

2021



JACQUET
METALS

Corporate governance



A leader in the distribution of specialty steels

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1 Governance

1.1 General principles

JACQUET METALS SA (the "Company") has adopted a governance model based on a Board of Directors and mainly refers to the AFEP-MEDEF corporate governance code for listed companies (the "Reference Code").

The Company applies all recommendations of the Reference Code, except with regard to the staggered renewal of directors' appointments (Recommendation 14) in view of the short duration of Company directors' terms of office (two years).

As such, the Board of Directors comprises:

- an Appointment and Compensation Committee; and
- an Audit and Risk Committee.

The Board of Directors pays special attention to ensuring balanced membership of the Board and its committees. It ensures:

- a diverse range of experiences, backgrounds and ages amongst its members;
- at least a third of its members are independent, in accordance with the provisions of the Reference Code;
- that each gender represents at least 40% of the Board members, in accordance with Article L. 225-18-1 of the French Commercial Code.

As of December 31, 2021, the Board of Directors comprised 10 members:

- 8 deemed independent;
- 6 men and 4 women;
- 1 German national.

	Age	Gender	Nationality	Independence	Appointment and Compensation Committee	Audit and Risk Committee
Éric Jacquet Chairman of the Board of Directors	63	M	French	-	-	-
Jean Jacquet Vice-Chairman of the Board of Directors	89	M	French	✓	-	-
Gwendoline Arnaud Director	49	F	French	✓	Member	-
Séverine Besson Director	47	F	French	✓	-	-
Jacques Leconte Director	77	M	French	✓	-	Member
Henri-Jacques Nougéin Director	74	M	French	✓	Chairman	-
Dominique Takizawa Director	65	F	French	✓	-	Chairwoman
Pierre Varnier Director	73	M	French	✓	-	Member
Alice Wengorz Director	55	F	German	✓	Member	-
JSA represented by Ernest Jacquet Director	24	M	French	-	-	Member

On the proposal of the Appointment and Compensation Committee, the Board of Directors votes any compensation and benefits to be granted to the executive officers. In this respect, the Company discloses the criteria for executive officers' variable compensation, which is divided into two categories:

- first category is based on the Group's profitability; the calculation is based on the ratio of net income (Group share) to consolidated sales. There are no fixed targets.

In accordance with the recommendations of the Reference Code, the gross annual variable portion of compensation based on quantitative criteria is capped (150% of the annual fixed compensation for the Chief Executive Officer and €250 000 gross for fiscal year 2021 for the Deputy Chief Executive Officer).

- second category is based on qualitative criteria and is left to the discretion of the Appointments and Compensation Committee, which submits the level of annual compensation payable to the executive directors to the Board of Directors, and may recommend the payment of an exceptional compensation amount, where applicable.

1.2 The Board of Directors

1.2.1 Board membership

The General Meeting of June 26, 2020 appointed the following individuals as directors for a two-year term of office expiring at the end of the General Meeting called to approve the financial statements for the financial year ended December 31, 2021:

Éric Jacquet • a French national, 63, has been Chairman and Chief Executive Officer of JACQUET METALS SA since July 20, 2010. He was previously Chairman and Chief Executive Officer of JACQUET METALS SA (formerly JACQUET Industries SA) from its foundation in 1994.

Éric Jacquet has spent his entire career at the JACQUET METALS Group, where he has held positions including Sales Manager (1980-1985) and Marketing and Export Development Manager (1986-1993).

Éric Jacquet is also a member of the Lyon Commercial Court Association of Judges and Former Judges.

He was first appointed to the Board of Directors on June 30, 2010.

Jean Jacquet • (deemed independent), a French national, 89, served as Chairman of Faïence et Cristal de France until 2012, Chairman and Chief Executive Officer of SOMERGIE (the Metz urban public-private waste management company) until 2011 and Chairman and Chief Executive Officer of TCRM (Metz area public transport system) until 2010. Jean Jacquet began his career at the Renault Group, where he worked until 1984. He was then Chairman and Chief Executive Officer of Unimetal/Ascometal from 1984 to 1988 and Chairman of the Special Steel Dealers' Union (UNAS) from 1988 to 1999. He has also served as Chairman of the Supervisory Board of Winwise, Director of the Metz National Engineering School, Chairman of the Inter-Ministerial Development Mission for the development of the Longwy European Hub, Chairman of the Board of Directors of the Metz Power Plant, Deputy Vice-Chairman of the French National Association of Electricity Concessions and Vice-Chairman of the Metz Urban District (now the Metz Metropolitan Urban District Grouping). We would remind you that Jean Jacquet is not related to Éric Jacquet. Jean Jacquet holds a law degree and is a graduate of the Paris Institute of Political Studies.

He was first appointed to the Board of Directors on June 30, 2010.

Gwendoline Arnaud • (deemed independent), a French national, 49, has been a lawyer since 1998. In 2003 she set up her own firm specializing in business and family law.

Gwendoline Arnaud holds a Master's Degree in Private Law and a Certificate of Legal Proficiency (CAPA).

She was first appointed to the Board of Directors on June 26, 2014.

Séverine Besson • (deemed independent), a French national, 47, is the founding chairman of ACT4 TALENTS SAS, specialized in supporting the social transformation of companies. She has spent most of her career in management in an industrial and international environment. She has held positions as a marketing consultant, International Sales and Marketing Director then Chairman and CEO of a small business operating in the chemicals industry. Séverine Besson holds a Master's Degree in Sales and Marketing, an Executive MBA from emlyon business school and a PhD in HR Management from Paris-Dauphine University. She is also a Board member of INSA Lyon and Handicap International. *She was first appointed to the Board of Directors on June 30, 2016.*

Jacques Leconte • (deemed independent), a French national, 77, was the Director of the Crédit Agricole Sud Rhône-Alpes business center. He was primarily in charge of the financing activities for large companies, cooperatives and institutional investors for the Rhône-Alpes regional districts at the Crédit Agricole Regional Development Agency. He is also a member of the Strategy Committee of Thermocross SA. Jacques Leconte studied geography at university and is a graduate of the Lyon Institute of Political Studies. *He was first appointed to the Board of Directors on June 30, 2010.*

Henri-Jacques Nougéin • (deemed independent), a French national, 74, is an arbitration expert, mediator, amicable liquidation expert and insurance broker (specializing in corporate risk and liability). He is also the Honorary President of the Lyon Commercial Court, former Chairman of the Inter-Professional Mediation and Arbitration Center and Joint Manager of the European Arbitration and Mediation Network. He is the founder and Joint Manager of the Franco-Argentinian Mediation and Arbitration Center, the Franco-Chinese Mediation Center (in partnership with the Shanghai government authorities) and the Franco-Indian Mediation and Arbitration Center (in partnership with the Indian Federation of Chambers of Commerce and Industry). Henri-Jacques Nougéin was a lecturer at Lyon III University (Economic Procedural Law) and is the author of a number of legal and technical research publications. He holds a degree in Private Law and a higher doctorate in law (1976) and is a graduate of the Lyon Legal Studies Institute and the French Advanced School of Private Law. *He was first appointed to the Board of Directors on June 30, 2010.*

Dominique Takizawa • (deemed independent), a French national, 65, formerly General Secretary of Institut Mérieux (2001-2020). She joined the Mérieux group in 2001, where she was involved in its strategic development, in particular M&A and shareholder and investor relations. In particular, she helped coordinate the bioMérieux initial public offering. She was previously Chief Financial Officer at various companies: Pasteur-Mérieux Connaught (now Sanofi Pasteur), Aventis Crop Sciences (now Bayer) and Rhône Mérieux / Merial. Dominique Takizawa is a graduate of HEC Management School and holds a DECF diploma in accounting and finance. *She was first appointed to the Board of Directors on June 26, 2020.*

Pierre Varnier • (deemed independent), a French national, 73, is a graduate of the Paris Institute of Political Studies and holds an advanced diploma (DESS) in Economics. Since 2007 Pierre Varnier has been Chairman of Varco International SAS, which specializes in transition management. He was also Chairman and Chief Executive Officer of Thyssenkrupp Materials France SAS and CRO of Lucchini / Aferpi. Before founding Varco International SAS, Pierre Varnier was Chief Executive Officer of KDI (a Kloeckner group company) (2003-2007), Chairman and Chief Executive Officer of Arcelor Tubes (1999-2003), Chief Executive Officer of Ugine Europe Service (1997-1999), VP Strategy / Development at Ugine group (1996-1997), Managing Director at Ugine Srl, Italy (1991-1996), Sales Director at Ugitech (1986-1991), and Financial Control / Plan Director at Ugine Aciers (1981-1985). *He was first appointed to the Board of Directors on June 26, 2020.*

Alice Wengorz • (deemed independent), a German national, 55, is a corporate management consultant at her own firm. She specializes in corporate strategy, organization and processes, and human resources. She has previously worked in this profession at Deloitte & Touche GmbH and Arthur Andersen & Co. GmbH. Alice Wengorz is also an Honorary Judge at the Frankfurt District Court, with responsibility for criminal matters. She holds a Degree in Economics. *She was first appointed to the Board of Directors on June 30, 2016.*

JSA • a limited liability company governed by Belgian law, controlled by **Éric Jacquet** and represented by his son, **Ernest Jacquet**. Ernest Jacquet, a French national, 24, performs sales functions at **JACQUET Lyon**, a company specializing in the distribution of stainless steel plates. He holds a Master's degree of Science in Global Innovation & Entrepreneurship from emlyon business school.

JSA was first appointed to the Board of Directors on June 30, 2010.

To the knowledge of the Company, no member of the Board of Directors has been the subject of an official public sanction, sentenced for fraud during the past five years, involved in any receivership, sanctioned by any statutory or regulatory authorities, including designated professional bodies, or the subject of any measure preventing them from directing, managing, administering or controlling a company during the past five years.

There is no potential conflict of interest between the private interests of the members of the Board of Directors and their duties with regard to the Company.

There are no arrangements or agreements with the main shareholders, or with customers or suppliers, pursuant to which a member of the Board of Directors might have been appointed as a director of the Company.

Changes in Board of Directors and committee membership during the 2021 financial year

There were no changes in the membership of the Board of Directors or the Committees during the 2021 financial year.

Directors independence criteria

In accordance with the provisions of its Internal Regulations and the Reference Code, the Board of Directors ensures that at least one third of its members are independent.

The independence of members of the Board of Directors is tested against the following criteria:

- they must not be or have been within the previous five years:
 - an employee or executive officer of the Company,
 - an employee, executive officer or director of a company consolidated by the Company,
 - an employee, executive officer or director of the Company's parent company or of a company consolidated by this parent company;
- they must not be an executive officer of a company in which the Company directly or indirectly holds a directorship or in which an employee appointed as such or an executive officer of the Company (currently or having held such office within the last five years) holds a directorship;
- they must not be a customer, supplier, corporate banker, investment banker or adviser:
 - which is significant to the Company or Group,
 - or for which the Company or Group represents a significant portion of its business;
- they must have no close family ties with a corporate officer;
- they must not have been a statutory auditor of the Company over the past five years;
- they must not have been a director of the Company for more than 12 years. The status of independent director lapses after 12 years;
- as a non-executive officer, they must not receive variable compensation, whether in cash or shares, or any other compensation indexed to the Company's or Group's performance;
- a director who represents a major shareholder must not be involved in the control of the Company or its parent company.

Even if a director complies with all of the foregoing criteria, the Board of Directors may nonetheless decide not to qualify them as independent in view of their particular situation. The independent member qualification is discussed each year by the Appointment and Compensation Committee and reviewed on a case-by-case basis each year by the Board of Directors, with reference to the foregoing criteria, prior to the publication of the annual report.

Criteria	Éric Jacquet	Jean Jacquet	Gwendoline Arnaud	Séverine Besson	Jacques Leconte	Henri-Jacques Nougéin	Dominique Takizawa	Pierre Varnier	Alice Wengorz	Ernest Jacquet Permanent representative JSA
1 Employee / corporate officer over the past 5 years	x	✓	✓	✓	✓	✓	✓	✓	✓	✓
2 Reciprocal corporate office	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3 Material business relationship	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4 Family relationship	✓	✓	✓	✓	✓	✓	✓	✓	✓	x
5 Statutory auditor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6 Holding office for > 12 years	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7 Non-executive officer status receiving variable compensation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8 Major shareholder	x	✓	✓	✓	✓	✓	✓	✓	✓	x

Key: ✓ = meets independence criterion; x = fails to meet independence criterion.

The Board of Directors meeting held on March 9, 2022 to approve the annual results for 2021 adopted the recommendation of the Appointment and Compensation Committee proposing that all directors be reappointed. As a result of this reappointment, on June 30, 2022 Jean Jacquet, Jacques Leconte and Henri-Jacques Nougéin will have held successive directorships for 12 years. Accordingly, as from this date, they would no longer be classified as independent directors in accordance with the Reference Code. For information purposes, independent status among the Company's directors would be as follows from July 1, 2022:

Criteria	Éric Jacquet	Jean Jacquet	Gwendoline Arnaud	Séverine Besson	Jacques Leconte	Henri-Jacques Nougéin	Dominique Takizawa	Pierre Varnier	Alice Wengorz	Ernest Jacquet Permanent representative JSA
1 Employee / corporate officer over the past 5 years	x	✓	✓	✓	✓	✓	✓	✓	✓	✓
2 Reciprocal corporate office	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3 Material business relationship	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4 Family relationship	✓	✓	✓	✓	✓	✓	✓	✓	✓	x
5 Statutory auditor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6 Holding office for > 12 years	✓	x	✓	✓	x	x	✓	✓	✓	✓
7 Non-executive officer status receiving variable compensation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8 Major shareholder	x	✓	✓	✓	✓	✓	✓	✓	✓	x

Key: ✓ = meets independence criterion; x = fails to meet independence criterion.

Notwithstanding the reclassification of the three aforementioned directors, at least one third of the members of the Company's Board of Directors would still be independent, as prescribed by the Reference Code.

1.2.2 Board of Directors' operation

Organization of the Board of Directors as defined by Internal Regulations

The Board of Directors adopted its Internal Regulations on July 20, 2010 and successively updated them on January 22, 2014, June 30, 2016, March 7, 2018, March 13, 2019 and March 9, 2021 (the "Internal Regulations"), mainly in order to take the various revisions of the Reference Code into account. The Internal Regulations include and detail the operational and organizational rules applicable to it as well as the operational rules of the standing Committees (Audit and Risks Committee & Appointment and Compensation Committee).

The Internal Regulations set forth:

- the competences and powers of the Board of Directors;
- the duties and obligations of its members with regard to the principles of confidentiality applicable to privileged information and the rules of independence and fairness;

- each member's duty to notify the Board of any actual or potential conflict of interests in which they may be directly or indirectly involved; in such a case, the relevant member shall refrain from participating in discussions and decisions on the issues concerned;
- the rules applying to transactions involving the Company's shares as set out in Article L. 621-18-2 of the French Monetary and Financial Code and Articles 223-22 A to 223-26 of the General Regulation of the Autorité des Marchés Financiers (French market regulator or AMF).

The Internal Regulations specify that the Board of Directors should meet at least once a quarter.

The Internal Regulations also provide that, at least once a year, the Board of Directors shall be convened by its Chairman to review and assess the Board's work.

Tasks and proceedings of the Board of Directors

The Board of Directors determines the Group's business strategy and monitors its implementation. It addresses all matters concerning the efficient running of the Company and settles issues, through its deliberations, over which it has authority.

In this context, the Board notably:

- deliberates on Group strategy and the operations ensuing from it and, more generally, on all material transactions, particularly those involving important investments or divestments;
- appoints the Company's senior management and oversees its management;
- monitors the quality of information provided to shareholders and to the stock market, especially the information presented in the financial statements and annual report, or when material transactions are concluded.

Conclusion of the following transactions requires the prior authorization of the Board of Directors:

- all acquisitions or divestments of equity interests or business undertakings for an enterprise value of over €5 million per transaction;
- all material transactions falling outside the scope of the Company's published strategy;
- endorsements, sureties and guarantees, subject to the conditions provided for by applicable provisions.

The Chairman of the Board of Directors or, where applicable, the Vice-Chairman organizes and directs the work of the Board of Directors and reports to the General Meeting on the Board's work. The Chairman oversees the operation of the Company's bodies, in particular that of the Board's committees. The Chairman ensures that Board members are able to perform their duties and that the Board spends sufficient time on issues impacting the Group's future.

The Chairman of the Board of Directors is the only person who can speak on behalf of this entity.

Activity of the Board of Directors

In 2021, the Board of Directors met six times. Every director receives invitations to Board meetings together with the agenda and technical documentation for the issues discussed, prior to the meeting.

In particular, the Board of Directors:

- reviewed the 2021 budget;
- authorized the Chairman to grant guarantees on behalf of the Company;
- allocated the attendance fees for 2020;
- carried out the annual review of its operations;
- reviewed and approved the quarterly, half-year and annual consolidated and statutory financial statements of the Company and reviewed the management forecasts;
- approved the corporate governance report;
- approved the reports and draft resolutions submitted by the Board of Directors to the June 25, 2021 General Meeting;
- exercised the authority granted by the General Meeting to purchase or transfer the Company's shares;

- reviewed all minutes of proceedings of the standing Committees;
- in relation to issues currently affecting the Group, noted the progress made on current projects as well as events and transactions of significant importance for the Company and the Group.

The Board of Directors meetings generally last between one and a half and two hours. The average attendance rate was 100%.

The statutory auditors were invited to all Board meetings.

Assessment of the Board of Directors' work

In accordance with the recommendations of the Reference Code, the Board of Directors carries out an assessment of its own work every year and conducts a more in-depth review every three years.

Accordingly, once a year the Board of Directors assigns one item on its agenda to this assessment and holds a discussion on its work with a view to improving its efficiency, ensuring that important issues are adequately prepared and discussed by the Board and measuring each member's actual contribution to its work. The last three-year review was carried out during the March 11, 2020 Board meeting. The responses showed that most directors consider that the Company applies proper corporate governance rules. The Board of Directors concluded that the frequency and length of its meetings and the information provided in advance enabled it to duly perform its duties.

Directors attendance rates in 2021

	Board of Directors	Appointment and Compensation Committee	Audit and Risk Committee
Éric Jacquet Chairman of the Board of Directors	100%	n.a.	n.a.
Jean Jacquet Vice-Chairman of the Board of Directors	100%	n.a.	n.a.
Gwendoline Arnaud Director, Member of Appointment and Compensation Committee	100%	100%	n.a.
Séverine Besson Director	100%	n.a.	n.a.
Jacques Leconte Director, Member of the Audit and Risk Committee	100%	n.a.	100%
Henri-Jacques Nougéin Director, Chairman of the Appointment and Compensation Committee	100%	100%	n.a.
Dominique Takizawa Director, Chairwoman of the Audit and Risk Committee	100%	n.a.	100%
Pierre Varnier Director, Member of the Audit and Risk Committee	100%	n.a.	100%
Alice Wengorz Director, Member of the Appointment and Compensation Committee	100%	100%	n.a.
JSA Director, Member of Audit and Risk Committee	100%	n.a.	100%

n.a.: Not applicable.

1.3 Board committees

Each standing committee comprises no more than four members.

1.3.1 Appointment and Compensation Committee

Membership of the Appointment and Compensation Committee

The Appointment and Compensation Committee comprises three members, appointed for the duration of their terms of office as directors, i.e. until the General Meeting called to approve the financial statements for the year ended December 31, 2021, namely:

- Henri-Jacques Nougéin (Chairman), deemed independent;
- Alice Wengorz, deemed independent;
- Gwendoline Arnaud, deemed independent.

Appointment and Compensation Committee tasks

In accordance with the Internal Regulations, the Appointment and Compensation Committee's tasks are to:

- communicate to the Board of Directors all proposals regarding all compensation and benefits offered to executive officers as well as issuing a recommendation on the amount and methods of distribution of the compensation allocated to the directors ;
- organize the procedure for the selection of future independent directors and propose to the Board of Directors the hiring of new directors or executive officers and more particularly the determination of and changes to all components of their compensation;
- prepare a succession plan for executive officers in order to propose solutions, particularly in the event of unforeseen vacancies;
- contribute to the elaboration of the annual report on the subjects and themes that concern it;
- where appropriate, make recommendations to the Board of Directors on the compensation policy for the main senior managers;
- carrying out any other mission assigned to the Appointments and Compensation Committee by the Reference Code.

To this end, the Appointment and Compensation Committee sees that all requisite and useful information is communicated to it sufficiently in advance of the relevant committee meeting so that the members have sufficient time to review such information before the meeting. The committee conducts any interviews, with any persons, that may be necessary or useful with regard to the fulfillment of its duties.

Activity of the Appointment and Compensation Committee

The Appointment and Compensation Committee met twice in 2021 and had an attendance rate of 100%.

Its work primarily focused on reviewing:

- the wage policy with respect to Group company senior managers and the compensation awarded to executive officers in view of the Group' size and the recommendations of the Reference Code;
- the executive officer succession plan;
- the membership of the Board of Directors and committees and the independence of the directors;
- details provided to shareholders regarding executive officer compensation;
- the attendance fee budget allocated to the directors.

Assessment of the work of the Appointment and Compensation Committee

In 2021, the committee assessed its operating procedures. This assessment is based on a questionnaire given to all members primarily covering committee membership, frequency and length of meetings, the quality of the discussions, the work of the committee, communication of information to committee members, committee members' compensation and access to Group management.

The Appointment and Compensation Committee concluded that the frequency of its meetings, which varies from year to year depending on the number of issues to be discussed, the length of meetings and the information provided in advance to each committee member, enabled it to duly perform its duties.

Audit and Risk Committee

Membership of the Audit and Risk Committee

The Audit and Risk Committee comprises four members, appointed for the duration of their terms of office as directors, i.e. until the General Meeting called to approve the financial statements for the year ended December 31, 2021, namely:

- Dominique Takizawa (Chairwoman), deemed independent;
- Jacques Leconte, deemed independent;
- Pierre Varnier, deemed independent;
- JSA represented by Ernest Jacquet.

Audit and Risk Committee tasks

In accordance with the Internal Regulations, the Audit and Risk Committee tasks are to:

- verify the appropriateness of the accounting methods applied in the preparation of the annual statutory and consolidated financial statements of the Company;
- investigate any problems encountered in the application of the accounting methods;
- before presentation to the Board of Directors, review the statutory and consolidated financial statements, budgets and forecasts and, to this end, review the annual, half-year and, where applicable, quarterly financial statements, the accounting principles and methods, the Company's audit and internal control principles and methods, and the analyses and reports concerning financial reporting and accounting policy;
- ensure the quality of and compliance with internal control procedures and their application;
- review the inventory of standard agreements entered into under normal terms and conditions submitted by the Company's management, and submit to the Board of Directors its analysis and recommendations for the Board's annual review of regulated agreements and standard agreements;
- to set the rules governing the use of statutory auditors for work other than that relating to the audit of the financial statements and to entrust additional audit assignments to external auditors;
- to oversee the selection, appointment and reappointment of the statutory auditors, to formulate an opinion on the amount of the fees requested by the statutory auditors, to ensure their independence and objectivity in the case of statutory auditors belonging to networks performing both audit and advisory functions, and to submit the results of its work to the Board of Directors;
- review the statutory auditors' work program, the results of their audits, their recommendations and their follow-up;
- more generally, to examine, control and assess anything likely to affect the accuracy and sincerity of the financial statements and non-financial information;
- the assumption of any other mission assigned to the Audit and Risks Committee by Law or the Reference Code.

To fulfill its duties, the Audit and Risk Committee has access to all accounting and financial documentation. It conducts interviews with the persons responsible for preparing the financial statements, the internal audit manager and Management. It also conducts interviews with the statutory auditors, in order to obtain assurance that the auditors have had access to all the informations required for their work.

The Audit and Risk Committee meets at least two times a year, prior to Board meetings whose agenda includes the following items:

- review of the half-year and annual statutory and consolidated financial statements of the Company including related audit reports;
- review of the budget.

The Audit and Risk Committee also monitors potential risks incurred by the Group.

Activity of the Audit and Risk Committee

The Audit and Risk Committee met three times in 2021 and had an attendance rate of 100%. On average, its meetings lasted over two hours.

Its work primarily consisted of:

- reviewing the Group and Company annual and half-yearly financial statements and the management forecasts;
- overseeing the proper application of the accounting principles;
- checking that the year-end procedure and review of the statutory auditors' findings following completion of their audits had been performed correctly; and
- reviewing the budget.

The Audit and Risk Committee reviewed the work of the internal audit department, particularly with regard to the follow-up of the statutory auditors' recommendations, as well as the department's conclusions on specific audit assignments and the proposed approach to the organization of internal control as well as the identification and monitoring of risks.

The Audit and Risks Committee also monitored progress on measures required by the General Data Protection Regulation ("GDPR").

Assessment of the work of the Audit and Risk Committee

In 2021 the members of the Audit and Risk Committee reviewed and assessed the work of the committee. This assessment was performed by committee members and primarily covered committee membership, frequency and length of meetings, the quality of the discussions, the work of the committee, communication of information to committee members, committee members' compensation and access to Group management.

The Audit and Risk Committee concluded that the frequency and length of its meetings and the information provided in advance to the committee and its members enabled it to duly perform its duties.

1.4 The Chief Executive Officer and the Deputy Chief Executive Officer

At its meeting on June 26, 2020, the Board of Directors reappointed Éric Jacquet as Chief Executive Officer and Philippe Goczol as Deputy Chief Executive Officer. Both individuals were appointed for the first time on July 20, 2010:

- Éric Jacquet: Information regarding him is presented in §1.2.1;
- Philippe Goczol, a Belgian national, 56, he holds a degree from Mons University (Belgium). He began his career in 1988 at steel manufacturer Industeel (formerly Fafer, ARCELOR MITTAL group), where he held positions as Commercial Engineer (1988-1992), Proxy (1992-2000), and Sales Director (1999-2000). In 2001, he joined JACQUET METALS as Chief Development Officer before being appointed Deputy CEO in 2004.

A list of the offices and positions held by the corporate officers, as well as information on the number of shares they hold in JACQUET METALS, is provided in §2.1.

The compensation paid to the corporate officers is set out in §2.5.

Limitation of the powers of the Deputy Chief Executive Officer

At its meeting on June 26, 2020, the Board of Directors decided that the Deputy Chief Executive Officer would have no authority, power of control or responsibility in the area of finance, including with regard to the financial management of equity investments, management of subsidiary dividends, financial investments, current accounts, cash position and subsidiaries' financial commitments, these areas falling under the exclusive remit of the Chief Executive Officer. This decision is a matter of internal order and is not enforceable on third parties.

1.5 Senior management

- | | |
|-----------------------------------|--------------------------------------|
| - Éric Jacquet | - Chairman & Chief Executive Officer |
| - Philippe Goczol | - Deputy Chief Executive Officer |
| - Thierry Philippe | - Chief Financial Officer |
| - Sarah Vaison de Fontaube | - Financial Officer |
| - Anne-Frédérique Dujardin | - General Counsel |
| - Alexandre Iacovella | - Chief Operating Officer |
| - Hans-Josef Hoss | - Chief Executive Officer, IMS group |
| - Jens Münchow | - Chief Executive Officer, STAPPERT |
| - Arnaud Giuliani | - Chief Information Officer |

1.6 Shareholder participation in the General Meeting

The terms and procedures regarding shareholder participation in the General Meeting are set out in Articles 23 to 28 of the Company bylaws.

Under the emergency health measures implemented in response to the COVID-19 pandemic, and pursuant to Article 4 of French Order no. 2020-321 of March 25, 2020 as extended and amended by Decree N° 2021-255 of March 9, 2021 and in an effort to protect the health and safety of all Company employees and associates, the Company Annual General Meeting of June 25, 2021 was held in camera.

2 Corporate governance report

Pursuant to the provisions of Article L. 225-37 of the French Commercial Code, the purpose of this Board of Directors report is to notify shareholders about procedures undertaken for preparing and organizing the Company Board of Directors' work and conditions for corporate officers carrying out their duties.

This report was prepared by the Appointment and Compensation Committee and approved by the Board of Directors on March 9, 2022.

2.1 List of offices and positions held by corporate officers during the financial year

	Nationality	Appointment/reappointment dates	Term ends	Years of Board membership	Number of shares held	Committee meeting attendance	Other offices excluding offices held at Company subsidiaries
Éric Jacquet 63 - M - Director and Chairman of the Board - CEO	French	30.06.10 29.06.12 26.06.14 30.06.16 29.06.18 26.06.20 30.06.10 29.06.12 26.06.14 30.06.16 29.06.18 26.06.20	2022 General Meeting 2022 General Meeting	11	39,530	-	Managing Partner, JSA TOP Managing Director, JSA Managing Partner, SCI DU CANAL Managing Partner of SCI ROGNA BOUE Managing Partner, SCI QUEDE Managing Partner, SCI DE MIGENNES Chairman, JERIC Managing Partner, SCI DE LA RUE DE BOURGOGNE Managing Partner, JACQUET BATIMENTS EURL Managing Partner, SCI DES BROTTES Managing Partner, SCI DE MANTENAY Managing Partner, SCI CITE 44 Managing Partner, SCI LES CHENES Chairman, SAS JML
Gwendoline Arnaud 49 - F Deemed independent - Director	French	26.06.14 30.06.16 29.06.18 26.06.20	2022 General Meeting	7	0	Member of the Appointment and Compensation Committee	Managing Partner, Cabinet Gwendoline Arnaud & Associés SELARL Managing Partner, SCI PNRAS Managing Partner, SCI LCSG Managing Partner, SCM 2G
Séverine Besson 47 - F Deemed independent - Director	French	30.06.16 29.06.18 26.06.20	2022 General Meeting	5	500	-	Chairwoman, SAS Ork-ID Chairwoman, SAS ACT4 TALENTS
Jacques Leconte 77 - M Deemed independent - Director	French	30.06.10 29.06.12 26.06.14 30.06.16 29.06.18 26.06.20	2022 General Meeting	11	500	Member of the Audit and Risk Committee	Member, Thermcross SA Strategy Committee
Henri-Jacques Nougein 74 - M Deemed independent - Director	French	30.06.10 29.06.12 26.06.14 30.06.16 29.06.18 26.06.20	2022 General Meeting	11	510	Chairman of the Appointment and Compensation Committee	Chairman, SCPI "BUROBOUTIC" Supervisory Board Vice Chairman, SCPI "FICOMMERCE" Supervisory Board Managing Partner, Cabinet Nougein
Dominique Takizawa 65 - F Deemed independent - Director	French	26.06.20	2022 General Meeting	1	500	Chairwoman of the Audit and Risk Committee	Director and Audit Committee member, ABL Inc. (USA) Non-voting Board member, LABORATOIRE PRECILENS SAS, permanent representative of IM Europe
Pierre Varnier 73 - M Deemed independent - Director	French	26.06.20	2022 General Meeting	1	0	Member of the Audit and Risk Committee	Chairman, Varco International
Alice Wengorz 55 - F Deemed independent - Director	German	30.06.16 29.06.18 26.06.20	2022 General Meeting	5	700	Member of the Appointment and Compensation Committee	-
JSA - Director Company represented by Ernest Jacquet 24 - M	French	30.06.10 29.06.12 26.06.14 30.06.16 29.06.18 26.06.20	2022 General Meeting	11	9,648,941	Member of the Audit and Risk Committee	-
Jean Jacquet 89 - M Deemed independent - Vice-Chairman of the Board of Directors	French	30.06.10 29.06.12 26.06.14 30.06.16 29.06.18 26.06.20	2022 General Meeting	11	2,000	-	-
Philippe Goczol 56 - M - Deputy CEO	Belgian	20.07.10 29.06.12 26.06.14 30.06.16 29.06.18 26.06.20	2022 General Meeting	n.a.	2,431	-	Joint Managing Partner, SCI des Acquits

n.a.: Non applicable

2.2 Regulated agreements and commitments

2.2.1 Authorized regulated agreements and commitments

See §7 Statutory Auditors' special report on related party agreements in the 2021 Universal Registration Document.

2.2.2 Agreements entered into in the ordinary course of business on arm's length terms

In accordance with Article L. 22-10-12 of the French Commercial Code, the Board of Directors has put in place a procedure to regularly assess whether agreements entered into between the Company and its Chief Executive Officer, one of its Deputy Chief Executive Officers, one of its directors, one of its shareholders holding more than 10% of the voting rights or, in the case of a shareholder company, the company controlling it within the meaning of Article L. 233-3 of the French Commercial Code, and relating to ordinary transactions entered into on arm's length terms, continue to fulfill these criteria.

With regard to agreements entered into in the ordinary course of business on arm's length terms, note the following items:

- both criteria regarding ordinary course of business and arm's length terms must be satisfied;
- given that ordinary agreements entered into on arm's length terms are excluded from the regulated agreement authorization procedure provided for by Article L. 225-38 of the French Commercial Code, it is necessary to verify periodically that criteria for classification as such agreements are duly met;
- agreements entered into between the Company and Group companies in which the Company directly or indirectly holds all of the share capital (less the minimum number of shares required to meet statutory requirements, where applicable) are excluded from this assessment procedure given that they are by definition excluded from the regulated agreement procedure pursuant to Article L. 225-39 of the French Commercial Code.

With regard to the annual assessment procedure:

- Company management draws up an annual inventory of ordinary agreements entered into on arm's length terms between the Company and non-wholly owned subsidiaries (less the minimum number of shares required to meet statutory requirements, where applicable) or with the persons defined by Article L. 225-38 of the French Commercial Code;
- every year, before approving the financial statements for the year ended, Company management forwards the aforementioned inventory of ordinary agreements entered into on arm's length terms to the Audit and Risk Committee;
- the Audit and Risk Committee reviews this inventory and submits its analysis and recommendations to the Board of Directors for the purposes of the annual Board review of regulated agreements and ordinary agreements;
- persons having a direct or indirect interest in a given agreement must not take part in its assessment.

Current authorizations to increase the share capital granted by the General Meeting

The following authorizations granted to the Board of Directors by the June 26, 2020 General Meeting are still in effect:

Delegation of authority	General Meeting	Expiry	Maximum authorized amount per transaction	Overall maximum authorized amount
1 Delegation of authority to increase the Company's share capital via the capitalization of premiums, reserves, earnings or other amounts. - Resolution n°29	26.06.20	26.08.22	€8,000,000	€8,000,000
2 Delegation of authority to increase the Company's share capital via the issuance of shares and/or securities granting access to the Company's share capital, with maintenance of preferential subscription rights, and/or via the issuance of securities granting the right to allotment of debt securities. - Resolutions n°30 & 35	26.06.20	26.08.22	Capital increase: €8,000,000 Issuance of debt securities: €120,000,000	Capital increase*: €12,000,000 Issuance of debt securities: €175,000,000
3 Delegation of authority to increase the Company's share capital via the issuance of shares and/or transferable securities granting access to the Company's share capital, by way of public offerings without preferential subscription rights, and/or via the issuance of transferable securities conferring the right to allotment of debt securities - Resolutions n°31 & 35	26.06.20	26.08.22	Capital increase: €8,000,000 Issuance of debt securities: €120,000,000	Capital increase*: €12,000,000 Issuance of debt securities: €175,000,000
4 Delegation of authority to decide to increase the Company's share capital via the issuance of shares and/or transferable securities granting access to the Company's share capital, with no public offering or preferential subscription rights - Resolutions n°32 & 35	26.06.20	26.08.22	Capital increase: €8,000,000 Issuance of debt securities: €120,000,000	Capital increase*: €12,000,000 Issuance of debt securities: €175,000,000
5 Authorization, in the event of an increase in the Company's share capital via the issuance of shares and/or transferable securities granting access to the Company's share capital without preferential subscription rights, to set an issue price in accordance with the procedure approved by the General Meeting. - Resolutions n°33 & 35	26.06.20	26.08.22	10% of the share capital	Capital increase*: €12,000,000 Issuance of debt securities: €175,000,000
6 Authorization to increase the number of securities to be issued in the event of a capital increase with or without preferential subscription rights. - Resolutions n°34 & 35	26.06.20	26.08.22	Subject to the cap provided for in the resolution concerning the relevant issue	Capital increase*: €12,000,000 Issuance of debt securities: €175,000,000
7 Delegation of powers to the Board of Directors to issue shares or transferable securities granting access to the Company's share capital with no preferential subscription rights, in consideration for contributions in kind involving equity securities or transferable securities granting access to the share capital. - Resolution n°36	26.06.20	26.08.22	10% of the share capital	10% of the share capital
8 Delegation of authority to the Board of Directors to issue shares and/or transferable securities granting access to the Company's share capital in the event of a public exchange offer launched by the Company. - Resolution n°37	26.06.20	26.08.22	Capital increase: €8,000,000 Issuance of debt securities: €120,000,000	Capital increase: €8,000,000 Issuance of debt securities: €120,000,000
9 Delegation of authority to the Board of Directors to increase the share capital by way of a share issue, in the event that the Board of Directors exercises the authority delegated to it to decide on one or more mergers by absorption. - Resolution n°39	26.06.20	26.08.22	€8,000,000	€8,000,000
10 Delegation of authority to the Board of Directors to increase the share capital by way of a share issue, in the event that the Board of Directors exercises the authority delegated to it to decide on one or more demergers. - Resolution n°41	26.06.20	26.08.22	€8,000,000	€8,000,000
11 Delegation of authority to the Board of Directors to increase the share capital by way of a share issue, in the event that the Board of Directors exercises the authority delegated to it to decide on one or more partial asset transfers. - Resolution n°43	26.06.20	26.08.22	€8,000,000	€8,000,000
12 Delegation of authority to increase the Company's share capital via the issuance of shares or transferable securities granting access to the capital reserved for members of saving plans, with waiver of preferential subscription rights. - Resolution n°46	26.06.20	26.08.22	1% of the number of shares comprising the share capital	1% of the number of shares comprising the share capital
13 Authorization to award existing or future free shares of the Company to employees and executive officers of the Company and its affiliates. - Resolution n°44	26.06.20	26.08.23	- 3% of the share capital - 1% of the share capital for executive officers	- 3% of the share capital - 1% of the share capital for executive officers
14 Authorization to grant stock options for existing or new shares in the Company to the employees and/or corporate officers of the Company and its affiliates. - Resolution n°45	26.06.20	26.08.23	- 3% of the share capital - 1% of the share capital for executive officers	- 3% of the share capital - 1% of the share capital for executive officers

* Joint caps for Resolutions 30 to 34

The Board of Directors has not exercised the foregoing powers and authorizations during 2021 fiscal year.

2.4 Elements liable to impact a takeover bid

To the Company's knowledge, there are no mechanisms specifically designed to delay, defer or prevent a change of control. Pursuant to Article L. 225-123 of the French Commercial Code, the Company bylaws provide that a double voting right, compared to the voting right conferred on other shares in light of the proportion of the share capital they represent, shall be assigned to all fully paid up shares held in registered form by the same shareholder for at least two years.

2.5 Compensation paid to corporate officers

2.5.1 Compensation paid to executive officers

The variable compensation paid to executive officers is based on the following criteria:

Quantitative

The variable compensation based on quantitative criteria depends on the Group's profitability; the calculation is based on the ratio of net income (Group share) to consolidated sales. There are no fixed targets. In accordance with the recommendations of the Reference Code, the gross annual variable portion of compensation based on quantitative criteria is capped (150% of annual fixed compensation for the Chief Executive Officer and €250,000 gross for fiscal year 2021 for the Deputy Chief Executive Officer).

Qualitative

The variable compensation based on qualitative criteria is left to the discretion of the Appointment and Compensation Committee, which submits the level of annual compensation payable to senior managers to the Board of Directors, and may recommend the payment of an exceptional compensation amount, where applicable.

2.5.1.1 Compensation paid to executive officers

The executive officers since July 20, 2010 are Éric Jacquet in the capacity of Chairman & Chief Executive Officer and Philippe Goczol in the capacity of Deputy Chief Executive Officer. The compensation amounts shown below are for the 2020 and 2021 financial years. Éric Jacquet and Philippe Goczol receive no compensation from any other company belonging to the consolidated Group.

Éric Jacquet, Chairman of the Board of Directors & Chief Executive Officer

Gross amounts (€k)	2021	2020
Compensation payable for the financial year	1,645.5	641
Valuation of options awarded during the year	-	-
Valuation of performance shares awarded during the year	-	-
Total	1,645.5	641

Of which:

Gross amounts (€k)	2021		2020	
	Amounts payable	Amounts paid	Amounts payable	Amounts paid
Fixed compensation	650	650	528 ²	528 ²
Annual variable compensation	975	94 ¹	94	123
Multi-year variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Attendance fees	13.5	12	12	12
Post-employment benefits	7	7	7	7
Benefits in kind	-	-	-	-
Total	1,645.5	763	641	670

¹ In accordance with the vote at the Company's General Meeting on June 25, 2021 (Resolution 9)

² On May 13, 2020, the Board of Directors approved the Chairman & Chief Executive Officer's proposal to reduce his compensation by 25% between April 1 and December 31, 2020.

Philippe Goczol, Deputy Chief Executive Officer

Gross amounts (€k)	2021	2020
Compensation payable for the financial year	483	300
Valuation of options awarded during the year	-	-
Valuation of performance shares awarded during the year	-	-
Total	483	300

Of which:

Gross amounts (€k)	2021		2020	
	Amounts payable	Amounts paid	Amounts payable	Amounts paid
Fixed compensation	210	210	207	207
Annual variable compensation	268	75 ¹	75	107
Multi-year variable compensation	-	-	-	-
Exceptional compensation	-	13	13	50
Attendance fees	-	-	-	-
Post-employment benefits	5	5	5	5
Benefits in kind	-	-	-	-
Total	483	303	300	369

¹ In accordance with the vote at the Company's General Meeting on June 25, 2021 (Resolution 10).

Pursuant to Article L. 225-37-2 of the French Commercial Code, payment of all variable compensation is subject to approval by the Ordinary General Meeting.

Contractual status of corporate officers

	Employment contract		Supplementary pension scheme		Indemnities or benefits ¹		Indemnities relating to a non-competition clause	
	yes	no	yes	no	yes	no	yes	no
Executive officers								
Éric Jacquet • Chairman and CEO since 20.07.10		√	√			√		√
Philippe Goczol • Deputy CEO since 20.07.10		√		√	√		√	

¹ Indemnities or benefits actually or potentially payable as the result of termination or a change in duties.

The Company pays contributions for retirement benefits and supplementary pension contributions based on a calculation method common to Company employees and, where applicable, senior managers and other corporate officers.

The Company pays a contribution to Philippe Goczol in the form of a GSC-type directors' unemployment insurance policy, which provides for payment of an indemnity during a period of no more than 18 months as from the month following the date when the event covered by the policy occurred.

2.5.1.2 Stock options (for new or existing shares) granted to each executive officer during the financial year

None.

2.5.1.3 Stock options (for new or existing shares) exercised by executive officers during the financial year

None.

2.5.1.4 Performance shares granted to each corporate officer

None.

2.5.1.5 Performance shares vested during the financial year for executive officers

None.

2.5.1.6 Free shares

None.

2.5.1.7 Other information

None.

2.5.1.8 Indemnity for termination or non-renewal of Philippe Goczol's term of office

On November 15, 2010, the Board of Directors decided that Philippe Goczol would receive an indemnity in the event of his removal from office or the non-renewal of his appointment as Deputy Chief Executive Officer of the Company.

At its meetings held on June 29, 2012, June 26, 2014, June 30, 2016, June 29, 2018 and June 26, 2020, the Board of Directors renewed its approval of this indemnity in accordance with the payment terms and conditions approved at its meeting on November 15, 2010, as follows:

Conditions for awarding the indemnity

Philippe Goczol will be awarded a severance payment in the following scenarios, provided that the Board of Directors notes the achievement of the performance criteria:

- decision by the Board of Directors to terminate Philippe Goczol's duties as Deputy Chief Executive Officer;
- decision by the Board of Directors not to renew Philippe Goczol's office as Deputy Chief Executive Officer, unless he is offered other salaried or non-salaried duties at the Company and/or any related companies within the meaning of Article L. 225-197-2 of the French Commercial Code, in exchange for an annual compensation amount equal to 50% of the total gross compensation actually received by Philippe Goczol over the 24-month period prior to the month in which the event triggering the award of the severance payment occurs. "Compensation received" means the fixed and variable compensation (PBMG Group manager profit-share, attendance bonus and any other variable compensation that the Deputy Chief Executive Officer may receive during his term of office, where applicable). Compensation does not include stock options or free share awards. The gross salary as shown on Philippe Goczol's pay slip will be used to calculate the compensation received over the last 24 months.

Lastly, the Board of Directors decided that no severance payment will be payable to the Deputy Chief Executive Officer if the termination or non-renewal of his term of office occurs after the date on which he claimed his right to retirement or has retired.

Calculation of the indemnity on the basis of performance criteria

The amount of the indemnity will be based on the change in the Company's theoretical enterprise value (TEV) between:

- 2010, the date when Philippe Goczol took office; and
- the average TEV for the benchmark period for the year of departure and the two previous years.

This indemnity will amount to 6 months' salary, if the TEV has increased by an average of 3% to 6% per year compared to 2010, and to 12 months' salary if the average increase in the TEV is higher than 6% per year. No indemnity will be paid if the average increase in the TEV is less than 3% per year.

The following definitions will apply for the calculation of the indemnities referred to above:

- the benchmark salary used to calculate the indemnity corresponds to the gross average fixed and variable compensation (PBMG, attendance bonus and any other variable compensation that the Deputy Chief Executive Officer may receive during his term of office) payable for the last three financial years and available as of the departure date ("Salary"). Compensation does not include stock options or free share allocations;
- TEV will be assessed every year using the following formula: $TEV = \text{average market capitalization} + \text{average Group debt}$, where:
 - average market capitalization is equal to the number of shares (recorded at the end of the benchmark period for the year of departure) multiplied by the average of the average daily volume-weighted share price over the benchmark period;
 - average debt is calculated on the basis of the average net debt at the end of the last two benchmark periods;
- the benchmark period is determined on the basis of the departure date, as follows:
 - if departure occurs before the date of the Board of Directors' meeting called to review the half-year financial statements for the year of departure (year N), and no later than September 1 of year N, the benchmark period for the year of departure will correspond to the most recent full financial year (N-1). The two previous benchmark periods are therefore financial years N-2 and N-3;
 - if departure occurs after the date of the Board of Directors' meeting called to review the half-year financial statements for the year of departure (year N), but before the date on which the Board of Directors reviews the full-year financial statements for the same year (which must be prior to March 1), the benchmark period for the year of departure will correspond to the 12 months preceding the half-year closing date (N). The two previous benchmark periods will be determined in the same way for the 12 months preceding the first-half closing dates for the two prior years.

2.5.1.9 **Non-compete clause**

On November 15, 2010, on the recommendation of the Appointment and Compensation Committee, the Board of Directors approved a non-compete agreement with Philippe Goczol to apply after he leaves the Company. The Board of Directors renewed its approval of this agreement at its meetings held on June 29, 2012, June 26, 2014, June 30, 2016, June 29, 2018 and June 26, 2020.

Under this agreement, Mr. Goczol is prohibited, for a period of one year, from directly or indirectly competing with the Company's or Group companies' business activities in the Benelux countries, mainland France and adjacent countries, in any manner whatsoever, including by means of e-commerce.

During the contractual non-compete period, the Company will pay the Deputy Chief Executive Officer a special monthly financial consideration equal to his monthly compensation (hereinafter "MC") $\times 0.6$.

MC equals the total gross compensation actually received by Philippe Goczol over the 12 months preceding the month in which his duties are terminated, divided by 12. "Compensation received" means the fixed and variable compensation (PBMG Group manager profit-share, attendance bonus and any other variable compensation that the Deputy Chief Executive Officer may receive during his term of office, where applicable). Compensation does not include stock options or free share allocations. The gross salary as shown on Mr. Philippe Goczol's pay slip will be used to calculate the compensation received over the last 12 months.

The Company will have the option to waive the application of this non-compete clause, subject to the prior authorization of the Board of Directors, and therefore not to pay the financial consideration.

Lastly, on March 13, 2019 the Board of Directors decided to amend Philippe Goczol's non-compete clause such that no financial consideration would be payable once he had claimed his retirement entitlements and that no indemnity would be paid to him upon reaching the age of 65.

2.5.1.10 Equity ratio between executive officer compensation and the average and median amount of compensation awarded to Company employees

The following presentation was prepared in accordance with the provisions of article L22-10-9 of the French Commercial Code for the sake of immediate compliance with new transparency requirements regarding senior executive compensation.

The following ratios were calculated on the basis of fixed and variable compensation paid during the respective years, being specified that the "average compensation" and "median compensation" values were calculated excluding the compensation of executive officers.

	2021	2020	2019	2018	2017
Chairman & CEO					
Ratio over average compensation	3	3	8	7	5
Ratio over median compensation	5	9	19	16	10
Deputy Chief Executive Officer					
Ratio over average compensation	1	2	2	2	2
Ratio over median compensation	2	5	6	5	4

2.5.2 Compensation paid to non-executive officers (directors)

	2021		2020	
	Amount payable	Amount paid	Amount payable	Amount paid
Gross amounts (€k)				
Jean Jacquet	13.5	16.0	16.0	18.9
Gwendoline Arnaud	17.0	15.4	15.4	15.4
Séverine Besson	13.5	12.3	12.3	12.3
Wolfgang Hartmann	-	5.7	5.7	13.4
Jacques Leconte	18.75	17.0	17.0	17.0
Henri-Jacques Nougéin	19.9	18.1	18.1	18.1
Françoise Papapietro	-	6.1	6.1	12.3
Dominique Takizawa	23.1	9.0	9.0	-
Pierre Varnier	18.75	7.7	7.7	-
Alice Wengorz	17.0	15.4	15.4	15.4
JSA	18.75	9.8	9.8	10.2
Total	160.25	132.5	132.5	132.9

Non executive officers are not bound by employment contracts within the Group. The only compensation they receive for the performance of their duties takes the form of attendance fees, which are awarded on the basis of their actual attendance of Board and committee meetings.

2.5.3 Presentation of draft resolutions on executive officer compensation policy submitted for approval by the General Meeting

2.5.3.1 Draft resolutions determining the principles and criteria for setting the compensation paid to the executive officers

The principles and criteria for calculating, allocating and awarding fixed, variable and exceptional components of the total compensation and benefits of all kind awarded to Éric Jacquet as Chief Executive Officer and Philippe Goczol as Deputy Chief Executive Officer are set out below.

On the basis of this report, it is proposed that the June 24, 2022 General Meeting approve the executive officer compensation policy for 2022 via a number of resolutions. It is specified that, with regard to the executive officer compensation policy for 2022, no changes have been made to the policy previously submitted and approved by the General Meeting of the Company's Shareholders held on June 25, 2021.

Given that Éric Jacquet receives compensation only in respect of his duties as Chief Executive Officer, no resolution will be submitted with regard to his duties as Chairman of the Board of Directors.

General principles

The Board of Directors is responsible for determining the compensation paid to executive officers on the basis of the proposals made by the Appointment and Compensation Committee.

With regard to the corporate officer compensation policy, the Board of Directors and the Appointment and Compensation Committee apply the recommendations of the Company's Reference Code, i.e. the AFEP-MEDEF corporate governance code (completeness, balance between the components of compensation, comparability, consistency, and clarity of rules and measurements).

These principles apply to all components of the compensation awarded to the Chief Executive Officer and the Deputy Chief Executive Officer.

Fixed compensation awarded to the Chief Executive Officer and Deputy Chief Executive Officer

Fixed compensation is set by the Board of Directors at the recommendation of the Appointment and Compensation Committee.

	2021		2020		2019	
	Amount payable	Amount paid	Amount payable	Amount paid	Amount payable	Amount paid
Gross amounts (k€)						
Chief Executive Officer	650	650	528 ¹	528 ¹	650	650
Deputy Chief Executive Officer	210	210	207	207	205	205

¹ On May 13, 2020, the Board of Directors approved the Chairman & Chief Executive Officer's proposal to reduce his compensation by 25% between April 1 and December 31, 2020.

Variable compensation awarded to the Chief Executive Officer and Deputy Chief Executive Officer

Variable compensation is set by the Board of Directors at the recommendation of the Appointment and Compensation Committee.

The variable compensation paid to executive officers is based on the following criteria:

Quantitative

the variable compensation based on quantitative criteria depends on the Group's profitability; the calculation is based on the ratio of net income (Group share) to consolidated sales. There is no fixed target;

In accordance with the recommendations of the Reference Code, the gross annual variable portion of compensation based on quantitative criteria is capped (150% of annual fixed compensation for the Chief Executive Officer and €200,000 gross as of fiscal year 2022 for the Deputy Chief Executive Officer).

Qualitative

the variable compensation based on qualitative criteria is left to the discretion of the Appointment and Compensation Committee, which submits the level of annual compensation payable to senior managers to the Board of Directors, and may recommend the payment of an exceptional compensation amount, where applicable.

Furthermore, pursuant to Article L. 22-10-8 of the French Commercial Code, the payment of all variable and exceptional compensation has been subject to the approval of the Ordinary General Meeting of Shareholders. These criteria for awarding variable compensation are periodically reviewed by the Appointment and Compensation Committee, while avoiding excessively frequent revisions.

Long-term compensation awarded to executive officers

The June 26, 2020 General Meeting of Shareholders authorized the Board of Directors to (I) award existing or future free shares and (II) grant stock options in Company shares to employees and/or corporate officers of the Company and related companies for a 38-month term.

At present, the Company has no outstanding free share or stock option plans for executive officers. The awarding of such free shares or Company stock options to executive officers will be reviewed as and when the Company decides to set up such plans.

Indemnities related to termination of office

There are no provisions for awarding any indemnity to the Chief Executive Officer by reason of the termination of his office.

A non-compete indemnity and a termination indemnity in the event of termination of office or change of position are awarded to the Deputy Chief Executive Officer.

Non-compete indemnity payable to Philippe Goczol

On November 15, 2010, on the recommendation of the Appointment and Compensation Committee, the Board of Directors approved a non-compete agreement with Philippe Goczol to apply after he leaves the Company. The Board of Directors renewed its approval of this agreement at its meetings held on June 29, 2012, June 26, 2014, June 30, 2016, June 29, 2018 and June 26, 2020.

Under this agreement, Mr. Goczol is prohibited, for a period of one year, from directly or indirectly competing with the Company's or Group companies' business activities in the Benelux countries, mainland France and adjacent countries, in any manner whatsoever, including by means of e-commerce.

During the contractual non-compete period, the Company will pay the Deputy Chief Executive Officer a special monthly financial consideration equal to his monthly compensation (hereinafter "MC") \times 0.6.

MC equals the total gross compensation actually received by Philippe Goczol over the 12 months preceding the month in which his duties are terminated, divided by 12. "Compensation received" means the fixed and variable compensation (PBMG Group manager profit-share, attendance bonus and any other variable compensation that the Deputy Chief Executive Officer may receive during his term of office, where applicable). Compensation does not include stock options or free share allocations. The gross salary as shown on Mr. Philippe Goczol's pay slip will be used to calculate the compensation received over the last 12 months.

The Company will have the option to waive the application of this non-compete clause, subject to the prior authorization of the Board of Directors, and therefore not to pay the financial consideration.

Lastly, on March 13, 2019 the Board of Directors decided to amend Philippe Goczol's non-compete clause such that no financial consideration would be payable once he had claimed his retirement entitlements and that no indemnity would be paid to him upon reaching the age of 65.

Indemnity for termination or non-renewal of Philippe Goczol's term of office

On November 15, 2010, the Board of Directors decided to grant Philippe Goczol an indemnity for the termination or non-renewal of his duties as the Company's Deputy Chief Executive Officer. The conditions for the payment and amount of the indemnity were determined as follows:

Conditions for awarding the indemnity

Philippe Goczol will be awarded a severance payment in the following scenarios, provided that the Board of Directors notes the achievement of the performance criteria:

- decision by the Board of Directors to terminate Philippe Goczol's duties as Deputy Chief Executive Officer;
- decision by the Board of Directors not to renew Philippe Goczol's office as Deputy Chief Executive Officer, unless he is offered other salaried or non-salaried duties at the Company and / or any related companies within the meaning of Article L. 225-197-2 of the French Commercial Code, in exchange for an annual compensation amount equal to 50% of the total gross compensation actually received by Philippe Goczol over the 24-month period prior to the month in which the event triggering the award of the severance payment occurs. "Compensation received" means the fixed and variable compensation (PBMG Group manager profit-share, attendance bonus and any other variable compensation that the Deputy Chief Executive Officer may receive during his term of office, where applicable). Compensation does not include stock options or free share awards. The gross salary as shown on Philippe Goczol's pay slip will be used to calculate the compensation received over the last 24 months.

Lastly, the Board of Directors decided that no severance payment will be payable to the Deputy Chief Executive Officer if the termination or non-renewal of his term of office occurs after the date on which he claimed his right to retirement or has retired.

Calculation of the indemnity on the basis of performance criteria

The amount of the indemnity will be based on the change in the Company's theoretical enterprise value (TEV) between:

- 2010, the date when Philippe Goczol took office; and
- the average TEV for the benchmark period for the year of departure and the two previous years.

This indemnity will amount to 6 months' salary, if the TEV has increased by an average of 3% to 6% per year compared to 2010, and to 12 months' salary if the average increase in the TEV is higher than 6% per year. No indemnity will be paid if the average increase in the TEV is less than 3% per year.

The following definitions will apply for the calculation of the indemnities referred to above:

- the benchmark salary used to calculate the indemnity corresponds to the gross average fixed and variable compensation (PBMG, attendance bonus and any other variable compensation that the Deputy Chief Executive Officer may receive during his term of office) payable for the last three financial years and available as of the departure date ("Salary"). Compensation does not include stock options or free share allocations;
- TEV will be assessed every year under the following formula: $TEV = \text{average market capitalization} + \text{average Group debt}$, where:
 - average market capitalization is equal to the number of shares (recorded at the end of the benchmark period for the year of departure) multiplied by the average of the average daily volume-weighted share price over the benchmark period;
 - average debt is calculated on the basis of the average net debt at the end of the last two benchmark periods;
- the benchmark period is determined on the basis of the departure date, as follows:
 - if departure occurs before the date of the Board of Directors' meeting called to review the half-year financial statements for the year of departure (year N), and no later than September 1 of year N, the benchmark period for the year of departure will correspond to the most recent full financial year (N-1). The two previous benchmark periods are therefore financial years N-2 and N-3;

- if departure occurs after the date of the Board of Directors' meeting called to review the half-year financial statements for the year of departure (year N), but before the date on which the Board of Directors reviews the full-year financial statements for the same year (which must be prior to March 1), the benchmark period for the year of departure will correspond to the 12 months preceding the half-year closing date (N). The two previous benchmark periods will be determined in the same way for the 12 months preceding the first-half closing dates for the two prior years.

At its meetings held on June 29, 2012, June 26, 2014, June 30, 2016, June 29, 2018 and June 26, 2020, the Board of Directors renewed its approval of this indemnity in accordance with payment terms and conditions identical to those approved at its meeting on November 15, 2010.

Retirement benefits

The Company pays contributions for retirement benefits and supplementary pension contributions based on a calculation method common to Company employees and, where applicable, senior managers and other corporate officers.

Unemployment insurance

The Company pays a contribution to Philippe Goczol in the form of a GSC-type directors' unemployment insurance policy, which provides for payment of an indemnity during a period of no more than 18 months as from the month following the date when the event covered by the policy occurred.

2.5.3.2

Draft resolutions relating to the compensation paid or awarded to the executive officers in respect of the 2021 financial year

In accordance with Article L. 22-10-8 of the French Commercial Code, the principles and criteria for determining, dividing and allocating the fixed, variable and exceptional components that make up the total compensation and benefits of any kind awarded to the Chairman & Chief Executive Officer and the Deputy Chief Executive Officer in consideration of the performance of their duties during the 2021 financial year, in accordance with the compensation policy that concerns them, were submitted to the shareholders for approval and approved by the Company's General Meeting on June 25, 2021 under Resolutions 9 and 10.

Pursuant to Article L. 22-10-34 of the French Commercial Code, the amounts resulting from the implementation of these principles and criteria will be submitted to the shareholders for approval at the General Meeting called to approve the financial statements for 2021, namely:

Éric Jacquet, Chairman of the Board of Directors and Chief Executive Officer

Gross amounts awarded (€k)	2021
Compensation payable for the financial year	1,645.5

Of which:

Gross amounts (€k)	Amounts payable in respect of 2021	Amounts paid in 2021
Fixed compensation	650	650 in respect of 2021
Annual variable compensation	975 ¹	94 in respect of 2020
Multi-year variable compensation	-	-
Exceptional compensation	-	-
Directors' attendance fees	13.5	12 in respect of 2020
Post-employment benefits	7	7 in respect of 2021
Total	1,645.5	763

¹ Pursuant to Article L. 225-37-2 of the French Commercial Code, the payment of all variable compensation is subject to approval by the Ordinary General Meeting of Shareholders.

Philippe Goczol, Deputy Chief Executive Officer

Gross amounts awarded (€k)	2021
Compensation payable for the financial year	483

Of which:

Gross amounts (€k)	Amounts payable in respect of 2021	Amounts paid in 2021
Fixed compensation	210	210 in respect of 2021
Annual variable compensation	268 ¹	75 in respect of 2020
Multi-year variable compensation	-	-
Exceptional compensation	-	13 in respect of 2020
Directors' attendance fees	-	-
Post-employment benefits	5	5 in respect of 2021
Total	483	303

¹ Pursuant to Article L. 225-37-2 of the French Commercial Code, the payment of all variable compensation is subject to approval by the Ordinary General Meeting of Shareholders.

2.6 Executive officers' duties regarding Company shareholdings

Pursuant to the provisions of the Reference Code and by way of exemption from French law and the Company's bylaws, it is recommended that all directors endeavor to hold at least 500 shares in the Company. The purchase of these shares may be staggered in order to reach this minimum threshold.

Each member of the Board of Directors undertakes to keep their Company shares in registered form (direct or administered).

3 Persons responsible for auditing the financial statements

Regular statutory auditors

ERNST & YOUNG & Autres

Represented by: Lionel Denjean
Tour Oxygène • 10-12, boulevard Marius Vivier Merle
69393 Lyon Cedex 03

Renewal date: June 30, 2017

Term: 6 years. Term expires at the close of the General Meeting called to approve the financial statements for the year ended December 31, 2022.

Grant Thornton

Represented by: Robert Dambo
Cité Internationale • 44, quai Charles de Gaulle
69463 Lyon Cedex 06

Renewal date: June 26, 2020

Term: 6 years. Term expires at the close of the General Meeting called to approve the financial statements for the year ended December 31, 2025.

4 Person responsible for financial reporting and investor relations

Thierry Philippe • Chief Financial Officer • comfi@Jacquetmetals.com

JACQUET METALS is a European leader in the distribution of specialty steels.
The Group develops and operates a portfolio of three brands:

JACQUET stainless steel quarto plates - **STAPPERT** stainless steel long products - **IMS group** engineering steels

With a headcount of 2,951 employees, JACQUET METALS has a network of
105 distribution centers in 24 countries in Europe, Asia and North America.

JACQUET METALS: Thierry Philippe - Chief Financial Officer - comfi@jacquetmetals.com

NEWCAP: Emmanuel Huynh - T +33 1 44 71 94 94 - jacquetmetals@newcap.eu



Compartment B - ISIN : FR0000033904 - Reuters : JCQ.PA - Bloomberg : JCQ FP

