



## Compensation elements published in accordance with the AFEP-MEDEF Code of Corporate Governance

### Decisions of the Board of Directors of February 14<sup>th</sup>, 2023

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#### 1. 2022 variable compensation of Christopher Guérin, Chief Executive Officer

In accordance with the decision of the Board of Directors on February 15<sup>th</sup>, 2022 the amount of Christopher Guérin's 2022 variable compensation as Chief Executive Officer, may vary between 0% and 150% of the 2022 base compensation as Chief Executive Officer and is determined 60% based on the fulfillment of collective objectives and 40% based on the achievement of specific pre-determined individual objectives.

On February 14, 2023, the Board of Directors decided on the amount of Christopher Guérin's variable compensation as Chief Executive Officer for 2022 as follows:

- as regards the collective portion of the variable compensation, under strict application of the level of achievement of the objectives set for 2022 (25% ROCE, 50% EBITDA, 25% NCF),
  - The achievement rate for ROCE is 100% of the maximum amount, reflecting a significant achievement compared to the budget,
  - The achievement rate for EBITDA is 100% of the maximum amount, this indicator having overachieved compared to the budget,
  - The achievement rate for NCF is 100% of the maximum amount, this indicator having also overachieved compared to the budget.

Based on these figures, the Board of Directors noted that the collective portion came to EUR 675,000 (relative to a potential maximum amount of EUR 675,000, i.e. 100% of the maximum amount).

- as regards the portion related to individual objectives, they are specific and predetermined and their achievement was assessed on the year 2022. After assessing the extent to which they were achieved, the Board of Directors set them as follows:

- **25% - Strategy deployment**

The achievement rate of "Strategy deployment" is 85% of the maximum amount. This is based on an outstanding achievement of net income (EUR 247 M versus EUR 190 M target), a successful deployment on SLS CAPEX, the inauguration of Ampacity Centre and innovation organization implementation as well as the Sales & Marketing transformation. The rotation of assets has not been completed, however the Committee acknowledges as positive, the ability to adapt the strategy to the context and opportunities available at the time.

- **25% - Operational efficiency**

The achievement rate of the operational efficiency objective is 93.3% of the maximum amount.

This is based on the very successful integration of Centelsa and the work done on the value chain ecosystems that was presented to in the Strategic Seminar in September and the inauguration of Ampacity Centre mentioned above.

- **25% - Culture and engagement**

The achievement rate of the culture and engagement objective is 95% of the maximum amount.

This is based on a very successful deployment of the Values and associated behaviors and functions transformations (Sales & Marketing, Innovation Services & Growth and IT). The work on the Executive Committee Succession Plan with their respective Individual Development plans is done.

- **25% - Deployment of ESG policy**

The achievement rate of the deployment of the ESG Policy objective is 87.5% of the maximum amount.

The ESG scorecard has been successfully deployed as well as the E3 performance model. Gender parity continues to increase in Nexans, achieving 26.6% for graded positions, versus 25.6% last year which is a great achievement. There was a focus on the leadership positions with the completion of the “Women leadership” and “emerging leaders” programs.

Based on these figures, the Board of Directors decided that the individual portion came at EUR 405,900 (relative to a potential maximum amount of EUR 450,000, i.e. 90.2% of such amount).

The total amount of the variable compensation paid to Christopher Guérin as determined by the Board for 2022 was thus EUR 1,080,900, being 96.1% of the maximum amount, being specified that the payment of the annual variable compensation due to Christopher Guérin for 2022 is conditional on its approval by the Annual Ordinary General Shareholders' Meeting of May 11th, 2023.

## **2. 2023 compensation of Christopher Guérin, Chief Executive Officer**

The Board decided to maintain the same fixed compensation of EUR 750,000 and the variable portion of compensation for the Chief Executive Officer for 2023, as recommended by the Compensation Committee. This fixed remuneration was reviewed in 2021 after a period of 3 years.

For 2023, the targeted percentage of Christopher Guérin's variable annual compensation will represent 100% of his fixed annual compensation and will be determined 60% based on the fulfillment of collective objectives and 40% based on the achievement of specific pre-determined individual objectives. Christopher Guérin's variable compensation for 2022 may vary based on the achievement of objectives set by the Board of Directors, from 0% to 150% of his fixed annual compensation.

The Board of Directors decided to set the financial objectives for the collective portion and their relative weighting as follows: (1) return on capital employed (ROCE): 25%, (2) EBITDA: 50% and (3) Normalized Free Cash Flow: 25%.

The target amounts for the collective objectives are those of the 2023 budget.

The Board of Directors has also decided to set the individual objectives and their relative weighting as follows:

### **25% - Strategy deployment**

- Organic growth:
  - Achievement of G&T New expansion plan in Halden with first production in Q4 2023
  - Launch of strategic CAPEX in France and Morocco
- Inorganic growth: Finalize the planned rotation of assets
- Achieve a net income of EUR 200 M in 2023 (adjusted from COREX effect)

### **25% - Operational Efficiency**

- Deployment of the Group's industrial strategy through Industry 4.0 amplification
- Amplify the copper recycling in France in Lens
- Integration of acquisitions

### **25% - Culture and Engagement**

- Design a new organization (Distribution & Usages focus) to increase decision making agility and empower the Business Units.
- Deployment and adoption of the new culture (leadership role model and associated behaviors).
- Implementation of a workforce planning and build the new skills grid resulting from the new strategic plan.
- Reinforcing the development programs and talent pipeline for key positions.

### **25% - Deployment of ESG Policy**

- Safety: Workplace accident frequency rate (FR1)  $\leq 0.9$
- Establish the 3 year climate strategy for the Group and 2024-2026 objectives
- Deploy the new E3 Clustering.
- Implementation of the associated extra-financial communication around E3 (Economics, Environment, Engagement) and new performance management tools such as ROCE2.
- Diversity:
  - Update the Inclusion and Diversity policy
  - Focus on increasing the % women in senior managers positions.