6.2 - Company officers' compensation

Pursuant to Article L. 22-10-8 of the French Commercial Code, the current compensation policy for company officers in respect of 2024 was established by the Board of Directors on the recommendation of the Compensation Committee.

This section includes the components of the corporate governance report prepared by the Board of Directors on March 20, 2024, on the recommendation of the Nomination and Governance Committee and the Compensation Committee.

6.2.1 - Objectives, principles and rules used to determine and implement the 2024 compensation policy applicable to all company officers

Objectives and principles of the compensation policy

In determining the compensation policy, the Board of Directors considers the following principles mentioned in the Code of Corporate Governance:

- comprehensiveness,
- balance between the compensation components,
- comparability,
- consistency,
- understandability of the rules, and
- proportionality.

It also aims to make certain the compensation policy upholds the following principles:

- it is in line with market practice for comparable companies,
- it is tailored to the Company's strategy and context, and
- it promotes the Company's performance and its competitiveness in the medium and long term, while integrating criteria related to corporate social responsibility, including at least one criterion related to the Company's climate objectives.

The compensation policy is also consistent with the Group's medium-term objectives, as confirmed to the market on September 22, 2021:

- an average annual growth in sales, excluding exchange-rate effects, of between +5% and +10%,
- an average adjusted operating margin[(1)] of approximately 20% of sales,
- a bold and exemplary ESG approach, driven by demanding roadmaps, with a particular focus on the fight against global warming and the promotion of diversity.

Each year, these medium-term objectives are translated into annual targets, which are communicated to the markets and provide a framework for the annual compensation policy.

These annual targets are based in particular on:

- the sales growth, organic and through acquisitions;
- the adjusted operating margin;
- the CSR Roadmap.

Under its strategic Roadmap, the Group will pursue further profitable and responsible growth in 2024. For more information about the 2024 full-year targets, please refer to the press release dated February 15, 2024.

Accordingly, the principles of the compensation policy for company officers in 2024 remain unchanged compared to 2023. Profitable, sustainable and responsible growth, value creation over the long term and taking into account all stakeholders' concerns, within a broad definition of the business, are central to the Company's compensation policy:

- total compensation should be balanced and consistent with the Company's business strategy;
- the compensation structure and, in particular, variable compensation based on financial and extra-financial performance, should be aligned with stakeholders' interests and contribute to the achievement of the Company's profitable, sustainable and responsible growth;
- performance criteria should be stringent and correspond to the key drivers of the Company's profitable, sustainable and responsible growth and, more generally, be aligned with the Company's short-, medium- and long-term objectives;
- a significant proportion of variable compensation is based on the Company's performance relating to corporate social responsibility;
- lastly, in keeping with its corporate interest, the compensation policy is simple and transparent and ensures a certain level of attractiveness for company officers without going beyond what is fair and acceptable to stakeholders.

The compensation policy thereby helps to underpin the Company's business strategy and future viability, while upholding its corporate interests.

(1) Including restructuring costs.

Decision-making process for determining, adjusting and implementing the compensation policy

Determination of the compensation policy

The Compensation Committee examines and makes recommendations to the Board of Directors on all components of executive officer compensation, especially the variable portion. The Compensation Committee lays down the rules for setting this variable portion. It ensures that these rules are consistent with annual assessments of executive officers' performance and the medium-term strategy of the Company. For more details on the medium-term objectives of the Company, please refer to the Company's press release dated September 22, 2021 and to chapter 2.4 of this Universal Registration Document.

As regards directors' compensation, the Compensation Committee issues a recommendation on the overall allocation and method of apportionment for this compensation. That apportionment reflects directors' actual contribution to the Board of Directors and its committees, in accordance with the Code of Corporate Governance. It includes a predominantly variable portion.

The compensation policy for company officers is established in accordance with standard practice at CAC 40 companies as determined by benchmarking. It is assessed annually by the Compensation Committee.

The compensation policy for executive officers also takes into consideration the pay and employment conditions of the Company's employees. In particular, the Board of Directors, on the recommendation of the Compensation Committee, ensures that the compensation structure for its company officers, and in particular that of the Chief Executive Officer, is consistent with that applicable to the Group's main executives. This means that it should be made up of fixed compensation and variable compensation (annual and long-term).

The three main performance criteria set for long-term compensation are the same for all beneficiaries.

Almost 20% of Group managers in 2023 benefit from long-term incentive plans, with a major part based on awards of performance shares. Organic growth, adjusted operating margin and the achievement of CSR targets at the Group level each account for a third of the criteria for awards under four-year incentive plans.

Incentive plans for Executive Committee members include an additional criterion related to Legrand's share price performance relative to the CAC 40 index. This policy directly encourages the creation of financial and non-financial value over time, while generating loyalty among managers (see sections 4.1.1, 7.2 and 7.3 of this Universal Registration Document).

Finally, each year, equity ratios between the Chief Executive Officer's compensation and that of the Company's employees, in accordance with Article L. 22-10-9 of the French Commercial Code, are presented to the Board of Directors. They are shown in section 6.2.3.3 of this Universal Registration Document.

Adjustments to the compensation policy

In accordance with the Code of Corporate Governance, executive officers' fixed compensation is reviewed only at relatively infrequent intervals and takes into consideration the pay and employment conditions of the Company's employees.

The fixed compensation policy for the company officers may still be reviewed by the Board of Directors earlier than anticipated. This may take place in the event of significant changes in the scope of the company officers' responsibilities or a shift in the positioning of company officers' compensation with regard to that of other comparable companies.

The last adjustment of the compensation policy for the Chief Executive Officer and the Directors was carried out in 2021 to put their compensation at a level that is consistent and reasonable relative to the market.

The last adjustment of the compensation policy for the Chair of the Board of Directors was carried out when the offices of Chair and Chief Executive Officer were separated in 2018.

Change in the compensation policy

On the recommendation of the Compensation Committee, the Board of Directors decided to apply the compensation policy applicable in 2023 again to the Chair of the Board of Directors and to the Chief Executive Officer.

On the recommendation of the Compensation Committee, the Board of Directors on March 20, 2024 decided to propose an increase to €1,300,000 in the overall allocation of compensation to directors following the proposal to introduce an additional indemnity of €2,500 per trip for directors resident outside Europe when they travel to take part in person at meetings of the Board of Directors and/or Committees.

Implementation of the compensation policy

The compensation policy is implemented by the Board of Directors in accordance with the resolutions passed by the Shareholders' Meeting. Every year the Board of Directors sets the targets for the variable compensation (annual and long-term) performance criteria.

Management of conflicts of interest

In accordance with the Code of Corporate Governance and the Internal Rules, executive officers are not present in meetings when the Board of Directors makes decisions concerning their compensation.

In the event of a potential conflict of interest affecting formulation of the compensation policy for executive officers by the Compensation Committee, the Board of Directors may decide to entrust the task to an *ad hoc* Committee.

Methods for assessing achievement of the performance criteria set for annual variable compensation

The first two criteria for the **quantifiable portion** of annual variable compensation are:

- organic sales growth, and
- adjusted operating margin before acquisitions.

They are aligned with the Company's public targets. These targets are usually announced to the market in February each year. The criteria are therefore transparent, simple and measurable.

The third criterion for the quantifiable portion of annual variable compensation is related to Legrand's external growth. It is measured on the basis of sales growth resulting from changes in scope.

The fourth criterion for the quantifiable portion of annual variable compensation is related to the rate of achievement of the Group's CSR Roadmap. That rate is audited by independent third parties and announced to the market. The rate of achievement of the Group's CSR Roadmap criterion, and notably the achievement of the climate and environmental criteria, is based solely on quantifiable criteria. The Group's CSR Roadmap is focused on four pillars: (i) encouraging diversity and inclusion, (ii) reducing our carbon impact, (iii) promoting the circular economy, and (iv) being a responsible company. For more details on the 2022-2024 objectives in the Group's CSR Roadmap, please refer to chapter 4.2 of this Universal Registration Document.

Achievement of the criteria for the **qualitative portion** of annual variable compensation is assessed by the Board of Directors based on the Compensation Committee's recommendation. The Compensation Committee forms its assessment using information provided by management.

Methods for assessing achievement of the performance criteria set for long-term compensation

The first two criteria for long-term compensation are the three-year averages of organic sales growth and adjusted operating margin before acquisitions. They are aligned with the Company's public targets, which are usually announced to the market every year in February.

The third criterion for long-term compensation is the rate of achievement of the Group's CSR Roadmap over a three-year period.

The fourth criterion for long-term compensation is based on performance of Legrand's share price relative to the CAC 40 index.

These four criteria are transparent, quantifiable and measurable.

Criteria for apportioning the annual fixed sum between directors

The criteria for apportioning compensation between directors are presented in section 6.2.2.3 of this Universal Registration Document.

Arrangements for applying the compensation policy in the event of a change in governance

In the event of a change in governance, and notably in the event of appointment of a new executive officer during 2024, the principles and components of compensation laid down in the compensation policy applicable for 2024 would also apply to the new office holder. The Board of Directors, on the recommendation of the Compensation Committee, reserves the right to adjust the level and structure of compensation (in particular the fixed compensation) to the position of the relevant new executive officer and the responsibilities entrusted with the role.

Arrangements for applying the compensation policy in the event of exceptional circumstances

In the event of exceptional circumstances, in accordance with Article L. 22-10-8 III, para. 2 of the French Commercial Code, the Board of Directors may depart from the application of the components of the compensation policy if the legal requirements are met. The deviation must be temporary, in keeping with the Company's interests and necessary to safeguard its continued operation or viability. It could notably apply in the event of a material change in the Group's scope, the acquisition or establishment of a significant new business or the discontinuation of a significant business or a major external event affecting (i) achievement of one or more performance criteria, or (ii) Legrand's markets and/or major competitors.

The Board of Directors would decide on any adjustments to the compensation policy in exceptional circumstances, based on a proposal by the Compensation Committee. As part of this approach, the Board of Directors may, after consulting the Compensation Committee, adjust either upwards or downwards the performance criteria (objectives, weighting, trigger level, etc.) for the annual and long-term variable compensation. Note that the aggregate cap for this compensation may not be modified in any circumstances.

Where adjustments are made, the Board would carefully reflect the executive's performance and maintain the correlation between compensation and the Company's performance.

The Board of Directors should continue to respect the principles set out in the remuneration policy and provide shareholders with a clear, precise and complete explanation of its choice. These adjustments would then be put to a binding *ex-post* vote at the Shareholders' Meeting and have to be duly explained by the Board of Directors (after soliciting, where appropriate, the opinion of an independent consulting firm).

6.2.2 - Compensation policy applicable to the directors in respect of 2024

6.2.2.1 Compensation policy for the Chair of the Board of Directors in respect of 2024

A – Term of office of the Chair of the Board of Directors

The Board of Directors elects from among its members a Chair who must be below the age of 65 upon appointment. The Chair may be reappointed. The Chair of the Board of Directors may resign from office at any time without giving any notice. The Board of Directors may dismiss the Chair at any time without giving any notice. The term of office of the Chair of the Board of Directors is equivalent to the term of office as a director, currently three years.

Angeles Garcia-Poveda was appointed as Chair of the Board of Directors on July 1, 2020, replacing Gilles Schnepp. Her reappointment as a director was proposed at the Shareholders' Meeting on May 31, 2023. The Board of Directors also reappointed her as Chair of the Board of Directors. The current Chair of the Board of Directors is not bound by any contract of employment or service agreement with the Company or any other Group company.

B – Compensation of the Chair of the Board of Directors in respect of 2024

The annual fixed compensation of the Chair of the Board of Directors is determined by the Board of Directors, upon a recommendation from the Compensation Committee. It is determined in accordance with the principles stated in section 6.2.1, and in line with the responsibilities and duties assumed by the Chair of the Board of Directors. The main elements taken into account in determining that compensation are as follows:

- the role of the Chair of the Board of Directors in organizing and directing the work of the Board of Directors;
- the benchmarking of compensation practices with respect to non-executive chairs of CAC 40 companies; and
- the skills and experience of the Chair of the Board of Directors.

Accordingly, the Board of Directors held on March 20, 2024, upon the recommendation of the Compensation Committee, considered that, as for previous years, the compensation structure of the Chair of the Board of Directors in respect of 2024 would involve fixed compensation amounting to €625,000. That decision was made taking into account market practices and in accordance with the recommendations of the Code of Corporate Governance.

Furthermore, the Board of Directors, on March 20, 2024, on the recommendation of the Compensation Committee, decided that the Chair of the Board of Directors could benefit from the "medical expenses" supplementary health insurance and the "death, disability and inability to work" insurance available to the Group's French executives under the same terms since she is classified as an executive for social security and tax purposes.

The amount payable in respect of the Chair of the Board of Directors would amount to €7,484 for 2024. This amount is given for information purposes only.

In addition, the Chair of the Board of Directors could receive the benefit of the mandatory collective defined-contribution pension plan that falls within the scope of supplementary Article 83 of the French General Tax Code (**FGTC**), under the same terms as all other relevant employees.

All of the Group's French executives qualify for the benefit of the defined-contribution pension plan. Contributions are based on the A, B and C Tranches of compensation as defined for the calculation of contributions to the mandatory supplementary pension plans (ARRCO-AGIRC). Entitlements accrue through the payment of annual contributions equal to 1.5% of the A, B and C Tranches. The Company pays half this amount (0.75%) and the beneficiaries pay the other half (0.75%).

The amount payable in respect of the Chair of the Board of Directors would amount to €2,782 for 2024. This amount is given for information purposes only.

6.2.2.2 Compensation policy for the Chief Executive Officer in respect of 2024

A – Term of office of the Chief Executive Officer

The Chief Executive Officer is appointed by the Board of Directors, which determines the compensation for and length of the Chief Executive Officer's duties. The Chief Executive Officer must always be an individual below the age of 65 upon appointment. The Chief Executive Officer may resign from office at any time without giving any notice. The Board of Directors may dismiss the Chief Executive Officer at any time without giving any notice.

Benoît Coquart was appointed Chief Executive Officer effective February 8, 2018 for an indefinite term. He was also appointed as a director of the Company initially at the Shareholders' Meeting of May 27, 2020 and reappointed at the Shareholders' Meeting of May 31, 2023. The Chief Executive Officer is not bound by any contract of employment or service agreement with the Company or any other Group company.

B – Overall structure of compensation attributable to the Chief Executive Officer in respect of 2024

The Board of Directors, on the recommendation of the Compensation Committee, defines the compensation policy applicable to the Chief Executive Officer based on all the criteria and principles stated in section 6.2.1 of this chapter.

To ensure that the Chief Executive Officer's compensation is competitive, the main elements considered in determining the overall structure of that compensation include, but are not limited to the following:

- the Chief Executive Officer's key role in the conduct of the Group's business;
- the benchmarking of compensation practices with respect to executive officers of CAC 40 companies; and
- the skills and experience of the Chief Executive Officer.

The compensation has three components:

- annual fixed compensation;
- annual variable compensation linked to annual financial and extra-financial performance; and
- long-term compensation linked to financial and extra-financial performance over the long term.

The Chief Executive Officer's annual fixed compensation is determined in line with his responsibilities and duties.

In accordance with the Code of Corporate Governance, the Board of Directors ensures that the long-term compensation mechanisms should aim to encourage executives to act from a long-term perspective. The Board of Directors also ensures that the mechanisms aim to retain executives and bring their interests into line with the corporate interest of the Company and all stakeholders' interests.

The Board of Directors therefore wishes to promote annual variable compensation and long-term compensation to help foster retention and to provide an incentive for financial and extra-financial performance.

The Board of Directors has therefore established the following compensation structure for the Chief Executive Officer in 2024:

Component	Purpose and link with the strategy	Operation	Amount/Percentage weighting of fixed compensation
Fixed	**Provide compensation for the scope and level of responsibility**	Determined by the Board of Directors, fairly and competitively, upon a recommendation from the Compensation Committee, in consideration of: ■ level of responsibility; ■ skills and experience; ■ market practices of CAC 40 companies.	€900,000
Annual variable	**Provide an incentive to achieve the Company's financial and extra-financial annual targets**	Determined by the Board of Directors, upon a recommendation from the Compensation Committee, according to strategic priorities and based on: ■ order of magnitude of variable compensation relative to fixed compensation; ■ annual objectives to be achieved; ■ type and weighting of performance criteria; ■ proportion of quantifiable and qualitative components. ***of which quantifiable (80%):*** structured to encourage the achievement of specific and ambitious performance criteria: ■ financial criteria (organic growth, adjusted operating margin before acquisitions, external growth); ■ extra-financial criteria (rate of achievement of the Group's CSR Roadmap, with 4 pillars: promote diversity and inclusion, reduce the carbon footprint, promote circular economy, be a responsible business). ***of which qualitative (20%):*** structured to take account of the year's initiatives deployed to support growth and people development.	Minimum value: 0% of fixed compensation Target value: 100% of fixed compensation Maximum value: 150% of fixed compensation
Long-term	**Spur higher long-term financial and non-financial performance** **Retain and build loyalty over the long term**	Determined by the Board of Directors, upon a recommendation from the Compensation Committee, according to strategic priorities and based on: ■ objectives to be achieved; ■ type and weighting of future performance criteria. Determined after application of a continuing service requirement and four demanding performance criteria (each counting for a quarter) measured over 3 years: ■ target for organic sales growth; (3-year average of achievement rates); ■ target for adjusted operating margin before acquisitions (3-year average of achievement rates); ■ rate of achievement of the Group's CSR Roadmap (3-year average of achievement rates); ■ Legrand's share price performance relative to the performance of the CAC 40 index (performance gap measured over a 3-year period).	Minimum value: 0% Awarded value (target value): 200% of fixed compensation Maximum value: 150% of the number of shares initially awarded depending on the achievement of future performance criteria

Implementation of the compensation policy for the Chief Executive Officer with respect to 2024

The Board of Directors, on the recommendation of the Compensation Committee, decided on the following principles regarding the compensation policy for the Chief Executive Officer in respect of 2024.

- **Annual fixed compensation amounting to €900,000.**

This amount, identical to the 2023 level, was decided upon by the Board of Directors held on March 20, 2024.

- **Annual variable compensation, the target value of which was set at 100% of annual fixed compensation (80% quantifiable and 20% qualitative).**

It may vary between 0% and 150% of fixed compensation, depending on the level of achievement of the quantifiable and qualitative criteria presented in the "Quantifiable performance criteria selected for annual variable compensation and target-setting method" in section 6.2.2.2 C of this chapter.

- **Long-term compensation in the form of performance share plans, the target value of which has been set at 200% of the annual fixed compensation.**

It will entitle the recipient to an award of shares. The number of shares may vary thereafter between 0% and 150% of the initial award based on the level of achievement of four financial and extra-financial criteria measured on the basis of a three-year average. These criteria are detailed in the "Performance criteria selected for long-term variable compensation and target-setting method" in section 6.2.2.2 C of this chapter.

C – Determination of the calculation principles, criteria and weightings applicable to the annual and long-term variable compensation components attributable to the Chief Executive Officer in respect of 2024

On the recommendation of the Compensation Committee and in line with the best governance practices, the Board of Directors on March 20, 2024 decided to introduce a clawback mechanism, enabling the Board of Directors, after soliciting the Compensation Committee's opinion, not to pay or to request the return of part or all of annual and long-term variable compensation in the event of (i) fraud by the Chief Executive Officer and/or (ii) gross misconduct by the Chief Executive Officer leading to a material negative impact on the Group.

Annual variable compensation of the Chief Executive Officer in respect of 2024

The principles for calculating the annual variable compensation in respect of 2024, including the criteria applicable and their weighting, are set out in the table below. They were determined by the Board of Directors of March 20, 2024, upon a recommendation made by the Compensation Committee.

Under Article L. 22-10-34 II. of the French Commercial Code, payment of the annual variable compensation is subject to prior approval by the Shareholders' Meeting (*ex-post* vote).

The Board of Directors of March 20, 2024 decided to leave unchanged the nature of the quantifiable and qualitative criteria relating to annual variable compensation in place since 2021, as well as their target value and their maximum value.

The Board of Directors took the view that the variable compensation criteria lie at the heart of Legrand's growth and value creation model. Legrand's business model relies on two growth drivers to strengthen its leadership positions on an ongoing basis. The first driver – organic growth – is stimulated in particular by innovation (regular launches of new products offering enhanced value in use) and commercial initiatives. Growth through acquisitions, the second driver, is a key component of Legrand's development model. Since 1954, the Group has acquired 188 companies. Legrand's development model stands out on account of its major ability to adapt to changes in the economic, geopolitical and social environments of the markets in which it is located. Thanks to this capability, it has maintained first-class profitability over time. The Group achieved adjusted operating margin that has represented close to 20% of its sales from 2010 to 2023, with a minimum of 19.0% in 2020 as a result of the pandemic crisis, and a maximum of 21% in 2023.

Legrand's strategy is driven by a responsive organization that has close ties with its markets, featuring:

- highly committed teams, comprising nearly 38,000 staff members in 2023 in around 90 countries; and
- a business culture that focuses on performance, both financial and non-financial.

Quantifiable performance criteria selected for annual variable compensation and target-setting method

Performance criterion	Reason for selection of the criterion	Target-setting method
Organic sales growth	Alignment with annual public targets	The range bounds for the performance targets are consistent with the Company's annual targets, announced to the market upon publication of the annual financial statements of the previous year (in February)
Adjusted operating margin before acquisitions	Alignment with annual public targets	
External growth	Fit with the Group's growth model	Fit with the Group's growth model (measured by sales growth during the year resulting from changes in scope)
Rate of achievement of the CSR Roadmap	The CSR Roadmap is central to the Group's growth model. It aims to ensure that the Group achieves profitable, sustainable growth and responsible	Fit with the Group's social responsibility commitments under its CSR Roadmap

Criteria and targets for annual variable compensation for 2024

				Min	Target	Max
Quantifiable: 80% of target fixed compensation	Organic sales growth	2024 organic sales growth	As a % of fixed compensation	0%	**15%**	22.5%
			Indicator value	-2%	0%	2%
	Operating margin	2024 adjusted operating margin (at 2023 scope)	As a % of fixed compensation	0%	**40%**	60%
			Indicator value	20%	20.4%	20.8%
	External growth	Sales growth in 2024 resulting from changes in scope	As a % of fixed compensation	0%	**10%**	15%
			Indicator value	0%	5%	10%
	Corporate Social Responsibility	Rate of achievement of the Group's CSR Roadmap(1)	As a % of fixed compensation	0%	**15%**	22.5%
			Indicator value	70%	100%	130%
	QUANTIFIABLE TOTAL			**0%**	**80%**	**120%**
Qualitative: 20% of target fixed compensation	Innovation and market positions	■ Innovation and Research & Development (new products and transformation of manufacturing processes). ■ Trend in sales generated by-products in faster expanding segments. ■ Changes in market share.		0%	**10%**	15%
	Quality of external growth	■ Quality of acquisitions pipeline. ■ Emphasis on multiples paid. ■ Quality of docking (in the short and medium term).		0%	**5%**	7.5%
	People development	■ Development of talent and succession planning for key managers. ■ Talent attraction and employer branding initiatives.		0%	**5%**	7.5%
	QUALITATIVE TOTAL			**0%**	**20%**	**30%**
TOTAL VARIABLE AS A % OF FIXED COMPENSATION				**0%**	**100%**	**150%**

(1) The Group CSR Roadmap is based on four pillars:

- *promote diversity and inclusion;*
- *reduce our carbon footprint: through the Group's energy efficiency products, by enabling our customers to avoid the emission of 12 million tons of CO_2, by cutting by 10% every year the Group's Scope 1&2 CO_2 emissions, by improving the energy efficiency of our plants and through the deployment of renewable energies and by encouraging at least 250 of Legrand's key suppliers to have an official CO_2 emission reduction target of 30% on average by 2030;*
- *promote the circular economy by achieving a 15% recycled plastics use rate and 40% recycled metals use rate in products manufactured by the Group, by phasing out 100% of single-use plastic from flow pack and expanded polystyrene packaging, and by covering 72% of the Group's annual sales with Product Sustainable Profiles; and*
- *be a responsible business.*

For more details on the 2022–2024 objectives in the Group's CSR Roadmap, and especially the climate and environmental objectives, please refer notably to chapter 4.2 of this Universal Registration Document.

Long-term compensation of the Chief Executive Officer in respect of 2024

In respect of 2024, the Chief Executive Officer is a beneficiary of a performance share plan (the "**2024 Performance Share Plan**").

The initial allocation will be converted into shares at the meeting of the Board of Directors to be held on May 29, 2024, following the Shareholders' Meeting. It corresponds to 200% of the target amount of the annual fixed compensation, with a possible variation between 0% and 150% of the initial allocation based on future performance criteria.

The nature of performance criteria has remained unchanged compared to the 2023 compensation policy. The Board of Directors took the view that the performance criteria related to the long-term remuneration were aligned with the Company's long-term strategy and the medium-term value creation targets.

Performance criteria selected for long-term variable compensation and target-setting method

The **first two performance criteria** are aligned with the Company's targets usually disclosed in February. These are annual targets concerning organic sales growth and adjusted operating margin before acquisitions, which are central to Legrand's profitable growth-based business model.

The **third criterion** is of an extra-financial nature, based on the fulfillment of the Group's corporate social responsibility commitments under its CSR Roadmap. The CSR Roadmap is central to Legrand's model and aims to deliver sustainable and responsible growth while taking into account all stakeholders' concerns.

The **fourth criterion** is based on performance of Legrand's share price relative to the CAC 40 index. If the share price underperforms the CAC 40 index (as described in point 4 below), no payment is made in relation to this criterion.

The proposed performance criteria thus reflect the Company's model based on profitable, sustainable and responsible growth aligned with the interests of all stakeholders. They are transparent.

Performance criterion	Description of performance criterion and target-setting method	Weighting of performance criterion
Target for organic sales growth	Target: 3-year arithmetic mean of the upper and lower bounds of the annual target ranges concerned Comparison between the target and the average achievement over three years	1/4
Target for adjusted operating margin before acquisitions	Target: 3-year arithmetic mean of the upper and lower bounds of the annual target ranges concerned Comparison between the target and the average achievement over three years	1/4
Annual rates of achievement of the Group's CSR Roadmap	Target: arithmetic mean over 3 years of the annual CSR Roadmap achievement rates	1/4
Legrand's share price performance relative to the performance of the CAC 40 index	Performance gap between Legrand's share price and the CAC 40 index over a 3-year period	1/4

Performance criteria are measured over a three-year period. The number of performance shares awarded definitively to the Chief Executive Officer is calculated using the following method:

1) Organic sales growth criterion

Pay-out rate(1)	0%	Between 50% and 90%	90%	Between 90% and 110%	110%	Between 110% and 150%	150%
3-year average of performance in the year of introduction of the plan and the following 2 years	Less than (LB(2) - 2 points)	Between (LB(2) – 2 points) and LB(2)	Equal to LB(2)	Between LB(2) and UB(3)	Equal to UB(3)	Between UB(3) and (UB(3) + 2 points)	Above (UB(3) + 2 points)

(1) For any point between the limits given in the table above, the pay-out rate is calculated on a straight-line basis.

(2) LB (Lower Bound) corresponding to the 3-year average of the lower bounds, set in line with the annual target announced to the market.

(3) UB (Upper Bound) corresponding to the 3-year average of the upper bounds, set in line with the annual target announced to the market.

Illustration of the determination of the 3-year target based on the 2024 Performance Share Plan

	Lower bound established on the basis of the annual target	Upper bound established on the basis of the annual target
Year 1: 2024	Equal to –2%	Equal to 2%
Year 2: 2025	In line with the annual targets announced to the market in February 2025	In line with the annual targets announced to the market in February 2025
Year 3: 2026	In line with the annual targets announced to the market in February 2026	In line with the annual targets announced to the market in February 2026
3-year target: Average of annual targets	LB(1)	UB(2)

(1) LB corresponds to the 3-year average of the lower bounds, set in line with the annual target announced to the market.

(2) UB corresponds to the 3-year average of the upper bounds, set in line with the annual target announced to the market.

2) Adjusted operating margin before acquisitions criterion

Pay-out rate(1)	0%	Between 50% and 90%	90%	Between 90% and 110%	110%	Between 110% and 150%	150%
3-year average of performance in the year of introduction of the plan and the following 2 years	Below (LB(2) – 50 bps)	Between (LB(2) – 50 bps) and LB(2)	Equal to LB(2)	Between LB(2) and UB(3)	Equal to UB(3)	Between UB(3) and (UB(3) + 50 bps)	Above (UB(3) + 50 bps)

(1) For any point between the limits given in the table above, the pay-out rate is calculated on a straight-line basis.

(2) LB corresponds to the 3-year average of the lower bounds of the annual target announced to the market.

(3) UB corresponds to the 3-year average of the upper bounds of the annual target announced to the market.

Illustration of the determination of the 3-year target based on the 2024 Performance Share Plan

	Lower bound established on the basis of the annual target	Upper bound established on the basis of the annual target
Year 1: 2024	Equal to 20.0%	Equal to 20.8%
Year 2: 2025	Announced to the market in February 2025	Announced to the market in February 2025
Year 3: 2026	Announced to the market in February 2026	Announced to the market in February 2026
3-year target: Average of annual targets	LB(1)	UB(2)

(1) LB corresponds to the 3-year average of the lower bounds of the annual target announced to the market.

(2) UB corresponds to the 3-year average of the upper bounds of the annual target announced to the market.

3) Annual rates of achievement of the Group's CSR Roadmap

Pay-out rate(1)	0%	Between 70% and 100%	Between 100% and 105%	Between 105% and 150%	150%
Arithmetic mean over a 3-year period of the annual CSR Roadmap achievement rates	Below 70%	Between 70% and 100%	Between 100% and 125%	Between 125% and 200%	Over 200%

(1) For any point between the limits given in the table above, the pay-out rate is calculated on a straight-line basis.

4) Legrand's share price performance

Pay-out rate[1]	0%	30%	Between 30% and 150%	150%
Performance gap between Legrand's share price and the CAC 40[2] index	Below 0 point	Equal to 0 point	Between 0 point and 15 points	Above 15 points

(1) *For any point between the limits given in the table above, the pay-out rate is calculated on a straight-line basis.*

(2) *For the 2024 Performance Share Plan, 3-year performance will be measured over the 2024-2026 period using the following calculation method:*

- *Legrand's share price performance: comparison of the average daily closing prices in the second half of the third year of the plan (second half of 2026) to the average daily closing market prices in the second half of the year preceding the first year of the plan (second half of 2023), i.e., €88.72;*
- *performance of the CAC 40 index: comparison of the average CAC 40 daily closing indices of the second half of the third year of the plan (second half of 2026) to the average closing indices of the CAC 40 index of the second half of the year preceding the first year of the plan (second half of 2023), i.e. 7,243.24 points.*

The difference between these two performances will be measured by the difference, in percentage points, between the change in the Legrand share price and the change in the CAC 40 index.

Vesting period and fate of performance shares in the event of the departure of the Chief Executive Officer before the end of the vesting period

The vesting period for the Chief Executive Officer is three years. The (additional) holding period is two years. At the end of the vesting period of the performance shares allocated in 2024, the performance criteria and the condition of continuing service will be verified. As regards the condition of continuing service, the following rules are applicable:

- should the Chief Executive Officer resign during the vesting period, the shares initially awarded by the Board of Directors will not vest;
- should the Chief Executive Officer be dismissed, not be reappointed or retire during the vesting period, only part of the shares would vest, subject to the performance criteria on the date the vesting period ends, calculated in proportion to his length of service at the Company during the vesting period;
- in the event of death during the vesting period, the Chief Executive Officer's heirs may request that ownership of all shares that the Board of Directors initially allocated to the deceased Chief Executive Officer be transferred to them, as permitted by law, without waiting until the end of the vesting period;
- in the event that the Chief Executive Officer becomes permanently disabled, within the meaning of French law or that of his country of residence, the Chief Executive Officer may, under French law, request the transfer of ownership of all shares that the Board of Directors initially allocated to the Chief Executive Officer without waiting until the end of the vesting period.

Holding obligation

Pursuant to Article L. 22-10-59 of the French Commercial Code, as specified in the Code of Corporate Governance, the Chief Executive Officer must retain in registered form a certain percentage of the shares allocated until his term of office ends. The Board of Directors decided that the Chief Executive Officer will be required to hold at least 30% of all performance shares acquired under performance share plans until his term of office ends.

Undertaking not to put in place any hedging transactions

The Company has not put in place any hedging instruments for performance shares. Furthermore, the Chief Executive Officer has formally undertaken to refrain from using any hedging instruments in relation to the performance shares allocated to him.

D – Other elements of the compensation policy

Compensation for duties as a director of the Company and for directorships at other Group companies

No compensation is awarded to the Chief Executive Officer for duties as a director of the Company or of any other Group companies.

Exceptional compensation

There are no plans to award exceptional compensation.

Undertakings governed by Article L. 22-10-9 I, para. 4 of the French Commercial Code

Pension plans

Legrand has no undertakings under defined-benefit pension plans.

The Chief Executive Officer continues to benefit from the mandatory collective defined-contribution pension plan that falls within the scope of supplementary Article 83 of the FGTC. The Chief Executive Officer was a member of that plan before his appointment as Chief Executive Officer, and he continues to benefit from it under the same terms as all other relevant employees.

All of the Group's French executives qualify for the benefit of the defined-contribution pension plan. Contributions are based on the A, B and C Tranches of compensation as defined for the calculation of contributions to the mandatory supplementary pension plans (ARRCO-AGIRC). Entitlements accrue through the payment of annual contributions equal to 1.5% of the A, B and C Tranches. The Company pays half this amount (0.75%) and the beneficiaries pay the other half (0.75%).

For 2024, the Company's contribution for the Chief Executive Officer is estimated at €2,782. This amount is given for information purposes only.

Termination benefits

The Chief Executive Officer does not benefit from any undertaking covering components of compensation, indemnities or other benefits that are or may be due in the event of or subsequent to the termination of his term of office or assignment to a different position ("golden parachutes"). No such undertaking covers him, including if control of the Company changes.

Non-compete clause

Given the profile of the Chief Executive Officer and to protect the interests of the Company and its shareholders, in its meeting of March 20, 2018 the Board of Directors authorized a non-compete agreement between the Company and the Chief Executive Officer. Under that agreement, the Chief Executive Officer undertakes not to carry out any activity that will compete with Legrand's business for a one-year period starting from the date his term of office ends.

The Company's Board of Directors will decide whether or not to apply this non-compete clause when the Chief Executive Officer's term of office ends. It may unilaterally decide to waive the application of this clause.

If applied, the Chief Executive Officer's fulfillment of this undertaking would result, for a one-year period after the end of his term of office, in the payment by the Company of monthly compensation. The latter would be equal to the monthly average of the reference salary received during the last 12 months of employment by the Company. The reference salary includes the fixed salary and annual variable compensation excluding sums received as long-term variable compensation. Its amount is below the cap recommended by the Code of Corporate Governance.

In accordance with Article R. 22-10-14 III. of the French Commercial Code, no compensation under this non-compete clause would be payable should the Chief Executive Officer decide to retire.

Incentive and profit-sharing plans

The Company has for many years implemented an exceptional incentive and profit-sharing plan covering all its employees and those of its main French subsidiaries. The Chief Executive Officer has not enjoyed the benefit of this plan since he was appointed as Chief Executive Officer on February 8, 2018.

Other non-monetary compensation components (company car, pension plan, supplementary health insurance coverage, etc.)

The Chief Executive Officer has the use of an executive car. The benefit in kind that this use of an executive car represents is estimated to be worth €7,097 for 2024. This amount is given for information purposes only.

Furthermore, the Board of Directors, on February 7, 2018, decided that the Chief Executive Officer would continue to benefit from the "medical expenses" supplementary health insurance and the "death, disability and inability to work" insurance available to the Group's French executives under exactly the same terms since he is classified as an executive for social security and tax purposes.

For 2024, the Company's contribution for Benoît Coquart is estimated at €7,484. This amount is given for information purposes only.

Clawback

The Board of Directors, on the advice of the Compensation Committee, may decide not to pay or to request the return of all or part of the annual and long-term variable compensation in the event of (i) fraud by the Chief Executive Officer and/or (ii) gross misconduct by the Chief Executive Officer having a material negative impact on the Group.

6.2.2.3 Compensation policy applicable to the directors in respect of 2024

A – Directors' term of office

Directors are appointed by the Shareholders' Meeting for a term of office of three years, subject to the provisions of the Articles of Association concerning the age limit and the provisions of law and of the Code of Corporate Governance on multiple directorships. They may be reappointed without limitation subject to fulfilling the same requirements.

Directors may resign from their office at any time without giving any notice. Directors may be dismissed at any time by the Shareholders' Meeting without any notice. The duties of the directors representing employees come to an end prematurely as a matter of course should their contract of employment be terminated.

B – Compensation applicable to the directors in respect of 2024

The Board of Directors apportions directors' compensation based on the recommendation of the Compensation Committee and on the total amount authorized by the Shareholders' Meeting. The total amount authorized by the Shareholders' Meeting of May 27, 2020, was €1,200,000. It will remain valid until a new resolution setting out a new amount is adopted by the Shareholders' Meeting. The Board of Directors of March 20, 2024, acting on a proposal from the Compensation Committee, decided to propose raising the total amount authorized to €1,300,000. The increased allocation was adopted given the prospect of a larger number of meetings, as was the payment of a flat-rate indemnity per trip for directors resident outside Europe.

Neither the Chair of the Board of Directors nor the Chief Executive Officer receives any compensation for their duties as a director of the Company.

Accordingly, the compensation is apportioned between the other directors including the two directors representing employees.

The apportionment of compensation between directors takes into account directors' actual attendance at meetings of the Board of Directors and of its Board committees. Additional compensation may be awarded, or exceptional compensation paid, for specific duties, such as those of the Lead Director.

Based on a proposal from the Compensation Committee, the Board of Directors decided on March 20, 2024 to adopt the following compensation policy:

- €25,000 a year in respect of the fixed portion of directors' compensation. For each director, this sum increases by €5,000 with every meeting of the Board of Directors they attend;
- €3,000 for each director who is also a member of a Board committee for each Board committee meeting they attend;
- an additional €20,000 is paid to the Chair of the Audit Committee and an additional €10,000 paid to the Chairs of the other Board committees; and
- an additional €2,500 per trip is paid to directors residing outside Europe, in addition to variable compensation. This indemnity would not be paid in the event they participate via videoconference or conference call.

These rules for apportioning directors' compensation are in line with the Code of Corporate Governance, which recommends that the variable portion of the compensation granted to directors should be larger than the fixed portion.

Should the Board of Directors decide to entrust any director with specific duties or a specific assignment, they may be awarded exceptional compensation. Its amount will be proportionate for such duties or assignment and in line with market practices.

Given the specific duties discharged by the Lead Director, the Board of Directors has decided to award additional directors' compensation to the office holder of €20,000. Information regarding the Lead Director's duties is provided in section 6.1.2 of this Universal Registration Document.

In accordance with the Directors' Charter, which forms part of the Internal Rules, all directors must, during their terms of office, gradually acquire a number of shares equivalent to one year's compensation.

The minimum number of shares that a director must hold in a personal capacity and retain throughout their term of office is 500 shares.

Lastly, each director is entitled to the reimbursement of travel expenses incurred in performing their duties, subject to the upper limits laid down in the policy applicable within the Company and provided the expense claims are supported by receipts.