



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

### Decisions of the Board of Directors of February 15<sup>th</sup>, 2022

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#### 1. 2021 variable compensation of Christopher Guérin, Chief Executive Officer

In accordance with the decision of the Board of Directors on February 16<sup>th</sup>, 2021 the amount of Christopher Guérin's 2021 variable compensation as Chief Executive Officer, may vary between 0% and 150% of the 2021 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 15, 2022, the Board of Directors decided on the amount of Christopher Guérin's variable compensation as Chief Executive Officer for 2021 as follows:

- as regards the collective portion of the variable compensation, under strict application of the level of achievement of the objectives set for 2021 (25% ROCE, 50%: EBITDA, 25% OFCF),
  - The achievement rate for ROCE is 100% of the maximum amount, reflecting a significant achievement compared to the 2021 budget,
  - The achievement rate for EBITDA is 94% of the maximum amount, this indicator having overachieved compared to the 2021 budget,
  - The achievement rate for OFCF is 93.6% of the maximum amount, this indicator having also over achieved compared to the 2021 budget.

Based on these figures, the Board of Directors noted that the collective portion came to EUR 643,050 (relative to a potential maximum amount of EUR 675,000, i.e. 95.26% 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 2021. After assessing the extent to which they were achieved, the Board of Directors set them as follows:
  - The achievement rate of "Implementation of the new strategic chapter, as presented to Capital Markets Day on February 17, 2021, first actions to be taken in alignment with electrification refocus; kick-off Shift PRIME transformation program, innovation program AMPLIFY, and related partnerships; related investors relations management; net income 2021: EUR 85 Million" is 93.3% of the maximum amount.  
The Capital Markets Day was a real success, share price evolved positively, the perception survey was very positive considering the shift to Electrification as a bold and ambitious move. Acquisition of Centelsa, SHIFT Prime and SHIFT SLS have been launched. The net income for 2021 reached EUR 164 M.
  - The achievement rate of "Deployment and supervision of projects aimed at improving operational efficiency, monitoring and control of related costs (overhaul of the industrial strategy with regard to the new strategic chapter, launch of the Industry 4.0 program, overhaul of the IT organization)" is 80% of the maximum amount.  
The complete World Class manufacturing for Electrification was redesigned with 20 competitiveness factors. An ambitious Industrial footprint project will follow in 2022. Diagnosis & deployment on Industry 4.0 was done with 2 pilot sites ready for 2022. A complete workstream on IT roadmap was realized from October to December 2021 and the deployment of the new architecture is ongoing.

- The achievement rate of “Rollout of the new corporate purpose (Electify the Future), implementation and role modelling of new values and behaviors, strategic talent agenda, and diversity policy” is 100% of the maximum amount. The Group rolled out the new corporate purpose (Electrify the Future), implemented and modelled role of new values and behaviors with a strategic talent agenda, and a diversity and inclusion policy. The new purpose and mission has been disclosed and appropriated through the Business Unit Ambitions stories, shared with all employees in each Business Unit. The values are very well spread throughout the Group and appropriated less than 6 months after their disclosing.  
New role models have been defined and implemented, starting with 2 strategic functions, R&D and Sales & Marketing.  
A dedicated program has been designed and launched for 15 emerging women talents, for them to grow as Top Executives, and same will be done for 40 “Equity story influencers” in 2022. The female representation on the Executive Committee has increased from 10% in 2020 to 18% in 2021.
- The achievement rate of “Deployment of the new CSR scorecard. Related Investors relations management.” is 86.7% of the maximum amount given Nexans ranked 6th most responsible company in France across all sectors, and No. 1 in the Capital Goods category. The Board noted few examples of the ESG Scorecard deployment :
  - From a safety day to a safety year with a dedicated theme on hand safety;
  - Implementation of a diversity and inclusion training;
  - Deployment of the Nexans Climate Strategy via the Fresque Climate;
  - Internal PLANET week organized on 60 sites worldwide;
  - Share of renewable or carbon-free energy with the integration to the RE100 program and an objective of 100% of renewable electricity by 2030.

Based on these figures, the Board of Directors decided that the individual portion came at 405,000 euros (relative to a potential maximum amount of 450,000 euros, i.e. 90% of such amount).

The total amount of the variable compensation paid to Christopher Guérin as determined by the Board for 2021 was thus 1,048,050 euros, being 93.16% of the maximum amount, being specified that the payment of the annual variable compensation due to Christopher Guérin for 2021 is conditional on its approval by the Annual Ordinary General Shareholders' Meeting of May 11th, 2022.

## **2. 2022 compensation of Christopher Guérin, Chief Executive Officer**

The Board decided to maintain the same fixed compensation of 750,000 euros and the variable portion of compensation for the Chief Executive Officer for 2022, as recommended by the Compensation Committee. This fixed remuneration was reviewed in 2021 after a period of 3 years.

For 2022, 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 2022 budget.

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

### **1. Strategy deployment : 25%**

- From an organic point of view: deployment of SLS Capex, implementation of the new R&D and Marketing organization, award of SLS contracts (interconnections and offshorewind)

- From an inorganic point of view: rotation of assets (transfers and acquisitions)
- Achieve a net income of €190 million in 2022 (adjusted from COREX effect)

**2. Operational Efficiency: 25%**

- Deployment of the Group's industrial strategy as well as the IS/IT and R&D organization following the announcements of the new 2022-24 strategic plan and the refocusing on the electrification ecosystem.
- Analysis of the value chain ecosystems, and determine possible new partnerships to improve the impact of Nexans' offer in a Systems and Solutions logic. Presentation to the Board in Semester 1.
- Integration of acquisitions

**3. Culture and Engagement : 25%**

- Deployment and fixation of the new culture (behaviors, role model). Implementation of a workforce planning and build the new skills grid resulting from the new strategic plan.
- Succession plan of the Executive Committee. Strategic talent management (TOP40 emerging talents with associated training plan).

**4. Deployment of ESG Policy : 25%**

- Continued deployment of the ESG scorecard with achievement of the 2022 objective.
- Implementation of the associated extra-financial communication around E3 (Economics, Environment, Engagement) and new performance management tools such as ROCE2.
- Diversity policy (continuity of Woman in Nexans plan and mentoring of recently appointed managers)