



Inventing
the future

Minutes

COMBINED GENERAL MEETING
OF MAY 5, 2020



Benoît Potier

Chairman and Chief Executive Officer

THANK YOU FOR PARTICIPATING!

The Combined General Meeting, chaired by Benoît Potier, Chairman and Chief Executive Officer, was held exceptionally behind closed doors at the Company's head office in Paris on May 5, 2020.

The shareholders, who represented 52.11% of voting rights, i.e. 105,445 shareholders, adopted all the proposed resolutions. A total of 245,656,385 votes were cast out of the 471,412,378 shares entitled to a voting right, with one share granting entitlement to one vote.

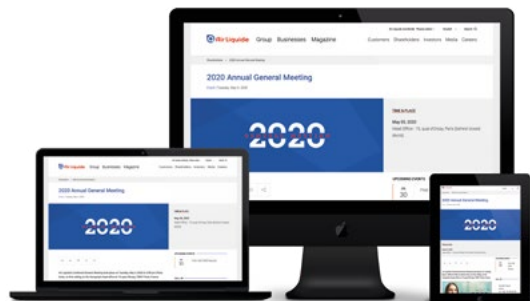
Under the special regulatory framework set up due to the circumstances, the General Meeting's officers were established by decision of the Board of Directors, which met on the same day. Alexandra Rocca and Cyril Audinette were appointed as scrutineers and Fabienne Lecorvaisier as the Meeting Secretary.

The webcast of the Combined General Meeting is available on our website www.airliquide.com.

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*For a more detailed presentation of the Group,
visit our website www.airliquide.com*



BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Board of Directors following the General Meeting



Benoît POTIER

Chairman and CEO



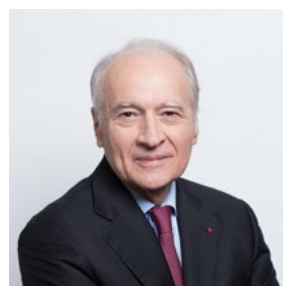
Jean-Paul AGON

Independent Director
Lead Director



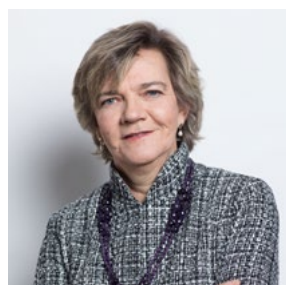
Anette BRONDER

Independent Director



Xavier HUILLARD

Independent Director



Siân HERBERT-JONES

Independent Director



Kim Ann MINK

Independent Director



Sin Leng LOW

Independent Director



Annette WINKLER

Independent Director



Geneviève BERGER

Independent Director



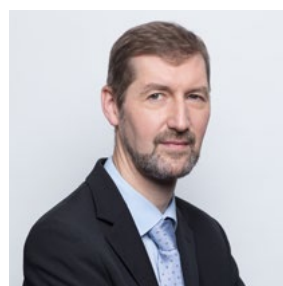
Brian GILVARY

Independent Director



Thierry PEUGEOT

Director



Philippe DUBRULLE

Director representing
the employees

Statutory Auditors

ERNST & YOUNG et Autres
Represented by Jeanne Boillet
and François-Guillaume Postel

PricewaterhouseCoopers
Represented by Françoise Garnier
and Séverine Scheer

Central Works Council Delegates

Pierre GAC
Patrice LEVÉE



Executive Management and Executive Committee

Benoît Potier	Chairman and CEO	Born in 1957 – French
Michael J. Graff	Executive Vice President in charge of the Americas and Asia Pacific hubs and the Electronics World Business Line	Born in 1955 – American
François Jackow	Executive Vice President in charge of the Europe Industries, Europe Healthcare and Africa/Middle East & India hubs as well as the Healthcare World Business Line and the overall Customer Global Function	Born in 1969 – French
Fabienne Lecorvaisier	Executive Vice President in charge of Finance, Operations Control and General Secretariat	Born in 1962 – French
Guy Salzgeber	Executive Vice President in charge of the Industrial Merchant and Hydrogen Energy World Business Lines, as well as the following functions: Innovation, Digital & IT, Safety, Procurement, Public Affairs and Sustainable Development. He also supervises the Global Markets & Technologies activity	Born in 1958 – French
Jean-Marc de Royere	Senior Vice President in charge of Inclusive Business. He chairs the Air Liquide Foundation	Born in 1965 – French
François Venet	Senior Vice President in charge of Strategy and supervising the Large Industries and Engineering & Construction World Business Lines	Born in 1962 – French
François Abrial	Vice President in charge of the Asia Pacific hub	Born in 1962 – French
Pascal Vinet	Chief Executive Officer of Airgas	Born in 1962 – French
Armelle Levieux	Group Vice President in charge of Human Resources	Born in 1973 – French
Susan Ellerbusch	Vice President in charge of the Large Industries, Electronics and Hydrogen Energy businesses in the United States as well as the Large Industries, Industrial Merchant and Healthcare businesses in Canada	Born in 1967 – American
Matthieu Giard	Vice President in charge of the Industrial Merchant World Business Line and the global Procurement and Efficiency programs	Born in 1974 – French
Émilie Mouren-Renouard	Vice President in charge of Innovation, Digital and IT, Intellectual Property and the Global Markets & Technologies activity	Born in 1979 – French
Diana Schillag	Vice President in charge of Europe Healthcare activities	Born in 1971 – German

RESULTS OF THE VOTE ON THE RESOLUTIONS

All the resolutions were approved.

	In favor		Against		Abstention
	VOTES	%	VOTES	%	
ORDINARY GENERAL MEETING					
1 Approval of the Company financial statements for the year ended December 31, 2019.	243,758,591	99.58%	1,021,704	0.42%	876,090
2 Approval of the consolidated financial statements for the year ended December 31, 2019.	243,762,288	99.58%	1,018,582	0.42%	875,515
3 Appropriation of 2019 earnings; setting of the dividend.	243,793,836	99.43%	1,409,548	0.57%	453,001
4 Authorization granted to the Board of Directors for a period of 18 months to allow the Company to trade in its own shares.	240,560,994	98.21%	4,383,979	1.79%	711,412
5 Renewal of the term of office of Mr Brian Gilvary as Director.	209,356,105	85.48%	35,550,940	14.52%	749,215
6 Appointment of Ms Anette Bronder as Company Director.	244,452,132	99.81%	455,407	0.19%	748,846
7 Appointment of Ms Kim Ann Mink as Company Director.	244,551,522	99.79%	518,563	0.21%	586,300
8 Statutory Auditors' Special Report on agreements covered by articles L. 225-38 et seq. of the French Commercial Code.	244,476,364	99.79%	502,908	0.21%	168,907
9 Approval of the elements of remuneration paid during or awarded in respect of the fiscal year ended December 31, 2019 to Mr Benoît Potier.	219,383,769	89.56%	25,582,926	10.44%	689,690
10 Approval of information relating to the remuneration of Corporate Officers stated in paragraph I of article L. 225-37-3 of the French Commercial Code.	228,146,030	93.47%	15,933,086	6.53%	1,576,390
11 Approval of the remuneration policy applicable to the Corporate Officers.	217,468,801	88.83%	27,337,713	11.17%	849,871
12 Setting of the total annual amount of Directors' remuneration.	238,762,527	97.54%	6,030,439	2.46%	863,419
EXTRAORDINARY GENERAL MEETING					
13 Authorization granted to the Board of Directors for a period of 24 months to reduce the share capital by cancellation of treasury shares.	242,903,842	98.94%	2,601,135	1.06%	151,408
14 Delegation of authority granted to the Board of Directors for a period of 26 months to increase the share capital through capitalization of additional paid-in capital, reserves, profits or any other amount that may be capitalized, for a maximum amount of 300 million euros.	245,199,094	99.88%	306,065	0.12%	151,226
15 Delegation of authority granted to the Board of Directors for a period of 26 months to perform share capital increases, with cancellation of preferential subscription rights, reserved for members of a Company or Group Savings Plan.	242,920,025	98.97%	2,536,840	1.03%	199,272
16 Delegation of authority granted to the Board of Directors for a period of 18 months to perform share capital increases, with cancellation of preferential subscription rights, reserved for a category of beneficiaries.	242,605,592	98.85%	2,811,941	1.15%	237,035
17 Harmonization of article 11 of the articles of association (Composition of the Board of Directors) with the provisions of the PACTE Law in relation to Directors representing employees.	245,310,026	99.94%	157,501	0.06%	188,858
18 Modification to article 15 of the articles of association (Powers of the Board of Directors) relating to management decisions made by the Board of Directors (PACTE Law).	245,304,188	99.94%	144,956	0.06%	207,241
19 Compliance of article 16 of the articles of association (Remuneration) with the provisions of the PACTE Law relating to Directors' remuneration.	245,069,665	99.92%	196,150	0.08%	390,570
20 Modification of article 9 of the articles of association (Identification of shareholders) relating to threshold notifications.	245,396,885	99.97%	75,766	0.03%	183,734
21 Statutory modification relating to the authority to decide or authorize the issue of bonds.	243,326,925	99.12%	2,166,968	0.88%	162,492
22 Extension of the Company's term and consequential amendment to the articles of association.	245,517,434	99.98%	41,631	0.02%	97,320
ORDINARY GENERAL MEETING					
23 Powers for formalities.	245,463,240	99.98%	54,799	0.02%	138,346

2019 RESULTS

"The 2019 fiscal year was an excellent year for Air Liquide, with key achievements in terms of performance, investments and measures in favor of the climate, which has given it a solid footing to confront the pandemic head on."

Fabienne Lecorvaisier, Executive Vice President and Chief Financial Officer

Watch the video of the main 2019 investment decisions at:
airliquide.com/2019investments

2019 KEY GROUP FIGURES

- ▶ **Revenue:** 21,920 million euros, an increase of +3.2% ^(a)
- ▶ **Operating Income Recurring:** 3,794 million euros, an increase of +10.0% ^(a)
- ▶ **Net profit:** 2,242 million euros, recurring net profit growth of +11.1% ^(b)
- ▶ **Operating margin:** 17.3%, an increase of 70 basis points excluding energy
- ▶ **Return on capital employed after tax:** 8.6%, an increase of 60 basis points ^(c)
- ▶ **Net earnings per share:** 4.76 euros, an increase of +5.9%
- ▶ **2019 Dividend per share:** 2.70 euros

(a) Change excluding the currency, energy (natural gas and electricity) and significant scope impacts.

(b) Excluding exceptional and significant transactions that have no impact on Operating Income Recurring.

(c) Based on recurring net profit.

KEY PERFORMANCE POINTS

- ▶ **Strong business momentum**
 - Solid growth of Gas & Services sales in all markets and all geographic regions
- ▶ **A marked improvement in performance**
 - Further improvement in operating margin
 - Dynamic management of prices and product mix, of the efficiency programs and the portfolio of assets
- ▶ **A record level of investment decisions which stand at 3.7 billion euros**

Strong business momentum

In 2019, Air Liquide made crucial progress in terms of performance, investments and climate initiatives in an erratic economic environment. Group revenue totaled **22 billion euros**, an increase of **+4.3%** as published and up **+3.2%** on a comparable basis with 2018. The Gas & Services business, which accounts for 96% of sales, rose **+3.5%** on a comparable basis over the year, benefiting from growth in all regions and from particularly steady demand in Healthcare and Electronics.

Strong sales growth



(1) Comparable sales growth, excluding currency, energy, and significant scope impacts.



Operating performance

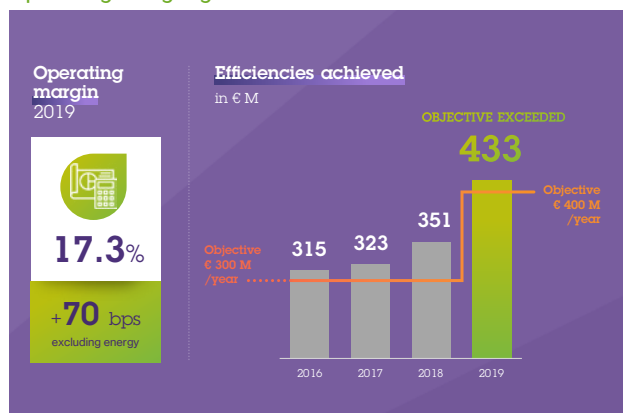
The Group's performance was remarkable. Every key **performance indicator** improved thanks to non-stop management of prices and the product mix, efficiency programs and asset portfolio. As published, operating results increased **+10.0%**, recurring net profit **+11.1%** and cash flow from operating activities **+14.5%**.

The Group's **operating margin** came to **17.3%**, representing an increase of 70 basis points excluding the energy price impact, mainly due to **433 million euros** in **efficiencies** in 2019, ahead of the NEOS strategic plan target.

Group net profit totaled **2.2 billion euros** in 2019, up +6% as published. Not including the impact from the sale of Fujian Shenyuan in China in 2019 and the one-time financial gain in 2018, the increase in **recurring** net profit rose by 11%.

Net debt decreased again and came to **64% of equity** as of December 31, 2019. **Return on Capital Employed (ROCE)** continued to improve, reaching **8.6% of recurring ROCE**, a +60 basis point improvement compared to 2018.

Operating margin growth



In 2019, every one of the Air Liquide's **non-financial key performance indicators** improved, whether they were safety-related, diversity-related or carbon intensity-related.

A new record in investment decisions

Investment decisions reached a new record of **3.7 billion euros**, making it possible for the Group to favorably position itself in existing and future markets. For instance, the Group signed several **major contracts** — in Electronics in China, and in Large Industries in Russia,

Canada, the Philippines and on the Gulf Coast. The Group made **acquisitions** such as Tech Air purchased by Airgas in the United States, Netherlands-based Medidis, a company that treats respiratory illnesses, and Southern Industrial Gas, an industrial gases company in Malaysia. Lastly, the Group has made several major investment decisions in **Hydrogen Energy**, such as building the world's largest membrane-based electrolyzer in Canada, and in innovative projects to **combat climate change**, such as producing hydrogen-based low carbon steel with Thyssenkrupp Steel.

A solid Group

2019 was an excellent year for Air Liquide, providing the Group with a solid base to face the pandemic. As a precaution, and in light of market uncertainties related to the situation, the Group successfully issued a **1 billion euro** bond in March 2020 to cover its future liquidity and financing needs.

Good resilience in activity during Q1 2020

During the first quarter of 2020, comparable growth was up **+1%** for the Americas and **+3%** in Europe. Growth for the Asia Pacific region, which was the first region hit by the Covid-19 pandemic, declined **-1%**. The strength of Air Liquide's business model and its long-term contracts in Large Industries as well as continued strong demand in Electronics and sharp growth in Healthcare offset the decline in the Industrial Merchant business, particularly in China.

Since other geographic regions were not affected until the end of the period, Gas & Services posted **+1%** growth on a comparable basis and Group revenue also rose slightly compared to 2018 at **+0.6%**. These numbers confirm once again **how resilient the Group's business model is**.

With regard to performance, the Group generated **91 million euros in long-term savings** this quarter and it enhanced cost control and revenue measures to withstand the decline in business.

It remains very difficult at this stage to estimate the consequences of the Covid-19 public health crisis on 2020 results, but drawing on the strength of the Group's fundamentals and its teams' commitment to continuity plans and cost control, Air Liquide is confident in its ability to weather this challenging period under the best conditions possible.

STRATEGIC OVERVIEW

INVENTING THE FUTURE MORE THAN EVER

"I would like to congratulate and thank all Air Liquide's employees. Those working at our plants, our sites, alongside our customers or remotely from their homes, their commitment and their professionalism have been unwavering. They deserve recognition for their sense of responsibility and civic-minded attitude which has shone through since the first day of the Covid-19 crisis. Under such exceptional circumstances, this has also made me proud to lead your Group. Let this very special Annual General Meeting also belong to the employees this year."

Benoît Potier, Chairman & CEO



This decade is starting with an unprecedented crisis, unprecedented in its suddenness, spread and complexity. Everyone's life is affected by it. Of course, it is also significantly disrupting economic activity and, therefore, our forecasts for 2020, as well as the organization of our teams, and just when 2019 had lived up to its promises. But this crisis is also a call for us to come together, be creative, be determined and reflect. And now more than ever, this crisis is calling on us to invent the future.

Our response to the public health crisis

All Air Liquide employees, in every business line and in every position around the world responded urgently with professionalism, flexibility and a remarkable commitment.

The starting point: China

With 300 employees working in Wuhan, Air Liquide was on the front line of the crisis in China starting in January 2020. And although we were caught off-guard, like the rest of the world, by the magnitude of the pandemic in Europe, and in Italy first, we were able to give first our European, then our American operations the benefit of all our **experience feedback**, and hence **get ahead of the game**.

Rigorous Business Continuity Plans

These Business Continuity Plans existed before the crisis. They have been systematically activated for all Group business lines to:

- ▶ **ensure employee safety** at sites by making adjustments to work stations and **preserving jobs and salaries** wherever possible;
- ▶ **ensure contact** with customers and patients, and **keep contractual commitments** with all partners;
- ▶ **guarantee continued production** and prioritizing **industrial safety** and the **healthcare** sector;
- ▶ **safeguard the business** through a work-from-home initiative during lockdown and **keep the supply and delivery chains** running.

These Business Continuity Plans largely relied on **Digital**. As a result, the Group enhanced and updated IT and digital resources early on to be able to handle the increased volume. IT teams were among the first to be mobilized and the Group was able to make good use of infrastructure and processes that were set up everywhere several years ago.



Worldwide solidarity also came into play within the Group, from information to protective equipment at a time when needs were the most critical. This same spirit currently prevails in preparing to end lockdown and the complete restart of activities, particularly in France.

Air Liquide Healthcare teams' mobilization

This pandemic is first and foremost a public healthcare crisis. That is why it is important to take a closer look at the incredible mobilization of Air Liquide Healthcare teams around the world.

SUPPLYING MEDICAL OXYGEN

The coronavirus attacks the respiratory tracks. **Medical oxygen** is therefore absolutely essential to combat this disease. Air Liquide was racing against the clock around the world to support the unprecedented mobilization of healthcare workers.

To meet the needs of hospitals, long-term care facilities and homes, the Group had to:

- ▶ **produce more medical oxygen.** For instance, demand was **five to six** times greater in the hardest hit areas – in Italy, Spain and eastern France;
- ▶ **increase storage capacities** for liquid oxygen and cylinders in hospitals;
- ▶ build and adapt **distribution networks** to create **new intensive care spaces** in existing hospitals, such as those in rural areas, and often in record-breaking time. This was the case in Wuhan, Madrid, Milan, Mulhouse, Paris and the United States.

Air Liquide teams were and are still mobilized every day, regardless of the circumstances.

VENTILATORS

Every ventilator represents a life that we can save. Our mission is **to support healthcare workers so life can prevail**. Air Liquide is **the only French ventilator manufacturer**, with two production sites in France: one in Antony and the other in Pau. When the crisis battered Europe, we quickly understood that we needed to speed up ventilator production.

From early March, Air Liquide **doubled intensive care ventilator production**, then **tripled production in April**, and since then has **quadrupled production** in close coordination with authorities. It was a considerable challenge. Team shifts made it possible to work for **six days per week, nights and weekends included**. But with the explosion in the number of patients in intensive care, we had to do even more, without even waiting on tripling production.

AN INDUSTRIAL PARTNERSHIP FOR NATIONAL SOLIDARITY

"How can you scale up as quickly as possible?" asked the Secretary of State, Ms. Agnès Pannier Runacher, eight days after initially contacting us. That is where the idea of forming an **alliance** with major industry players such as **PSA, Schneider Electric and Valeo** as well as several **SMEs** to take on a significant challenge came. The challenge was enormous: make **10,000 ventilators in 50 days**, the equivalent of three years' worth of Air Liquide's normal production. It was **an unrivaled industrial and human challenge**.

Within record time, we then had to agree on a **breakdown between the two types of ventilators selected**, as agreed with academic associations and the French Ministry of Health. Next, we secured **supply of the critical components** (there are more than 300 parts in a ventilator), and **created three new production lines**. After that, we put out a call for **additional volunteer operators** from Air Liquide and from our partners. We used PSA's Poissy plant where some of the device components are assembled and the Air Liquide's Antony plant where final assembly and certification of all the ventilators take place.

The **first 1,000 ventilators** from the consortium were made available to hospitals. They were all provided at cost price.

By working together, we are succeeding in this **huge industrial challenge**. And we would like to sincerely thank all our partners who joined us in this unprecedented endeavor. We saw the best of what French industry can do when it comes together in a **united mass effort for the greater good of the nation**.

**We must always believe
in the future and, more
than ever, invent it!**

Watch the video:
airliquide.com/covid19initiatives



Impact of the crisis on the Group

Air Liquide is and obviously will be impacted by this crisis. How could it not be? But over the past 10 years, the Group has learned some lessons from the 2009 financial crisis and has undeniably become **more resilient**. Air Liquide has become better equipped to handle this type of situation due to **its stronger position in certain markets** and **its worldwide network organization**.

Measures undertaken

In terms of people, manufacturing or the financial aspect of the crisis, we reacted fast, consistently and with solidarity. In addition to existing programs, several further measures have been put in place:

- ▶ strengthening cash and cost control programs;
- ▶ increasing investments in efficiency while maintaining the overall investment budget forecast;
- ▶ improving the Group's liquidity with a 1 billion euro long-term bond issue in late-March 2020.

All these measures have made the Group **more resilient**.



What is the impact on our markets?

During the first quarter of 2020, Air Liquide observed the following trends in its activities:

- ▶ significant declines in volume, limited to certain sectors such as steel, in **Large Industries**, and an activity that held well in terms of revenues, due in particular to contractual clauses with fixed portions;
- ▶ the **Industrial Merchant** business, which serves the smallest customers, such as trades and craftspeople, was the hardest hit business line. However, in China, the Industrial Merchant business has already bounced back to more than 80% of its pre-crisis level;
- ▶ the **Electronics** business line, geared toward semi-conductors and flat panels, continued to operate almost normally during the peak of the crisis;
- ▶ the **Healthcare** business has remained very strong to-date;
- ▶ **Engineering & Construction** orders have dropped sharply, and some sites in construction shut down due to the departure of several subcontractors;
- ▶ lastly, **Global Markets & Technologies** has been able to maintain a decent level of sales.

These trends are only partially reflected in first quarter sales, which rose +1%.

Against this backdrop, **forecasts** remain difficult because they depend on the length of lockdown, the speed of recovery and each country's stimulus packages. Nonetheless, if there is a major impact from the crisis during the second quarter, and assuming a gradual relaxation of lockdown measures at the start of the third quarter, the Group is confident in its ability to further increase its **operating margin** in 2020 and deliver **net profit** close to 2019 level, at constant exchange rates.

The big questions that the crisis raises

The Covid-19 crisis could usher in some changes to the global ecosystem over the medium-term. Beyond the geopolitical landscape, the issues that affect us pertain more generally to four main areas.

Will the global economy survive?

Until now, based on a certain freedom of movement for persons, goods and capital, with the resulting organization of value chains, the outcome has been a search for the most competitive costs and the growth of trade. So what are we seeing now? That the global economy is vulnerable and so it will be necessary to regain some **strategic autonomy**, at least in certain industries. Which technologies and key resources should we have access to in our regions?

Should the health organization be reviewed on a global level?

Pandemics know no borders and they spread faster than scientists can conduct medical research, if there is not better **international**

collaboration within research. **Better understanding of global health risks** is undoubtedly a necessity.

Will planetary challenges like environment protection, access to water, to energy and to the earth's other resources be better taken into account?

Certainly, a major crisis in one of those areas could have similar consequences to Covid-19. So how can we **deal with these challenges more effectively on a global scale?**

Is the protection of digital technology sufficient?

We **totally depend on digital networks** to be able to operate around the world. Since computer viruses spread extremely fast, we need to think of new ways to **effectively protect** our economies and businesses in the future.

We are seeing that the medium-term impacts of the crisis will be **structural**.

Preparing for the future

A new world is taking shape. It involves a **new approach to globalization, healthcare, the environment and digital technology**. Air Liquide has **undeniable advantages**, firstly to get through the crisis and then come out stronger:

- ▶ a portfolio of products essential for life, matter and energy;
- ▶ operations that are fully integrated into local economies in more than 80 countries;
- ▶ long-term contractual relationships built on trust with our partners;
- ▶ extremely diversified and complementary markets ranging from industry to healthcare.

Air Liquide's business model

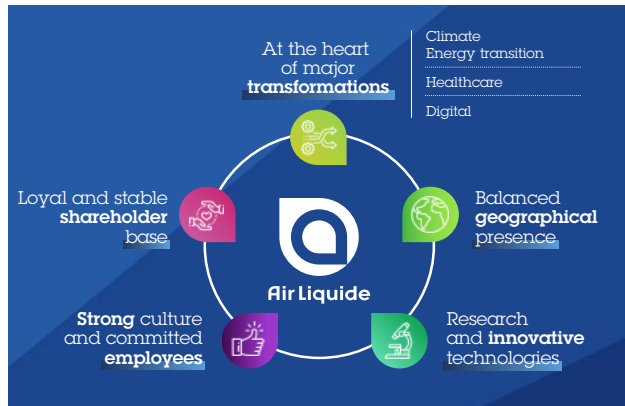


This **growth model**, which is regular, profitable and responsible, is based on a **long-term** vision and very solid **fundamentals** which will help build tomorrow's world.



Air Liquide also plays a role in major transformations such as **Digital, Climate, Energy and Healthcare**. The Group has a **diverse geographic spread**, which gives it access to its current and future main markets. It has innovative **Research and technologies** and has been able to develop a **strong and shared culture**, with a proven commitment from its teams. Lastly, the Group relies on **its loyal and stable shareholder base**.

Air Liquide's strengths



A unique shareholder relationship

The relationship based on trust and loyalty that Air Liquide has forged with its shareholders is an essential foundation. We are proud to count major institutional shareholders among our ranks, but we are just as proud of our **420,000 individual shareholders**, a number that grew in 2019. They hold **32%** of the share capital and receive support from a team of **35** fully dedicated advisors.

In this respect, the proposed dividend this year is **2.70 euros per share**, up **+2.5%** in face value to which is added the distribution of free shares in October 2019. Along with the Board of Directors, we wanted to **keep this dividend**, not only because it reflects our successful performance in 2019, but also because it contributes to our country's economic activity, bearing in mind that Air Liquide did not request French government assistance.

Together, we have a long History

During the Annual General Meeting, Air Liquide paid tribute to the loyalty of its shareholders with a film which showcased the Group's great history of shareholding.

Watch the video:
airliquide.com/shareholdinghistory



CONCLUSION

"I would like to thank you, both personally and on behalf of the Group, for **the trust** that you have placed in us, in particular during this crisis. We strive each day to be more deserving of it.

In this time of legitimate concern, I can assure you that my **personal commitment**, and that of the Air Liquide's management, is unwavering. None of us has ever experienced, and undoubtedly never thought we would experience, such a crisis.

But in over a 100 years of existence, Air Liquide has already gone through challenging times and crisis of all sorts: pandemics, two world wars and several stock market crisis. **Resilience is part of our identity!**

Each time, we managed to adapt and draw on the positives to **strengthen our Group**.

Each time, we were able to rely on the **solidity** of our Company, on the **unique nature of its business** and its business **model** as well as on the **professionalism** of its teams.

I am fully confident in our ability to **weather this crisis**. Our new strategic plan, which will succeed the NEOS plan, is currently being drawn up. It will be presented in greater detail once the current situation has settled again.

We must always **believe in the future** and, more than ever, **invent it**. I am convinced of this."

Benoît Potier

GOVERNANCE AND REMUNERATION

Composition of the Board of Directors



The General Meeting renewed the term of office of **Brian Gilvary** as a Director for a period of four years and appointed **Anette Bronder** and **Kim Ann Mink** as Directors. Anette Bronder will bring to the Board of Directors her strong digital expertise, as well as her experience of large international groups in the fields of IT and telecoms. Kim Ann Mink will bring to the Board, in addition to her scientific academic background and her experience in research and innovation, her strong leadership skills and deep understanding of the chemical sector.

The Board of Directors acknowledged that the terms of office of **Karen Katen** and **Pierre Dufour** expired at the end of the General Meeting. Karen Katen and Pierre Dufour were warmly thanked, Karen Katen for her contribution to the Board's work over the past 12 years as well as for her work on the Appointments and Governance Committee (of which she was a member since 2012), and Pierre Dufour for his major contribution to the Group's growth throughout his 23 years spent at Air Liquide and for his contributions to the Board's work (of which he had been a member since 2012), as well as his work chairing the Environment and Society Committee since its creation in 2017.

The Board of Directors comprises **12 members**, the vast majority of whom are **independent**. Eleven Directors are elected, six are women, and one Director represents the employees. This composition reflects the diversity and complementarity of profiles, experience, expertise and cultures that the Board seeks.

Discover the careers of Anette Bronder and Kim Ann Mink

Watch the videos:

airliquide.com/anettebronderportrait

airliquide.com/kimannminkportrait





Work of the Board and Committees

Work of the Board

The Board met six times in 2019 and paid close attention to Group **strategy** with monitoring of objectives set under the NEOS Company Program, **investment decisions**, including several in line with Climate Objectives, **review of acquisition and disposal transactions, social and environmental responsibility** and monitoring of the Group's Climate Objectives, the **Governance** and the **day-to-day management**.

Work of the Committees

- ▶ **The Audit and Accounts Committee** reviewed the Group's accounts and financing policy, and debt and liquidities management. It monitored the implementation of the efficiency program, reviewed risks and related control measures and reviewed General Control missions.
- ▶ **The Appointments and Governance Committee** selected candidates in accordance with the Board's diversity policy and reviewed the composition of the Committees. It issued proposals to amend the articles of association under the PACTE Law and worked on the preparation of the succession plans. The Committee also reviewed the non-discrimination and diversity policy in the leaderships.
- ▶ **The Remuneration Committee** ensured that the PACTE Law is implemented and reviewed the Corporate Officers remuneration policy for 2019 and 2020. The results of this work led to determining a new performance condition for long-term remuneration related to Carbon Intensity and to modifying retirement mechanism following a change in regulations.
- ▶ **The Environment and Society Committee** reviewed environmental and societal risks and monitored Climate Objectives, which are part of the Group's Sustainable Development strategy. The Committee also reviewed the Non-Financial Performance Statement including the Vigilance Plan. The Committee also prepared the joint session between members of the Audit and Accounts Committee and members of the Environment and Society Committee.

Remuneration

2019 remuneration of Benoît Potier

The General Meeting approved the elements of remuneration of the Chairman & CEO, Benoît Potier, which was paid in 2019 or awarded in respect of 2019.

This remuneration includes:

- ▶ **a fixed remuneration**, which totaled **1.325 million euros** (the same as 2018).
- ▶ **a variable remuneration** amounting to **2.065 million euros**. This remuneration depends on financial and non-financial criteria.
- ▶ **a performance share grant representing a value of 2.25 million euros**, identical to 2018.

Information on 2019 remuneration of Benoît Potier are provided on pages 171 to 177 of the 2019 Universal Registration Document.

Remuneration of Corporate Officers

Pursuant to the PACTE Law, the General Meeting approved for the first time information relating to the remuneration of all Corporate Officers, including Directors, as shown in the Report on Corporate Governance, including:

- ▶ the **remuneration of Benoît Potier compared to the average and median remunerations of the Company's employees**. For 2019, the corresponding ratios were **50** and **72**;
- ▶ **comparative annual changes in remunerations and performances over the past five years**. In the compound annual growth rate over five years, we see that the Group's consolidated sales and net profit grew more quickly than Benoît Potier's remuneration;
- ▶ **non-executive Directors' remuneration**, which remained in line with previous practices.

This information is available on pages 148 to 165 of the 2019 Universal Registration Document.

Remuneration policy

The General Meeting approved the remuneration policy of Corporate Officers, including the Directors.

Under this policy, for 2020, **total annual target remuneration of Benoît Potier** will remain stable compared with 2019.

The remuneration policy applicable to Benoît Potier is in line with the policy approved in 2019 and includes two changes:

- ▶ the Board decided to add a **quantitative CSR criterion** in the long-term remuneration plan: a **reduction in Carbon Intensity**. The objective of this criterion was determined in the trajectory of the Group's Climate Objectives announced at the end of 2018, which aims to reduce Carbon Intensity by 30% between 2015 and 2025. The other criteria in the variable remuneration and the long-term remuneration are the same as 2019. They reflect the Company's business strategy and our long-term responsible growth approach.
- ▶ The second change is a result of **defined benefit pension plans reform** that took place in 2019. Such plans can no longer grant supplementary conditional rights as from January 1st, 2020. The remuneration policy therefore provides, for Benoît Potier, that a pension insurance contract replaces the defined benefit pension plan as from that date.

For Air Liquide, **the cost of this new mechanism will be more than 20% lower** than the previous plan. It represents an equivalent benefit for Benoît Potier. The savings accumulated will not be available before the age at which he becomes entitled to claim his pension entitlements under the French general social security scheme. The mechanism is subject to the same performance conditions that applied under the defined benefit pension plan.

As concerns **Directors' remuneration**, the policy is **in line with previous practices**. In particular, it provides for **variable remuneration**, which is **the highest part** and depends **on each Director's attendance** at meetings. This encourages Director **attendance** and in-person participation so Directors can have effective discussions and thorough knowledge of the Group's activities and issues.

The remuneration policy is available on pages 178 to 186 of the 2019 Universal Registration Document.

QUESTIONS/ ANSWERS



Questions asked prior to the General Meeting

The Board of Directors' responses to the written questions raised prior to the General Meeting were published on the Company's website, www.airliquide.com, tab Shareholders/2020 Annual General Meeting. Questions especially covered the impact of the Covid-19 pandemic, the dividend payment and the stock split, climate initiatives and protecting ecosystems, strategic partnerships in the area of energy transition, gender equality in the workplace and equal pay. All questions asked prior to the General Meeting and their answers remain available on the website.

Questions submitted by Internet users



To maintain the dialog with shareholders, to which Air Liquide is particularly attached, the Group offered shareholders a new online

question submission system via the website due to the General Meeting^(a) being held behind closed doors. Nearly 300 questions were submitted at www.airliquide.com from April 27 to May 5. As in 2019, an artificial intelligence tool was used to group together the questions into wider topics. Five topics solicited the most questions: the impact of Covid-19; the shareholding policy; the climate and energy transition, particularly with hydrogen; Group strategy; Human Resources.

Laura MASSIS, an independent journalist, voiced these questions.

Topics	Questions No.
Impacts of Covid-19	
Dividend payment	1
Impact of a second wave of the pandemic	14
Ventilators	2
National solidarity	3
Shareholding policy	
Loyalty bonus	5
Investments or shareholder remuneration	13
Dividend payment	4
Climate and energy transition	
Hydrogen Energy	6
Carbon neutrality	7
Group strategy	
The Healthcare business	8
Sale of Schülke	9
Innovation	16
Business model	15
Biomass recycling	12
Human Resources	
Restructuring and productivity	11
Homeworking	10

(a) Questions asked through this channel do not fall within the legal framework of neither written questions addressed to the Company prior to the General Meeting, nor discussion with shareholders in the meeting room.



Question no. 1

DIVIDEND PAYMENT

Why did Air Liquide decide to distribute dividends to shareholders? Did you receive support from the French government, specifically the state-funded partial unemployment benefit for employees and the loan guarantee?

Benoît Potier: Air Liquide did not receive government assistance in terms of the partial unemployment benefit or the direct grants for the Covid-19 public health crisis. Why distribute a dividend? We asked ourselves a certain number of simple questions.

The first one being: "Was 2019 a good year?" The answer is yes, 2019 was a good year. "Is our financial situation good?" The answer is yes, our debt even decreased during 2019.

"Who receives dividends?" Shareholders. "Who are our shareholders?" Our shareholders are both major institutions that invest their funds in companies, receive dividends, then reinvest and individual shareholders who for the most part use dividends as additional income that they need to live, as they usually do.

And the last question: "How could we best contribute during this crisis? Was it by lowering the dividend or suppressing it, or more generally by providing healthcare workers with our expertise and talent?" We have expertise in many areas of our businesses, especially in Healthcare with medical oxygen and ventilators. We decided to respond to the public health crisis through our business and maintain the dividends, which is also a way of supporting the economy during these difficult times.

Question no. 2

VENTILATORS

Regarding the production of ventilators by a consortium of industrial companies, of which you are a member, certain media mentioned that the ventilators produced were unsuitable. Is there any foundation to this? Moreover, do you intend to continue this partnership?

Benoît Potier: I think that the French government was extremely clear regarding the reasons for choosing this ventilator which is called "Osiris 3." The controversy surrounding this choice, which lasted a day and a half, dissipated as quickly as it arose. What is Osiris 3? It is a well-known portable ventilator that has evolved over time. It can be used for the intubation of patients, including those suffering from Covid-19, to provide them with respiratory assistance before their arrival in the intensive care unit, in intensive care when their respiratory distress is not very severe and also afterward. This ventilator is fully suited to Covid-19 and for when the creation of additional intensive care beds is required.

The consortium that we created is temporary. Once the 10,000 ventilators have been manufactured within 50 days and delivered to the health authorities then it will be dissolved. Nevertheless, I would like to take this opportunity to thank once again all of the partners as well as the employees of these four companies who went to great lengths to manufacture them. I would also like to say that we intend to draw lessons from this mobilization. There are several positive initiatives that could arise from it, in particular in terms of strategic partnerships with companies that are not competitors and that could

help us develop various types of equipment which we manufacture for the Healthcare sector, more quickly and more cost effectively. It represents both a human and industrial challenge, a formidable mobilization and also an enriching experience for the future.

Question no. 3

NATIONAL SOLIDARITY

Certain financially stable groups, such as Air Liquide, have announced solidarity initiatives. Are you also going to decide on a solidarity initiative to participate in the national effort?

Benoît Potier: Firstly, we did so through our business lines as the simplest and most logical response was to provide oxygen and ventilators to everyone who needed them. This was our first response in terms of solidarity. And then, all of these ventilators were provided at cost price. I believe that this response is only natural.

We have also decided on a second solidarity initiative, providing additional funds to the Air Liquide Foundation. The Foundation has already committed to supporting a certain number of research centers which have set up Covid-19 research programs to better understand the mechanisms of the disease, accelerate treatment, support the rapid development of vaccines or procedures which could lead to the development of vaccines. All of this is already underway. I should explain that this exceptional contribution is not marginal. It is quite significant in that it represents two full years of the Air Liquide Group's contribution to its Foundation.

We also reflected more generally on the current situation, as this crisis period is obviously far from over. We have only just started to ease lockdown measures, in Europe in any case. A certain number of questions are likely to arise in the months ahead, not only in response to the public health crisis, but also regarding how to restart the economy without any collateral damage to companies, individuals or non-profit organizations that support patients and victims of Covid-19. We have started discussions regarding an additional contribution by Air Liquide to ensure that this crisis is dealt with in the best possible manner and that the measures in place do not come to an end abruptly. The times ahead of us will be far from normal. There will be a type of new period during which Air Liquide will have contributions to make. This is what we have decided on overall in response to solidarity measures from companies in France, Europe and other parts of the world.

Question no. 4

DIVIDEND PAYMENT

Do you plan to pay the dividend half yearly or, even better, quarterly? This would be better suited to the needs of individual and institutional shareholders who have to pay pensions or annuities.

Fabienne Lecorvaisier: It is true that the half-year payment of dividends is relatively common practice in the oil industry where the business is highly dependent on oil price fluctuations. Conversely, Air Liquide's business is a long-term business. We therefore believe that quarterly performance is not the most appropriate baseline for determining shareholder remuneration. That is the first reason. But it is not the only reason. Considering the number of Air Liquide shareholders, and in particular the number of individual



shareholders, the dividend payment process is both complex and fairly expensive. Which is a second reason for maintaining payments on an annual basis. We feel that it is better for our Group.

Question no. 5

LOYALTY BONUS

Considering the current situation, will the 10% loyalty bonus still be paid in May?

Benoît Potier: The loyalty bonus will, of course, be paid. There is no reason for it not to be. It is a tradition for Air Liquide, and one that has a purpose: rewarding the loyalty of its shareholders. We therefore fully intend to pay the loyalty bonus at the same time as the dividend. Let me remind you of the schedule: the ex-dividend date is May 11 and the dividend payment date is May 13, 2020.

Question no. 6

HYDROGEN ENERGY

Considering the current extremely low oil prices, are car manufacturers likely to ease up on research to develop hydrogen-powered cars?

Benoît Potier: This is a fair question because when oil prices are low, it is tempting to ask: "Why change at all? We may as well go back to cheaper energy sources." We could also anxiously ask: "Isn't all of this going to call into question global strategic choices made before the crisis?"

First of all, a slightly technical answer in terms of oil. Oil prices depend on the balance between supply and demand. The public health crisis which, for example, led to an abrupt halt in travel across the world, considerably reduced the demand for oil. Initially, the main oil producing countries failed to reach an agreement. Which led to a collapse in prices as supply far exceeded demand. They subsequently reached an agreement and oil prices stabilized. I believe that once things return a little more to normal, oil prices will increase to a level which I cannot forecast, but which will be closer to what they were previously.

Beyond that, hydrogen remains hydrogen. It is a clean, and abundant, energy carrier. It can be used in many markets. During this crisis, the only global meetings which our teams did not cancel, at the request of our partners and our customers, were meetings relating to hydrogen. It is as if, during this crisis, the hydrogen segment had ignored everything that was going on in order to continue to advance. A certain number of partnerships have been announced in Asia and Europe. Admittedly, a little less in terms of passenger car mobility, but much more in regard to professional mobility such as trucks and trains. Other means of transport, such as planes and boats are clear areas for discussion.

Obviously, other major markets have also maintained their potential. These include the energy markets, such as the production of renewable hydrogen and the storage of energy in hydrogen form, the use of hydrogen to produce heat and, of course, hydrogen as a

raw material for a certain number of processing industries. In short, I believe that we will continue to see attractive growth in our activities and those of all the industrial players concerned. One last important point, the Hydrogen Council currently comprises 81 companies and we will soon be appointing its Board of Directors. This clearly demonstrates that hydrogen remains a subject of interest to all large industries worldwide.

Question no. 7

CARBON NEUTRALITY

Several companies are targeting carbon neutrality by 2050. What is Air Liquide's position? What is the Group's strategy in terms of the reduction of direct and indirect CO₂ emissions?

Benoît Potier: This is the other aspect of the energy transition and the environmental issues which affect us. There is hydrogen, which we have just spoken about. Clearly, there is also the reduction of CO₂ emissions, and even the potential use of CO₂ to improve the environmental footprint of human activity on the planet. Our Climate Objectives were announced to the market a year and a half ago. We are ahead of these objectives. They include reducing the Air Liquide Group's Carbon Intensity significantly, by 30% between 2015 and 2025. Our objectives are the most ambitious in our industry. We also have a certain number of measures underway, including buying cleaner electricity, with an energy mix that is more in favor of low-carbon energy; reducing the energy consumption of our own processes; reducing the distances traveled by our trucks; and purchasing cleaner energy for our transport. These initiatives contribute to the achievement of our Climate Objectives.

We have also—it is important to underline—decided to factor a carbon price into all of our investment decisions. Each time we decide to invest in a new plant for a certain customer we assess, based on a carbon price of around 50 euros per ton, how our customer's investments will be sustainable and competitive, as well as how we as a Group implement technological solutions to reduce carbon emissions. Achieving this requires a technical-economic parameter. This parameter is the number of tons of carbon emissions avoided and the economic cost of the solutions that we propose. We now have this benchmark of 50 euros per ton of CO₂.

Then comes the much more fundamental and long-term issue of carbon neutrality. Air Liquide is a high energy consumer - we consume more than 35.7 TWh per year. Can we significantly decrease these emissions in absolute volumes and achieve carbon neutrality? The answer is not a simple one. We have begun in-depth discussions with the teams responsible for sustainable development, with the Executive Committee, and with the Board of Directors' Environment and Society Committee to consider our responses and our time scale to achieve carbon neutrality. This is a real strategic issue for the Group. As soon as we are ready, we will share our findings with you.

I would like to remind you that we also have a Climate strategy that is already extremely clear in terms of assets, customers and ecosystems. These three elements must be considered when defining our carbon neutrality strategy.



Question no. 8

THE HEALTHCARE BUSINESS

What is the importance of Healthcare in Air Liquide's business and, most importantly, how much of an emphasis do you intend to place on this business going forward?

Benoît Potier: Healthcare represents 20% of the Group's businesses. In certain countries, such as France, Healthcare even outweighs our industrial activity. It is a major aspect of our strategy. What does our Healthcare business consist of? First of all, we sell therapeutic gases, oxygen obviously, but this is not the only gas. During this crisis we have become aware of the scale of the situation and the worldwide aspect of the healthcare issue. We cannot limit ourselves to contributing to a better healthcare system only in France or on a continent such as Europe. Healthcare has become one of the main issues of globalization. In a crisis such as the one we are currently facing, it is important to provide a global response. Hence the aim, if possible, to place Healthcare even more at the heart of the Group's strategy, primarily via gas but also equipment. A great deal has been said about ventilators, but highly sophisticated equipment is also required to administer our gases for pain-treatment therapies and to treat a certain number of chronic diseases with gases or made-to-measure therapeutic mixtures. Air Liquide can therefore make a two-fold contribution—via its equipment and gases—to Healthcare.

We have also discovered that digital solutions play an extremely important role in our Healthcare provisions. In recent years we have designed digital platforms to meet the needs of patients, healthcare professionals, healthcare coverage entities—such as private insurance providers, Social security or equivalent—and healthcare authorities. There still remains considerable room for improvement to provide not just a response in terms of efficiency but also in terms of health. In other words, improving the quality of life and health of patients. We have also launched a certain number of clinical studies which demonstrate that the quality of life of patients has improved thanks to these digital platforms and the monitoring by healthcare professionals. In the future, we must combine our ability to work and provide digital solutions in the medical field. I believe that we have all the necessary strengths to place Healthcare even more firmly at the heart of Air Liquide's strategy.

Question no. 9

SALE OF SCHÜLKE

Why have you decided to sell your subsidiary Schülke at a time when hygiene is becoming a central issue and is likely to become even more so in the future?

Benoît Potier: This is an understandable question. On one hand, we had already announced long before this public health crisis our plan to dispose of Schülke. This crisis has highlighted that companies which manufacture these hydroalcoholic gels and sanitizers are extremely important in terms of hygiene and safety in a healthcare setting. The answer to this question is fairly straightforward. When we made this decision, it was based on an in-depth strategic review

to assess whether this business could provide an interesting contribution to Air Liquide's future growth—i.e., in 10 or 20 years' time—and whether, at the same time, the Group was capable of supporting and providing the necessary talent, research investments and physical investments to this kind of activity. We came to the conclusion that over time Schülke's activity was growing too far away from our core business and that it was therefore in our interest, and that of the subsidiary, to sell it to a partner who could make better long-term and strategic use of the company.

We have therefore started the disposal process and a fund, with which we have already done business, has come forward to acquire this activity. We have signed a disposal agreement under two conditions: approval by the competition authorities and authorization by the employee representative bodies. The process shall take its course during the second quarter of 2020 and should theoretically lead to positive responses during the third quarter if all goes to plan. So those are some of the factors that led us to continue with this disposal. The current crisis proves that Schülke offers value. Which also reinforced the interest of the various parties which came forward to acquire it.

Question no. 10

HOMEWORKING

The Covid-19 public health crisis has shown that working methods could change, with an increase in remote working. How does Air Liquide intend to develop homeworking in the months ahead?

Benoît Potier: Indeed, this is what has been almost the most visible during this crisis. We have all been confined to our homes. We have organized the work with alternating teams. We have made extensive use of digital solutions. Our employees talk on a daily basis. We have taken care to hold regular meetings with our teams. We have ultimately tested a new way of working which is not going to come to an end overnight as lockdown measures are eased. I believe that we can learn a lot from this experience.

The question which we could also ask is: "Has productivity fallen during this period?" I can tell you that this is a question that I asked the entire management team that is in touch with the various countries and teams on numerous occasions. The answer is no. We actually managed to maintain an excellent level of productivity during this period. Lessons can be learned in terms of better employee safety and probably less traveling. We are going to be able to preserve our energy, gain time or at least manage it differently. We are going to be more disciplined. We start and finish our meetings on time, and make the necessary decisions. Finally, we have noticed an improvement in the running of the Company which is quite remarkable.

In addition to the way we organize our work, we need to look further ahead. We intend to try and draw the necessary lessons from this crisis, from working in lockdown, from working remotely, to try to structure the way we work differently in the future. I believe that a true balance between working from home and at the office will be struck in another way. We are likely to offer more flexibility to all our employees to work differently and, without a doubt, better in the future.



Question no. 11

RESTRUCTURING AND PRODUCTIVITY

How does the Company intend to rebound following the crisis, in particular in terms of the opening of new growth markets, the restructuring of the Company and the improvement of productivity?

Benoît Potier: I believe that the continued level of productivity which we have seen in terms of internal organization can also be extended externally, in other words, to our suppliers and our customers. During the lockdown, we were unable to visit the latter. We began to talk mostly via video or telephone, and noticed that it was possible to have shorter but more frequent interactions with our customers. Interactions which on the whole were also probably of a better quality. We also learned to be more flexible in our ways of thinking and our organization.

On reflection, all of our markets are set to undergo a transformation, starting with the environment, energy, healthcare, as well as their global nature which is also going to change. For example, in Electronics, we have production and distribution chains that could involve several countries. We could therefore link design in the United States, with production in Japan or Singapore, packaging in Taiwan and delivery in China or Korea. Conversely, we could also have local production capacities. Finally, this crisis will lead us to ask questions regarding both supply chains and value chains. How must we restructure these chains? Do we need to produce more locally? Should we structure our production based only on costs or by also taking into account the strategic importance of the various products which we manufacture?

Our customers have started to ask us these questions. I think that we will take this much further. In my view, we should expect markets to change and undergo transformations. Even if these are not, in principle, major revolutions, we must readjust our offering to nearly all of our markets. We will bounce back. We have opportunities. Our ultimate aim is to draw the positives from this crisis. We are going to reinvent the way we do business with the majority of our customers, on most of our markets.

Question no. 12

BIOMASS RECYCLING

I am interested in the plant in Norway which recycles biomass. Is opening such a facility possible in Brittany where people seem to have many complaints regarding the pollution generated by pig farming?

Benoît Potier: Indeed, Air Liquide is taking part in a very interesting trial in Norway, just south of Oslo, in what is known as The Magic Factory. What is The Magic Factory? It involves creating a circular economy where urban waste, agricultural waste and animal waste are collected and fed to a digester to produce what is called biogas. The originality of this trial is that the biogas produced is a mixture of natural gas and other products, but also of CO₂. It is then separated,

which is where Air Liquide's technologies come into play. We have a small plant onsite which separates the CO₂ from the methane. The methane is then liquefied and redistributed in the Oslo region for buses and trucks which run on this bio natural gas.

Another interesting element is that this CO₂ is reused onsite in greenhouses. These greenhouses are fully integrated within the ecosystem, reuse agricultural waste, materials that are nutrients, to accelerate the production of the greenhouses using sophisticated methods studied in partnership with the University of Oslo. I recently visited The Magic Factory. I saw that the fruits and vegetables that grow in these greenhouses do not only have higher yields, but they also taste excellent. This entire trial is extremely promising.

Could we do the same thing in Brittany? Most probably. We are fully prepared to consider any opportunities. Italy has already started thinking along the same lines. It is possible that we may replicate this trial in Brittany, in Italy and even elsewhere.

Question no. 13

INVESTMENTS OR SHAREHOLDER REMUNERATION

With the Covid-19 public health crisis, is it not more prudent to favor investment over shareholder remuneration?

Fabienne Lecorvaisier: If you read our first quarter 2020 results publication, you will see that Air Liquide's development has remained strong with industrial investment decisions again markedly higher than those of the previous year, with in particular several new projects in Electronics. This is excellent news. It also means that despite and during the crisis, we are continuing to build growth for our future. Our balance sheet is sound and our cash flow level high. The same was true during this first quarter. This enables us to undertake these new investments and build on our development without sacrificing our ability to remunerate shareholders.

Our shareholders have always remained loyal during major strategic events such as the acquisition of Big Three in 1986 and of Airgas in 2016. We believe that it is only right to maintain a balance between investments for development and future growth on one hand, and shareholder remuneration on the other.

Question no. 14

IMPACT OF A SECOND WAVE OF THE PANDEMIC

What strategy will you adopt in the event of a second wave in the pandemic?

Benoît Potier: Our strategy is, first and foremost, to draw lessons from this crisis, in particular in terms of urgency: having sufficient inventories, ensuring that the necessary organization and responses are in place, organizing alternating shifts. It would be a mistake to let down our guard too quickly. If there is a second wave, it will probably be less intense, but we need to be prepared. Both in terms of internal organization and external relationships. We are able to reactivate, according to the intensity of the crisis, everything we have put in place during this first phase of the pandemic.

**Question no. 15****BUSINESS MODEL**

Do you think Air Liquide's business has become more cyclical since the acquisition of Airgas?

Benoît Potier: Airgas provided us with a presence throughout the United States, as well as in the Healthcare sector. We supply a very large share of US hospitals. Moreover, we were called upon by the US government to organize the health response in hospitals. I do not believe that this has made our business more cyclical. It is a question that investors regularly ask. Over the past five years, we have strengthened our position in a certain number of highly complementary markets. I do not believe that, overall, there is reason for concern regarding the cyclical nature of our Group's business.

Question no. 16**INNOVATION**

What are the Group's main sources of innovation and where will future growth come from?

Benoît Potier: I believe that the best source of growth is innovation. I could give you a long list of all the markets, everything we have already mentioned, as well as the products and technologies in question. In both the environmental and energy transition fields, Large Industries business line is at the heart of these challenges with hydrogen, oxygen, energy purchasing which must be far cleaner, biogas, and CO₂ management with its liquefaction, capture and then sequestration. All of these markets are undoubtedly very important. They are driven by numerous innovations and we have many interesting responses to provide. We have talked in terms of healthcare therapies, equipment, vaccine adjuvants, and home healthcare. And of course, we have also mentioned digital solutions, which are far-reaching, in terms of methods of organization, efficiency, industrial platforms similar to those we have already implemented, or healthcare platforms and, finally, new customer offerings.

One last point, the lessons we have learned from the Covid-19 crisis and the consortium created with other industrial players for the manufacturing of ventilators—thank you to everyone who worked with us—have reiterated the importance of strategic partnerships. I believe that we can achieve more, faster, and at a better cost if we join forces in a certain number of fields with strategic partners. We will take this into account in the future.

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