or issue premiums**

The **twentieth resolution** seeks the possibility to increase the Company's capital by capitalizing issue premiums, retained earnings, profits, additional paid-in capital or any other item that may be capitalized up to the maximum overall cap set in paragraph 1 of the twenty-first resolution, *i.e.* **€75 million** (representing approximately 44% of the Company's share capital at December 31, 2020), or the equivalent value. A capital increase of this kind would lead to the creation and grant of free shares and/or an increase in the par value of existing shares.

### **Issue caps**

The overall cap applicable to increases of the Company's share capital that may result from exercising the delegations and authorizations granted by the fourteenth through twentieth resolutions is set in the **twenty-first resolution** at **€75 million**, representing approximately 44% of capital at December 31, 2020, or the equivalent value.

Furthermore, shareholders are reminded that the capital increases carried out without pre-emptive subscription rights under the fifteenth, sixteenth, seventeenth and nineteenth resolutions are included in a separate sub-cap set in the **twenty-first resolution** of **€15 million**, representing approximately 8.8% of capital at December 31, 2020, or the equivalent value. Where necessary, the caps 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 fourteenth, fifteenth, sixteenth and nineteenth resolutions remains at **€1 billion**.

### 8.2.8 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-second resolution** to renew the delegation of authority previously granted to the Board of Directors by the Shareholders' General Meeting held on May 4, 2020 to carry out capital increases reserved for employees and/or corporate

officers who are members of a Company or Group savings plan for a period of 26 months. Increases in the Company's share capital as a result of exercising this delegation is subject to an overall cap €1.6 million, representing approximately 0.94% of capital at December 31, 2020. This cap is distinct and separate from those set in the twenty-first resolution. Subject to shareholders' approval, this delegation will replace the previous one, which would no longer be valid.

### 8.2.9 POWERS TO CARRY OUT FORMALITIES

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

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