

**2022 EVALUATION OF THE CHIEF EXECUTIVE OFFICERS
PROPOSITIONS FOR 2022 VARIABLE REMUNERATION**

ALD BOARD OF DIRECTORS MEETING

MARCH 23RD 2023

2022 EVALUATION OF THE CHIEF EXECUTIVE OFFICERS PROPOSITIONS FOR 2022 VARIABLE REMUNERATION

The 2022 performance evaluation of the Executive Directors of ALD SA (« ALD » or the « Company ») and the proposals for the 2022 annual variable remuneration set out hereafter were validated by the Board of Directors on February 7th, 2023.

The 2022 remuneration policy for the Executive Directors was validated by the Board of Directors meeting of March 29th 2022 and by the Annual General Shareholders Meeting of May 18th 2022 (ex ante vote).

Compensation policy principles

The compensation policy is in line with the Company's corporate interest using qualitative performance indicators that are taken into account when determining the variable compensation of executives, in particular objectives relating to corporate social responsibility (CSR) and managerial development.

It supports the commercial strategy by integrating performance indicators for executives linked to commercial objectives, customer satisfaction and the development of strategic partnerships.

It also contributes to the sustainability of the Company by creating a direct link between the variable compensation of executives and objectives aimed at implementing the long-term strategy of the Group.

Accordingly, the compensation policy provides for the deferred payment over a period of five years of the variable portion subject to presence and performance conditions. The purpose of this is to retain executives over the long term and consider the Company's results over a period of five years following the end of the financial year. A minimum of 50% of variable compensation is paid in the form of ALD shares or share equivalents to enable an alignment of the interests of executives with the long-term interests of shareholders.

The "malus" clause and clawback mechanism make it possible to take into account risk management and compliance over that five-year period.

The compensation policy applicable to executive corporate officers is defined by the Board of Directors upon the recommendations of the Compensation Committee. Executive corporate officers do not participate in the discussions and deliberations of the Board and the Compensation Committee concerning the policy applicable to their own compensation. The "target" levels of fixed and variable compensation take into account market practices based on studies carried out by an independent firm.

Executive corporate officers are subject to an annual independent assessment by the Risk Department and Compliance Department of Societe Generale. In the event of a negative assessment, the conclusions are shared with the Board in order to be included in their deliberations.

Compensation of Directors

The policy governing the compensation of independent directors was approved by the Board of Directors on 7 February 2018. In accordance with the recommendations of the AFEP-MEDEF Code, it includes a fixed *pro-rata* component to reward the long-term commitment and responsibilities related to the office of director, and a variable component, slightly more than the fixed one, to reward director attendance and participation in the various meetings of the Board of Directors and the specialised committees. In both cases, the Chairpersons of the specialised committees receive 50% more than committee members because of the greater level of personal investment required.

Global annual attendance fees of EUR 400 thousand were approved by the Annual General Meeting of 18 May 2022.

Compensation of the Chair

Diony LEBOT does not receive any compensation for her role as Chair of the Board of Directors and was directly compensated by Societe Generale for her duties as Deputy CEO of Societe Generale.

Compensation of Executive Officers

For 2022, the compensation of the CEO and the Deputy CEOs is broken down into the following components:

- fixed compensation, which recognises the experience and responsibilities exercised, and takes into account market practices
- annual variable compensation, which depends on performance for the year and the contribution of the executive corporate officers to the success of ALD
- an exceptional variable compensation based on the success of the contemplated acquisition of LeasePlan

Fixed compensation

The annual fixed compensation amounts at the end of the 2022 financial year are as follows:

- Tim ALBERTSEN, Chief Executive Officer: EUR 550,000
- Gilles BELLEMERE, Deputy CEO: EUR 300,000
- John SAFFRETT, Deputy CEO: EUR 450,000.

In accordance with the compensation governance in place, these changes were decided by the Board of Directors on the basis of a proposal from the Appointments and Compensation Committee, which was based on a study carried out by a consultant of compensation practices in ALD's industry and any differences with them. The Remuneration Committee noted that the fixed remuneration of Tim ALBERTSEN and John SAFFRETT were below industry market practices for equivalent positions and wanted to increase their fixed compensation significantly, while reducing the target amounts of annual variable performance compensation, so that the overall target compensation (excluding exceptional items) would increase moderately to keep total compensation consistent with the sector market, taking into account the current size of ALD

The annual fixed compensation amount was approved in line with the ALD compensation policy.

Variable compensation

General principles

On 29 March 2022, the Board of Directors defined the components of variable compensation for 2022, which were approved by the Annual General Meeting held on 18 May 2022. The annual variable compensation is calculated on the basis of quantitative criteria (60%) and qualitative non-financial criteria (40%).

If the performance objectives are exceeded, the quantitative component is capped at 130% of the share of variable compensation assessed according to the quantitative criteria. The qualitative non-financial component is capped at 110% of the share of variable compensation assessed according to the qualitative non-financial criteria. In accordance with CRD5, variable compensation may not exceed 200% of annual fixed compensation, even if the objectives are exceeded.

The table below shows the target and maximum amounts of approved variable compensation in respect of performance in 2022.

<i>(In EUR)</i>	target variable compensation in 2022	O/w quantitative portion	O/w qualitative portion	Maximum variable compensation 2022	O/w quantitative portion	O/w qualitative portion
Tim ALBERTSEN	450,000	270,000	180,000	549,000	351,000	198,000
Gilles BELLEMERE	250,000	150,000	100,000	305,000	195,000	110,000
John SAFFRETT	400,000	240,000	160,000	488,000	312,000	176,000

Quantitative portion

The quantitative portion (60%) for 2022 is assessed on the basis of the following four indicators:

- annual growth in the fleet (2022 vs. 2021)
- growth in the Services margin and Leasing contract margin (corresponding to NBI excluding used car sales)
- the cost/income ratio excluding used car sales
- earnings per share (EPS).

In 2022, the achievement rate for the quantitative portion was 75.32% (an achievement rate of 125.54% on a base of 100), as indicated below:

Indicators	Weighting	Achievement rate
Annual growth of the fleet (2022 vs 2021)	10 %	10,32 %
Growth of the service margin and the Leasing contract margin	10 %	13,00 %
The cost/income ratio excluding used vehicle sales	10 %	13,00 %
Earnings per share (EPS)	30 %	39,00 %
TOTAL	60 %	75,32 %

The target amounts and the level of achievement for these quantitative criteria were precisely established by the Compensation Committee and approved by the Board of Directors but are not being made public for reasons of confidentiality. The indicators/targets set do not include any factors considered to be exceptional by the Board of Directors apart from the cost/income ratio for which the target was set excluding non-recurring items linked to the planned acquisition of LeasePlan. The Board of Directors notes the degree to which quantitative objectives have been achieved after the close of the financial year using the published results as a basis. The Board of Directors is empowered to decide, on the recommendation of the Compensation Committee, whether to make restatements for non-recurring exceptional and unbudgeted items not covered by managerial decisions or operational management of activities.

Qualitative (non-financial) portion

The qualitative non-financial portion (40%) is based on objectives set each year in advance by the Board of Directors for the coming financial year. In this respect, the collective and individual objectives were set with an equivalent weighting. The criteria specifying how the achievement of each qualitative objective will be measured have been established by the Compensation Committee and approved by the Board of Directors. These criteria are not made public for reasons of confidentiality.

The objectives set for the 2022 financial year are linked to the implementation of the long-term strategy of ALD.

Given the uncertainty around the potential impact of the war in Ukraine on the results and activities in general, all collective and individual qualitative objectives were assessed in light of the consequences of that crisis.

The objectives common to all executive corporate officers cover the following matters:

- achievement of the key stages of the LeasePlan acquisition programme in accordance with the schedule set by the Board of Directors
- achievement of CSR objectives and, in particular, the rollout of the development programme for electric and hybrid vehicles in the main countries
- agility in relation to the implementation of new mobility products and solutions that meet customer expectations, in particular the deployment and development of ALD Flex
- improvement in the management of used vehicles and the quality of residual value risk management, through the deployment of the Used Car Lease programme
- customer satisfaction as assessed using satisfaction surveys (measured by the net promoter score)
- governance and the employment conditions of the Group's employees, with objectives intended to promote gender equality, the deployment of managerial training programmes, consideration of the results of the employee barometer, the rollout of mandatory training and the development of remote working.

The individual objectives of the executive corporate officers include:

- the implementation of organisational structures and strategic plans specific to their areas of responsibility
- the development of strategic partnerships
- the management of relations with investors
- innovation and digitisation, particularly through the deployment of the platform of connected cars and related products.

Based on the evaluation of the qualitative component for the 2022 financial year, an achievement rate of 44% (an achievement rate of 110% on a base of 100) was obtained for Tim ALBERTSEN and John SAFFRETT and 43% (an achievement rate of 107.5% on a base of 100) for Gilles BELLEMERE.

Variable compensation amounts for 2022

According to the assessment of the quantitative and qualitative non-financial criteria (overall achievement rate of 119.32% for Tim ALBERTSEN and John SAFFRETT, and 118.38% for Gilles BELLEMERE), the amounts of variable compensation are as follows:

- Tim ALBERTSEN: EUR 536,960
- Gilles BELLEMERE: EUR 295,811
- John SAFFRETT: EUR 477,298.

These amounts are subject to final validation at the Annual General Meeting of 24 May 2023. No payments will be made prior to such meeting.

Vesting procedure for total variable compensation

In accordance with CRD5, the Board of Directors has defined the following terms for the vesting and payment of total variable compensation:

- a deferred portion subject to a condition of presence in the Company and a performance condition, vested in tranches of one-fifth over a five-year period, with a minimum deferral rate of 40%
- at least 50% is indexed to the ALD share price (or share equivalents), resulting in 50% of the vested portion and a minimum of 50% of the unvested portion
- the amount of the variable portion immediately granted in cash may not exceed 30% of the total amount.

The deferred portion is vested subject to:

- a condition of continued presence. Exceptions to this condition are retirement, death, disability with incapacity to perform one's functions or a decision of the Board of Directors based on the terms of departure
- reconsideration under a "malus" clause in the event of a significant deterioration of financial performance or a failure of duty
- a profitability condition defined as ALD's positive Net income for the period (based on an arithmetical average) over the vesting period.

The deferred portion is also subject to a clawback clause valid for five years, which can be activated in the event of acts or behaviour deemed rash in terms of risk-taking, subject to applicability within the relevant legal and regulatory framework.

Payment of the last tranche of the deferred part at the end of five years is also conditional on the Return on Average Earning Assets excluding used car sales (RoAEA excluding used car sales). The full amount will only be paid if such RoAEA is above 2.3% (based on an arithmetic average) during the vesting period. If it is below 1.8%, no amount will be paid. If the RoAEA is between 1.8% and 2.3%, the Compensation Committee will propose a vesting percentage to the Board of Directors.

The Board of Directors is empowered to decide, upon the recommendation of the Compensation Committee, whether to make restatements for non-recurring exceptional and unbudgeted items not covered by managerial decisions or operational management of activities.

Moreover, the Chief Executive Officer and the Deputy CEOs are prohibited from hedging their ALD shares or share equivalents throughout the vesting and holding periods.

Exceptional variable compensation

In view of legislation requiring an *ex ante* vote on all provisions of the compensation policy, the Board of Directors wanted to reserve the option of paying, where relevant, additional variable compensation in the event of exceptional circumstances of particular importance for the Company, requiring significant involvement or the management of difficulties.

In the context of the contemplated acquisition of LeasePlan and on the recommendation of the Compensation Committee, an exceptional compensation plan was implemented in order to:

- retain key ALD employees for the purposes of the transaction and the business
- provide an incentive for the successful completion of the transaction (finalise the closing and move ahead with the integration phase)
- enable business continuity during the transition period.

This compensation is established in accordance with the general principles of the AFEP-MEDEF Code regarding compensation.

In all cases, in accordance with CRD5 in force, the amounts decided with respect to this exceptional incentive bonus were calculated such that the total annual variable compensation amount including this exceptional compensation would not be more than twice the annual fixed compensation amount. These amounts were established taking into account the level of contribution expected from each beneficiary in relation to the transaction and with regard to external benchmarks.

Given the schedule of the transaction, this exceptional variable remuneration will be applicable over several financial years, and will be granted in two stages, half after the closing of the transaction and half after completion of the main integration phase.

The amounts were defined as follows:

- Tim ALBERTSEN: 150% of his fixed salary for 2022, *i.e.*, EUR 825,000 (of which a maximum of EUR 412,500 relating to 2022)
- Gilles BELLEMERE: 100% of his fixed salary for 2022, *i.e.*, EUR 300,000 (of which a maximum of EUR 150,000 relating to 2022)
- John SAFFRETT: 150% of his fixed salary for 2022, *i.e.*, EUR 675,000 (of which a maximum of EUR 337,500 relating to 2022).

This incentive bonus will be awarded subject to:

- a condition of presence in the Company at the time of the award
- a performance condition and payment in two stages:
 - an interim payment of up to 50% of the total amount on the successful closing of the acquisition of LeasePlan,
 - the balance on the successful completion of the main integration phase and the achievement of expected synergies. The specific conditions linked to this second phase will be specified at a later date as part of the *ex ante* policy for 2023.

The Board of Directors will maintain the option of deciding, on the recommendation of the Compensation Committee, whether to pay all or part of this exceptional incentive bonus based on the individual contributions of each executive corporate officer in the achievement of these performance conditions.

The Board of Directors set the maximum deadlines for the achievement of each performance condition and for the completion of the key stages of the transaction during 2022. In the event of a delay in execution due to exceptional factors not related to managerial decisions or operational activity management, the Board of Directors will maintain the option of deciding, on the recommendation of the Compensation Committee, whether to extend the maximum period for the achievement of the performance conditions. If the key stages to be completed during 2022 are not achieved, no exceptional annual variable remuneration will be awarded *ex post* for the 2022 financial year and the Board of Directors will maintain the option, depending on the circumstances, of deciding whether to carry over all or some of that part of the incentive bonus to the *ex ante* compensation policy for 2023.

It will comply with the terms of payment of the annual variable portion and be subject to the same deferral and vesting conditions.

The Board of Directors observed that all of the key stages were completed on schedule, in particular compliance with the main regulatory conditions and all of the antitrust conditions required in advance of the acquisition and the completion of the capital increase in December 2022.

Consequently, the Board of Directors validated the awards of the instalments relating to 2022 subject to the successful finalisation of the closing before the Annual General Meeting of 24 May 2023, the amounts of which are as follows:

- EUR 412,500 for Tim ALBERTSEN, Chief Executive Officer
- EUR 150,000 for Gilles BELLEMERE, Deputy Chief Executive Officer
- EUR 337,500 for John SAFFRETT, Deputy Chief Executive Officer.

No exceptional variable compensation will be awarded to the executive corporate officers without obtaining the prior approval of the shareholders for the financial year concerned (*say on pay, ex post vote*).

Other benefits

Each executive corporate officer receives a Company car as well as a health insurance plan, for the health, death and disability insurance coverage in line with employee coverage.

The compensation policy provides, where applicable, for the assumption of certain costs when the duties require the Chief Executive Officers and their families to relocate to different locations. In particular, housing costs, moving costs and school fees for children whose enrolment in a school of the relevant nationality/language is justified may be covered. To that end, Tim ALBERTSEN and John SAFFRETT receive housing allowances.

Recognition of performance conditions applicable to deferred compensation

The Board of Directors recognised the achievement of the performance conditions applicable to deferred compensation payable in 2023.

Furthermore, with regard to the performance assessments by the Board of Directors and the independent assessments by Societe Generale's Risk and Compliance Departments, there was no need to make use of the "malus" clause or clawback mechanism.

Recognition of the performance condition for the acquisition of pension rights

Mr. Tim Albertsen, Mr. Gilles Bellemere and Mr. John Saffrett benefit from the pension plans described below which were applicable to them as employees until the suspension of their employment contracts:

- Supplementary pension plan for Societe Generale executives (this plan has been closed and no further pension right is awarded thereunder after December 31st 2019);
- Epargne retraite Valmy for Societe Generale employees.

As the supplementary pension plan for Societe Generale executives has been closed, no rights have been allocated for the year 2022. The benefit of the Valmy retirement savings plan for Societe Generale employees is not subject to performance conditions.

In addition, Tim Albertsen and John Saffrett benefit from a new supplementary pension plan set up for the members of the Societe Generale Executive Committee since their appointment to the Societe Generale Executive Committee on February 10, 2020.

In accordance with the law, the annual increase in benefits under the supplementary defined contribution pension scheme as set out in Art. 82 is subject to the following performance condition: potential pension benefits for a year will only be acquired if at least 50% of the performance conditions for variable compensation for that year are met. For lower performance, no additional pension rights will be acquired.

As this performance condition is met, the supplementary pension rights in respect of 2022 are vested for Tim ALBERTSEN and John SAFFRETT.