verallia

2021 CEO COMPENSATION POLICY

The Board of Directors decided during its meeting held on February 23rd, 2021 that the CEO's compensation for the 2021 financial year shall include the following elements:

(i) a gross annual fixed portion for an amount of 1,100,000 euros;

(ii) an annual variable portion for an amount equal to 100% of the annual fixed portion, i.e. 1,100,000 euros, in the event where 100% of set targets are met and, in the event where results would exceed set targets, for a maximum amount equal to 140% of the annual fixed portion, i.e. 1,540,000 euros, it being specified that the variable portion of the compensation shall be calculated on the basis of quantitative elements (as weighted in accordance with the provisions below) up to 80% and of qualitative elements up to 20% (as weighted in accordance with the provisions below).

For 2021:

- quantitative criteria shall represent 80% of the variable compensation, with 55% relating to an adjusted EBITDA threshold being met and 45% relating to an operational cash flow threshold being met for the 2021 financial year. In the event where such set performance criteria would be exceeded, the annual variable compensation based thereon (i.e. a gross amount of 880,000 euros on the basis of the annual fixed portion) would be increased on a linear basis up to a maximum amount corresponding to 120% of the annual fixed portion (i.e. a gross amount of 1,320,000 euros); and

- qualitative criteria shall be limited to a maximum amount equal to 20% of the annual fixed portion (i.e. a gross amount of 220,000 euros) and shall represent 20% of the variable compensation. They shall relate to safety and sustainable development targets, including (i) for 50%, a safety criterion, linked to the improvement of a workplace accident frequency rate with or without lost days (known as AF2) to a level equal to or below 2.3 (in the event of a fatal accident, the achievement rate for the objective related to the security criterion will be considered to be zero) and (ii) for 50%, a sustainable development criterion, related to the increase in the rate of cullet use to at least 56.6%;

(iii) as part of the implementation of two new performance share plans, respectively spread over a period of two years from 2021 to 2022 (the **2021-2022 Plan**) and over a period of three years from 2021 to 2023 (the **2021-2023 Plan**), the free allocation (without any discount):

- of a maximum number of 55,000 shares under the 2021-2022 Plan, subject to a two-year vesting period and a 30% retention obligation of shares vested, for the duration of the CEO's term of office; and

- of a maximum number of 55,000 shares under the 2021-2023 Plan, subject to a three-year vesting period and a 30% retention obligation of shares vested, for the duration of the CEO's term of office, (the total of shares attributable to the CEO under the 2021-2022 Plan and the 2021-2023 Plan therefore not exceeding 20% of the 3 698 184 attributable shares),

in both cases, subject to meeting the following performance conditions:

- up to 50%, a theoretical value creation target (defined as the increase in the following aggregate: 8 times adjusted EBITDA minus the net financial debt before payment of dividends and/or buy-back of shares), measured between 2020 and 2022 for the 2021-2022 Plan and measured between 2020 and 2023 for the 2021-2023 Plan;

- up to 20%, a Total Shareholder Return (TSR) target for the Company' share relative to the evolution of the TSR of companies included in the SBF 120 index on Euronext Paris, measured between 2020 and 2022 for the 2021-2022 Plan and measured between 2020 and 2023 for the 2021-2023 Plan[1];

- up to 10%, a ROCE (Return On Capital Employed) target[2]; and

- up to 20%, sustainable development objectives, broken down as follows:
  - up to 10%, a target of CO^2 emissions reduction[3]; and
  - up to 10%, an objective to increase the gender equality index[4].

If the theoretical value creation target is exceeded, the allocation may be increased by 20% for such criterion, raising the allocation for this indicator from 50% to 60% and leading to the allocation of a maximum total of 110% of the target allocation.

The 2021-2022 Plan and the 2021-2023 Plan also include the commitment by the CEO not to use personal risk hedging until the end of the retention period of these performance shares.

(iv) the following benefits: (A) the occupational scheme (*régime de mutuelle et de prévoyance*) subscribed for by the Company and its subsidiary Verallia Packaging for their respective corporate officers and employees, (B) the GSC « F70%B » 24-month unemployment insurance program and (C) a company-owned car that may be used for both professional and personal purposes;

(v) severance pay for a gross maximum amount of 150% of the sum of the fixed and variable portions of the compensation over the 12 months preceding the effective termination of the CEO's mandate. Such severance pay would be due in case of revocation (unless in case of revocation for gross misconduct or serious misconduct). The performance conditions applicable to such severance pay are based on the average rate of achievement of the targets

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[1] The allocation rate of performance shares to be allocated under this criterion is determined as follows:
- 0% in case the performance of Verallia's TSR is below 100% of the SBF 120 TSR; and
- 100% in case the performance of Verallia's TSR is equal to or above 100% of the SBF 120 TSR.

[2] Equal to or exceeding 21% for the 2021-2022 Plan and equal to or exceeding 22% for the 2021-2023 Plan.

[3] Verallia aims to reduce its CO_2 emissions by 27.5% by 2030 on the basis of 2019, meaning a reduction in CO_2 emissions at Group level of 77KT per year on average.

[4] By 2025, Verallia aims to increase the gender equality index by 15 points, so as to reach 75 points in all countries where the Group is present.

set with respect to the quantitative and qualitative criteria of the CEO's variable compensation over the 2 years preceding the effective termination of his mandate, such average rate having to be equal to or to exceed 70% for the severance pay to be fully paid. In the event where such average rate is below 70% over the 2 years preceding the effective termination of his mandate, no severance pay shall be paid to the CEO. The payment of the severance pay will be excluded if the CEO leaves the Company at his own initiative to take up a new position, or changes position within the Group, or invokes his retirement rights, or has reached the age of 65; and

(vi) under the 12-month non-compete agreement, a non-compete indemnity in the form of a flat rate monthly allowance equal to 1/12th of 70% of the CEO's fixed and variable compensation over the 12 months preceding the effective cessation of his mandate. The aggregate amounts paid under both the severance pay and this non-compete indemnity shall not exceed the sum of the fixed and variable portions of the CEO's compensation paid over the 2 years preceding the effective termination of his mandate. The Board of Directors may waive the implementation of the non-compete agreement upon the CEO's departure. The payment of the non-compete indemnity will be excluded if the CEO invokes his retirement rights or has reached the age of 65.

The CEO's compensation package shall not include a supplemental pension plan.

In accordance with article L. 22-10-8 of the French Commercial Code, the CEO's compensation policy shall submitted to the favorable vote of the ordinary general shareholders' meeting to be held on June 15th, 2021.