

TOTAL S.A.

Publication of the components of the compensation of executive directors in accordance with the AFEP-MEDEF Corporate Governance Code of Listed Corporations

1. Chairman and Chief Executive Officer's compensation due for fiscal year 2019

At its meeting on March 18, 2020, the Board of Directors of the Company set, on the proposal of the Compensation Committee and in accordance with the compensation policy approved by the Board of Directors at its meeting on March 13, 2019, the compensation of Mr. Patrick Pouyanné for his duties as Chairman and Chief Executive Officer paid or allocated in respect of fiscal year 2019.

It is composed of a base salary (fixed portion) amounted to €1,400,000 and of a variable portion (paid in 2020) amounted to €2,378,300, corresponding to 169.88% of his fixed compensation.

The payment to the Chairman and Chief Executive Officer of the variable component for fiscal year 2019 as decided by the Board of Directors was conditional on the approval of the Ordinary Shareholders' Meeting of the Company on May 29, 2020, of the fixed, variable and extraordinary components of the total compensation and the benefit-in-kind paid during fiscal year 2019 to the Chairman and Chief Executive Officer or allocated to the latter during the same fiscal year, in accordance with Article L. 225-100 of the French Commercial Code.

The Ordinary Shareholders' Meeting held on May 29, 2020, approved the fixed and variable components of the total compensation and the benefits of all kinds paid during fiscal year 2019 or attributed to the Chairman and Chief Executive Officer for the same fiscal year, in accordance with Article L. 225-100 of the French Commercial Code.

For the setting of the variable portion of Mr. Pouyanné's compensation due in respect for fiscal year 2019, the Board of Directors reviewed, at its meeting on March 18, 2020, the level of achievement of the economic parameters based on the targets set by the Board of Directors at its meeting on March 13, 2019. The Board of Directors also assessed the Chairman and Chief Executive Officer's personal contribution on the basis of the target criteria set during its meeting on March 13, 2019.

Annual variable compensation allocated in respect of fiscal year 2019 (expressed as a percentage of the base salary)	Maximum percentage	Percentage allocated
Economic parameters (quantifiable targets)	140%	129.88%
HSE	30%	27.68%
a) Safety	20%	17.68%
– TRIR	8%	8%
– FIR, comparative	4%	1.68%
– Evolution of the number of Tier 1 + Tier 2 incidents	8%	8%
b) Evolution of greenhouse gas (GHG) emissions	10%	10%
Return on equity (ROE)	30%	22.2%
Net-debt-to-capital ratio	30%	30%
Pre-dividend organic cash breakeven	30%	30%
Return on average capital employed (ROACE), comparative	20%	20%
Personal contribution (qualitative criteria)	40%	40%
– Steering of the strategy and successful strategic negotiations with producing countries – achievement of production and reserve targets	15%	15%
– Performance and outlook with respect to Downstream activities (Refining & Chemicals/Marketing & Services) the Group's gas-electricity renewables growth strategy	10%	10%
– Corporate Social Responsibility (CSR) performance	15%	15%
TOTAL	180%	169.88%

The Board of Directors assessed achievement of the targets set for the economic parameters as follows:

- The safety criterion was assessed for a maximum of 20% of the base salary through (i) the achievement of the annual TRIR (Total Recordable Injury Rate) target, (ii) the number of accidental deaths per million hours worked, FIR (Fatality Incident Rate) compared to those of the four large competitor oil companies (ExxonMobil, Royal Dutch Shell, BP and Chevron), as well as (iii) through change in the Tier 1 + Tier 2 indicator¹.

Concerning the 2019 fiscal year, the following elements were noted:

- the TRIR was 0.81, which is below the target of 0.85. The result of this criterion was thus set at 8%;
- the FIR rate is 0.857, which is between the maximum FIR of 1.323 of the majors' panel and the minimum FIR of 0.214 of the majors' panel. The result of this criterion was thus fixed at 42% of its maximum *i.e.* 1.68%;
- the number of Tier 1 + Tier 2 incidents was 72, which is below the target of 100. The result of this criterion was set at 8%.

The Board thus set the portion allocated under the criterion related to the safety performance at 17.68% (of a maximum of 20%);

¹ Tier 1 and Tier 2: indicator of the number of loss of primary containment events, with more or less significant consequences, as defined by the API 754 (for downstream) and IOGP 456 (for upstream) standards. Excluding acts of sabotage and theft.

- For the criterion linked to the greenhouse gas (GHG) emissions on operated oil & gas facilities, the Board noted that the GHG Scope 1 and Scope 2 emissions on operated oil & gas facilities amounted to 41.5 Mt CO₂e in 2019 and the result of this criterion was thus set at its maximum of 10%;
- For the return on equity (ROE)² criterion, the Board noted that the ROE for fiscal year 2019 was 10.40%, which led to set the portion allocated under this criterion at 22.2% of the fixed compensation for fiscal year 2019 (of a maximum of 30%);
- For the net-debt-to-capital ratio criterion, the Board noted that the net-debt-to-capital ratio (excluding all leases debts³) at 2019 year-end set at 16.7%, *i.e.* 3.3% below the 20%-threshold and thus decided that the result obtained for this criterion should be set at its maximum, *i.e.* 30%;
- For the pre-dividend organic cash breakeven criterion⁴, the Board noted that the pre-dividend organic cash breakeven set at \$25.1/b, which is below \$30/b and thus decided to set the result of this criterion at its maximum of 30%;
- For the return on average capital employed (ROACE) criterion, by comparison, the Board noted that TOTAL's ROACE is 3% above the average of the ROACEs of the four peers and thus decided to set to 100% of the maximum weighting of this criterion, *i.e.* 20%.

Concerning the personal contribution of the Chairman and Chief Executive Officer, the Board of Directors considered that the objectives had been largely met, in particular those related to the steering of the strategy and successful strategic negotiations with producing countries, and achievement of production and reserve targets (for up to its maximum of 15%) performance and outlook with respect to Downstream activities (Refining & Chemicals/Marketing & Services) and the Group's gas-electricity-renewables growth strategy for its maximum of 10%, as well as Corporate Social Responsibility performance. In particular, the Board of Directors set the result of this criterion at its maximum *i.e.* 15% due to the success in the actions realized in 2019 concerning the taking into account of the climate into the Group's strategy, the Group's reputation in the domain of Corporate Social Responsibility, as well as the policy concerning all aspects of diversity.

The personal contribution of the Chairman and Chief Executive Officer was thus determined at its maximum of 40% of the base compensation.

The compensation paid or allocated to Mr. Patrick Pouyanné in respect of fiscal year 2019 thus consists of a fixed annual base salary of 1,400,000 euros and a variable portion of 2,378,300 euros (paid in 2020), *i.e.* a total of 3,778,300 euros.

In addition, on the proposal of the Compensation Committee, the Board of Directors decided at its meeting on March 13, 2019, to grant 72,000 performance shares to the Chairman and Chief Executive Officer. These shares were granted under a broader share plan approved by the Board of Directors on March 13, 2019, relating to 0.24% of the share capital in favor of more than 11,000 beneficiaries. The definitive number of shares is subject to the beneficiary's continued presence

² The Group measures ROE by dividing adjusted net income by the consolidated net income to average adjusted shareholders' equity between the beginning and the end of the period. Adjusted shareholders' equity for fiscal year 2019 is calculated after distribution of the dividend of €2.68 per share, subject to approval by the Shareholders' Meeting on May 29, 2020. In 2018, ROE was by 12.2%.

³ The new IFRS 16 standard, applicable as from January 1, 2019, led the Group to consolidate from this date all leases in the balance sheet and as counterpart to record the corresponding financial debts as a liability in the balance sheet (before January 1, 2019, only finance leases were consolidated). The entry into force of this new accounting standard resulted in the increase of the net-debt-to-equity ratio of 3.1% as of January 1, 2019. The Board decided to assess the net-debt-to-equity ratio criterion without taking into consideration the financial debt corresponding to leases

⁴ The pre-dividend organic cash breakeven is defined as the Brent price for which the operating cash flow before working capital changes (MBA) covers the organic investments. The ability of the Group to resist to the variations of the Brent barrel price is measured by this parameter. The operating cash flow before working capital changes is defined as cash flow from operating activities before changes in capital at replacement cost. Organic investments are net investments excluding acquisitions, asset sales and other operations with non-controlling interests.

within the Group during the vesting period and to performance conditions. The accounting valuation of the performance shares granted on March 13, 2019, corresponds to an amount of 2,310,336 euros⁵.

Finally, the Chairman and Chief Executive Officer was entitled to a company vehicle for fiscal year 2019. He is also covered by life insurance plans and participates in a supplementary pension plan financed by the Company, as detailed in the publication made at the end of the Board meeting on December 16, 2015.

2. Compensation policy of the Chairman and Chief Executive Officer

The compensation policy of the Chairman and Chief Executive Officer for fiscal year 2020 was set by the Board of Directors, at its meeting of March 18, 2020, on the proposal of the Compensation Committee and approved by the Ordinary Shareholders' Meeting on May 29, 2020.

For its determination, the Board of Directors wished to maintain the orientations decided in 2019 and follow the alignment of the criteria of the Chairman and Chief Executive Officer's compensation on the key criteria reflecting the Group's strategy, enabling to continue to ensure the convergence of the compensation with long-term performances of the Company.

The Board of Directors also relied on the general principles for determining the compensation of the executive directors described below and considered the compensation's and employment's conditions of employees of the Company.

General principles for determining the compensation of the executive directors

The general principles for determining the compensation and other benefits granted to the executive directors of TOTAL S.A. are as follows.

- Compensation as well as benefits for the executive directors are set by the Board of Directors on the proposal of the Compensation Committee. Such compensation must be reasonable and fair. Compensation for the executive directors is based on the market, the work performed, the results obtained and the responsibilities assumed.
- Compensation for the executive directors includes a fixed portion and a variable portion. Only highly specific circumstances may warrant the award of extraordinary compensation (for example, due to their importance for the corporation, the involvement they demand and the difficulties they present). Justified reasons for the payment of this extraordinary compensation must be given, and the realisation of the event that gave rise to the payment must be explained.
- The fixed portion is reviewed with a periodicity that cannot be below two years.
- The amount of the variable portion is reviewed each year and may not exceed a stated percentage of the fixed portion. Variable compensation is determined based on pre-defined quantifiable and qualitative criteria that are periodically reviewed by the Board of Directors. Quantifiable criteria are limited in number, objective, measurable and adapted to the Company's strategy.
- The variable portion rewards short-term performance and the progress made toward paving the way for medium-term development. It is determined in a manner consistent with the annual performance review of the executive directors and the Company's medium-term strategy.

⁵ In accordance with the accounting of the performance shares for fiscal year 2019 in accordance with IFRS 2 which takes into account an award rate hypothesis of 80% at the end of the acquisition period, this amount corresponds to the 72,000 shares awarded in 2019, valued on the basis of a unit fair value of €40.11.

- The Board of Directors monitors the change in the fixed and variable portions of the executive directors' compensation over several years in light of the Company's performance.
- There is no specific pension plan for the executive directors. They are eligible for retirement benefits and pension plans available to certain employee categories in the Group under conditions determined by the Board.
- In line with the principles for determining the compensation of executive directors as set out in the AFEP-MEDEF Code which the Company uses as a reference, the Board of Directors takes into account the benefit accruing from participation in the pension plans when determining the compensation policy of the executive directors.
- Stock options and performance shares are designed to align the interests of the executive directors with those of the shareholders over the long term.

The grant of options and performance shares to the executive directors is reviewed in light of all the components of compensation of the person in question. No discount is applied when stock options are granted.

The exercise of options and the definitive grant of performance shares to which the executive directors are entitled are subject to conditions of presence in the Company and performance that must be met over several years. The departure of executive directors from the Group results in the inapplicability of share options and the rights to the definitive attribution of performance shares. Under exceptional circumstances, the Board of Directors can decide to maintain the share options and the rights to the definitive attribution of performance shares after the executive beneficiary's departure, if the decision of the Board of Directors is specially justified and taken in the Company's interest.

The Board of Directors determines the rules related to holding a portion of the shares resulting from the exercise of options as well as the performance shares definitively granted, which apply to the executive directors until the end of their term of office.

The executive directors cannot be granted stock options or performance shares when they leave office.

- After three years in office, the executive directors are required to hold at least the number of Company shares set by the Board.
- The components of compensation of the executive directors are made public after the Board of Directors' meeting at which they are approved.
- The executive directors do not take part in any discussions or deliberations of the corporate bodies regarding items on the agenda of Board of Directors' meetings related to the assessment of their performance or the determination of the components of their compensation.
- When a new executive director is nominated, the Board of Directors decides on his or her compensation as well as benefits, further to a proposal by the Compensation Committee, and in accordance with the above general principles for determining the compensation of the executive directors. Exceptional compensation or specific benefits when taking office are forbidden, unless the Board of Directors decides otherwise for particular reasons, in the Company's interest and within the limits of the exceptional circumstances.

Base salary of the Chairman and Chief Executive Officer (fixed compensation)

The Board of Directors decided to maintain Mr. Patrick Pouyanné's annual base salary (fixed compensation) for his duties as Chairman and Chief Executive Officer for fiscal year 2020 at €1,400,000 (the same as the fixed portion due for fiscal year 2019). The level of the Chairman and Chief Executive Officer's fixed compensation was set based on the responsibilities assumed

and the compensation levels applied for executive directors of comparable companies (particularly CAC 40 companies).

In the context linked to the Covid-19 pandemic and given the extraordinary economic situation which requires a vigorous economic response from the company, the Board of Directors decided, at its meeting on May 4, 2020, and on the proposal of the Chairman and Chief Executive Officer, to reduce the fixed compensation of the Chairman and Chief Executive Officer by 25% as of May 1, 2020, for his duties for the fiscal year 2020. This reduction thus applies from May 1, 2020, to December 31, 2020. The new fixed compensation of the Chairman and Chief Executive Officer for fiscal year 2020 thus amounts to 1,166,666.67 euros, *i.e.* 116,666.67 euros per month from January 1, 2020, to April 30, 2020, and to 87,500 euros per month from May 1, 2020, to December 31, 2020. The Board of Directors confirmed, as necessary, that the variable compensation of the Chairman and Chief Executive Officer for the fiscal year 2020 will continue to be calculated on the basis of a fixed compensation of 1,400,000 euros in accordance with the compensation policy for the year 2020.

Annual variable portion of the Chairman and Chief Executive Officer's compensation

The Board of Directors also decided to maintain the maximum amount of the variable portion that could be paid to the Chairman and Chief Executive Officer for fiscal year 2020 at 180% of his base salary (the same percentage as in fiscal year 2019). This ceiling was set based on the level applied by a benchmark sample of companies operating in the energy sectors.

As in 2019, the formula for calculating the variable portion of the Chairman and Chief Executive Officer's compensation for fiscal year 2020 uses economic parameters that refer to quantifiable targets reflecting the Group's performance as well as the Chairman and Chief Executive Officer's personal contribution allowing a qualitative assessment of his management.

The Board wished to maintain the alignment of some criteria determination of the variable portion of the Chairman and Chief Executive Officer with the key criteria of the Group's strategy, which is promoted to shareholders.

Thus, in addition to the ROE, the Board maintained the criterion of the pre-dividend organic cash breakeven with a target set since 2017 at a level below \$30/b, which is essential in the management of the Company and which summarizes simultaneously all the discipline of the Group in connection with its cost reduction program, the choice of its investments and the policy of management of the Group's portfolio. The Board also maintained the net-debt-to-capital ratio that is among the key objectives announced to the shareholders. Furthermore, the Board considered it desirable to maintain the criterion of the comparative ROACE of the majors since the Group has announced that it aims to be the most profitable among the majors. Finally, in addition to safety criteria, taking into account the climate change-related challenges, the Board maintained the quantitative criterion on the reduction of greenhouse gas emissions of the Group's operated oil & gas facilities with the objective of reducing them from 46 Mt CO_{2e} in 2015 to less than 40 Mt CO_{2e} in 2025.

The weighting of the assessment criteria of the personal contribution of the Chairman and Chief Executive Officer was adjusted in order to reinforce the weighting of the criterion in relation to the development of the low-carbon Business (Integrated Gas, Renewables & Power perimeter), which is in line with the Group's strategy.

Annual variable compensation due for fiscal year 2020 (expressed as a percentage of the base salary)	Maximum percentage
Economic parameters (quantifiable targets)	140%
– HSE	30%
a) Safety	20%
– TRIR	8%
– FIR, comparative	4%
– Evolution of the number of Tier 1 + Tier 2 incidents	8%
b) Evolution of greenhouse gas (GHG) emissions	10%
Return on equity (ROE)	30%
Net-debt-to-capital ratio	30%
Pre-dividend organic cash breakeven	30%
Return on average capital employed (ROACE), comparative	20%
Personal contribution (qualitative criteria)	40%
– steering of the hydrocarbon strategy (successful strategic negotiations with producing countries and achievement of production and reserve targets) and performance and outlook with respect to Downstream activities (Refining & Chemicals/Marketing & Services)	15%
– development of the low-carbon Businesses (Integrated Gas, Renewables & Power perimeter)	10%
– Corporate Social Responsibility (CSR) performance, notably the integration of climate issues in the Group's Strategy, the Group's reputation in the domain of Corporate Social Responsibility, as well as the policy concerning all aspects of diversity	15%
Total	180%

The parameters used include:

- change in **safety**, for up to 20% of the base salary, assessed through the achievement of an annual TRIR (Total Recordable Injury Rate) target and the number of accidental deaths per million hours worked, FIR (Fatality Incident Rate) compared to those of four large competitor oil companies (ExxonMobil, Royal Dutch Shell, BP and Chevron), as well as through changes in the Tier 1 + Tier 2 indicator⁶:
 - the maximum weighting of the TRIR criterion is 8% of the base salary. The maximum weighting will be reached if the TRIR is below 0.80 (compared to 0.85 in 2019). The weighting of the criterion will be zero if the TRIR is above or equal to 1.3 (compared to 1.4 in 2019). The interpolations are linear between these points of reference;

⁶ Tier 1 and Tier 2: indicator of the number of loss of primary containment events, with more or less significant consequences, as defined by the API 754 (for downstream) and IOGP 456 (for upstream) standards. Excluding acts of sabotage and theft.

- the maximum weighting of the FIR criterion is 4% of the base salary. The maximum weighting will be reached if the FIR is the best of the panel of the majors. It will be zero if the FIR is the worst of the panel. The interpolations are linear between these two points and depend on the ranking;
- the maximum weighting of the changes in the number of Tier 1 + Tier 2 incidents is 8% of the base salary. The maximum weighting will be reached if the number of Tier 1 + Tier 2 incidents equals or below 70 (compared to equal or below 100 in 2019). The weighting of the parameter will be zero if the number of Tier 1 + Tier 2 incidents is equal to or higher than 125 (compared to 180 in 2019). The interpolations are linear between these two points of reference.
- change in **GHG emission on operated oil & gas facilities**, assessed through the achievement of a GHG (Scope 1 and Scope 2) reduction emission target from 46 Mt CO_{2e} in 2015 to 40 Mt CO_{2e} in 2025, corresponding to a reduction of 600 kt CO_{2e}/y, *i.e.* a target of 43 Mt CO_{2e} for 2020. The maximum weighting of the GHG criterion is 10% of the base salary:
 - the maximum weighting of the criterion is reached, *i.e.* 10% of the base salary, if the GHG Scopes 1 and 2 emission on the operated oil & gas facilities reaches the target set at 43 Mt CO_{2e} in 2020 (compared to 43.6 Mt CO_{2e} in 2019);
 - the weighting of the criterion is zero if the emissions are 1 Mt CO_{2e} above the set target;
 - the interpolations are linear between these points of reference.
- the **return on equity (ROE)** as published by the Group on the basis of its balance sheet and consolidated statement of income assessed as follows. The maximum weighting of the ROE criterion will be 30% of the base salary:
 - the maximum weighting of the criterion is reached, *i.e.* 30% of the base salary, if the ROE is higher than or equal to 13%;
 - the weighting of the criterion is zero if the ROE is lower than or equal to 6%;
 - the weighting of the criterion is 50% of the maximum, *i.e.* 15% of the base salary, if the ROE is 8%;
 - the interpolations are linear between these three points of reference.
- the **net-debt-to-capital ratio**. The maximum weighting of the net-debt-to-capital ratio criterion is 30% of the base salary:
 - the maximum weighting of the criterion, *i.e.* 30% of the base salary, is reached for a net-debt-to-capital ratio equal to or below 20%;
 - the weighting of the criterion is zero if the net-debt-to-capital ratio is equal or above 30%;
 - the interpolations are linear between these two points of reference.

The new IFRS 16 accounting standard, applicable as of January 1, 2019, led the Group to consolidate as from this date all leases in the balance sheet and as counterpart to record the corresponding financial debts as a liability in the balance sheet (before January 1, 2019, only finance leases were consolidated).

The entry into force of this new accounting standard led to increase the net-debt-to-capital ratio by 3.1% as of January 1, 2019.

As the Group discloses a net-debt-to-capital ratio with and without the consideration of the financial debt corresponding to leases, the Board of Directors decided to assess the net-debt-to-capital ratio without considering the financial debt corresponding to the leases.

- the **pre-dividend organic cash breakeven**, assessed as follows. The maximum weighting of this criterion is 30% of the base salary. The pre-dividend organic cash breakeven is defined as the Brent price for which the operating cash flow before working capital changes⁷ (MBA) covers the organic investments⁸. The ability of the Group to resist to the variations of the Brent barrel price is measured by this parameter:
 - the maximum weighting of the criterion is reached, *i.e.* 30% of the base salary, if the breakeven is below or equal to 30\$/b;
 - the weighting of the criterion is zero if the breakeven is above or equal to 40\$/b;
 - the interpolations are linear between these two points of reference.

- the **return on average capital employed (ROACE)**, by comparison, assessed as follows. The maximum weighting of the ROACE criterion will be 20% of the base salary. TOTAL's ROACE, as published from the consolidated balance sheet and the income statement, will be compared to the ROACE average of each of the four peers (ExxonMobil, Royal Dutch Shell, BP and Chevron). The ROACE is equal to the net adjusted operating income⁹ divided by the average of the capital employed (at replacement costs, net of deferred income tax and non-current liabilities) of the start and end of the fiscal year.
 - the maximum weighting of the criterion is reached, *i.e.* 20% of the base salary, if TOTAL's ROACE is above 2% or more compared to the average of the 4 peers' ROACE;
 - the weighting of the criterion is zero if the TOTAL's ROACE is under 2% or more compared to the average of the peers' ROACE;
 - the interpolations are linear between these two points of reference.

The Chairman and Chief Executive Officer's **personal contribution**, which may represent up to 40% of the base salary, is evaluated based on the following criteria:

- steering of the hydrocarbon strategy (successful strategic negotiations with producing countries, achievement of production and reserve targets) and performance and outlook with respect to Downstream activities (Refining & Chemicals/Marketing & Services) for up to 15%;
- development of the low-carbon Businesses (Integrated Gas, Renewables & Power perimeter) for up to 10%;
- CSR performance, notably the integration of climate issues in the Group's Strategy, the Group's reputation in the domain of Corporate Social Responsibility, as well as the policy concerning all aspects of diversity, for up to 15%.

The Board decided to adapt for 2020 the assessment of the personal contribution of the Chairman and Chief Executive Officer, by introducing a specific criterion to the low-carbon strategy implemented by the Group, with a maximum weighting set at 10%. This criterion is a separate one from the first performance criterion which remains relating to the hydrocarbon strategy, but which include from now the performance and the outlook for Downstream activities, with a maximum weighting remaining at 15%. The third criterion, relating to the CSR performance, remained assessed similarly, with a maximum weighting of 15%.

In the event of a significant change in the Group affecting the calculation of the economic perimeters for the Group (change in accounting standard, change in the policy of rating agencies, significant patrimonial transaction approved by the Board of Directors...), the Board reserves the right to calculate the parameters *mutatis mutandis* with justification of the changes *i.e.*, excluding exogenous extraordinary elements.

⁷ The operating cash flow before working capital changes is defined as cash flow from operating activities before changes in capital at replacement cost.

⁸ Organic investments: net investments excluding acquisitions, asset sales and other operations with non-controlling interests.

⁹ Adjustments items include special items, the inventory effect and the impact for change for fair value.

Furthermore, the Board of Directors may exercise its discretionary powers regarding the determination of the compensation of the Chairman and Chief Executive Officer, pursuant to Articles L. 225-47, paragraph 1 and L. 225-53, paragraph 3 of the French Commercial Code, and according to Articles L. 225-37-2 and L. 225-100 of the French Commercial Code, in the event of particular circumstances that could justify that the Board of Directors adjusts, exceptionally and both on the upside and the downside, one or more of the criteria that make up his compensation to ensure that the results of the application of the criteria described above reflect both the performance of the Chairman and Chief Executive Officer and the performance of the Group either in absolute terms or relative to the four peers of the Group, for the economic criteria measured in comparison with these four peers.

This adjustment would be made to the variable compensation of the Chairman and Chief Executive Officer by the Board of Directors on the proposal of the Compensation Committee, within the limit of the variable compensation cap of 180% of the fixed compensation, after the Board of Directors ensured that the interests of the Company and of its shareholders are aligned with those of the executive director.

Pursuant to Article L. 225-100 of French Commercial Code, the payment of this annual variable portion is subject to the approval of the Shareholders' Meeting convened to approve in 2021 the fiscal year 2020.

Performance shares

The granting of performance shares to the Chairman and Chief Executive Officer corresponds to the long-term component of his global compensation. It is structured over a five-year period: a three-year vesting period, followed by a two-year holding period. The definitive grant of shares is subject to a presence condition and performance conditions assessed at the end of the three-year vesting period.

Performance shares are granted to the Chairman and Chief Executive Officer each year as part of plans that are not specific to him and concern more than 10,000 employees, a large majority of which are non-executive employees.

It is noted that at its meeting on March 14, 2018, the Board of Directors decided that the annual number of performance shares granted to the Chairman and Chief Executive Officer would remain the same for the duration of his mandate as Chairman and Chief Executive Officer, which was renewed by the Shareholders' Meeting held on June 1, 2018, *i.e.* until the Shareholders' Meeting to be held in 2021 on the financial statements of fiscal year 2020.

It is also noted that the Board of Directors decided at its meeting on March 13, 2019 to grant 72,000 performance shares to the Chairman and Chief Executive Officer under the 2019 plan, *i.e.* the same number of shares as in 2018. The 2019 plan approved by the Board of Directors in March 2019 granted a 6% higher volume of performance shares compared with the 2018 plan. More than 10,000 employees were concerned by this plan, over 97% of whom are non-senior executives. The Board of Directors adopts this proactive policy in an effort to strengthen the sense of belonging to the Group of the beneficiaries of performance shares, to involve them more closely in its performance and encourage their investment in the Company's share capital.

The compensation policy proposed for fiscal year 2020 thus includes the granting of performance shares.

In this context, on the proposal of the Compensation Committee, the Board of Directors decided at its meeting on March 18, 2020, to grant 72,000 performance shares to the Chairman and Chief Executive Officer (the same number of shares as in 2019), as part of a 2020 plan that is not specific to him. The definitive granting of performance shares is subject to a presence condition and performance conditions assessed at the end of the three-year vesting period.

The definitive number of granted shares will be based on the TSR (Total Shareholder Return), the annual variation of the net cash flow by share in dollars, the pre-dividend organic cash breakeven, as well as the change in the greenhouse gas emission on operated oil & gas facilities for fiscal years 2020, 2021 and 2022, applied as follows:

- For 1/4 of the shares, the Company will be ranked against its peers (ExxonMobil, Royal Dutch Shell, BP and Chevron) each year during the three vesting years (2020, 2021 and 2022) based on the TSR criterion of the last quarter of the year in question, the dividend being considered reinvested based on the closing price on the ex-dividend date.
- For 1/4 of the shares, the Company will be ranked each year against its peers (ExxonMobil, Royal Dutch Shell, BP and Chevron) each year during the three vesting years (2020, 2021 and 2022) using the annual variation in net cash flow per share criterion expressed in dollar.

Based on the ranking, a grant rate will be determined for each year for these two first criteria: 1st: 180% of the grant; 2nd: 130% of the grant; 3rd: 80% of the grant; 4th and 5th: 0%.

- For 1/4 of the shares, the pre-dividend organic cash breakeven criterion will be assessed during the three vesting years (2020, 2021 and 2022) as follows. The pre-dividend organic cash breakeven is defined as the Brent price for which the operating cash flow before working capital changes¹⁰ (MBA) covers the organic investments¹¹. The ability of the Group to resist to the variations of the Brent barrel price is measured by this parameter.
 - the maximum grant rate will be reached if the breakeven is less than or equal to \$30/b,
 - the grant rate will be zero if the breakeven is greater than or equal to \$40/b,
 - the interpolations will be linear between these points of reference.
- For 1/4 of the shares, the change in the greenhouse gas emissions (GHG) on operated oil & gas facilities will be assessed each year as regard to the achievement of target to reduce the GHG emissions set for fiscal years 2020, 2021 and 2022 and corresponding to 43 Mt CO_{2e} for 2020, 42.4 Mt CO_{2e} for 2021 and 41.8 Mt CO_{2e} for 2022.
 - the maximum grant rate will be reached if the GHG emissions (Scope & and Scope 2) target have been achieved,
 - the grant rate will be zero if the GHG emissions of the year considered are 1 Mt CO_{2e} above the set target,
 - the interpolations will be linear between these points of reference.

For each of the four criteria, the average of the three grant rates obtained (for each of the three fiscal years for which the performance conditions are assessed) will be rounded to the nearest 0.1 whole percent (0.05% being rounded to 0.1%) and capped at 100%. Each criterion will have a weight of 1/4 in the definitive grant rate. The definitive grant rate will be rounded to the nearest 0.1 whole percent (0.05% being rounded to 0.1%). The number of shares definitively granted, after confirmation of the performance conditions, will be rounded up to the nearest whole number of shares in case of a fractional share.

At the end of the three-year acquisition period, shares that have been definitively granted could not be disposed of before the end of a two-year holding period.

¹⁰ The operating cash flow before working capital changes is defined as cash flow from operating activities before changes in capital at replacement cost.

¹¹ Organic investments: net investments excluding acquisitions, asset sales and other operations with non-controlling interests.

Commitments made by the Company to the Chairman and Chief Executive Officer

The commitments made by the Company to the Chairman and Chief Executive Officer relate to the pension plans, the retirement benefit and the severance benefit to be paid in the event of forced departure related to a change of control or strategy, as well as the life insurance and health care benefits. They were approved by the Board of Directors on March 14, 2018, and by the Annual Shareholders' Meeting on June 1, 2018, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code.

It should be noted that Mr. Pouyanné already benefited from all these provisions when he was an employee of the Company, except for the commitment to pay severance benefits in the event of forced departure related to a change of control or strategy. It should also be noted that Mr. Pouyanné, who joined the Group on January 1, 1997, ended the employment contract that he previously had with TOTAL S.A. through his resignation at the time of his appointment as Chief Executive Officer on October 22, 2014.

- *Pension plans*

Pursuant to applicable legislation, the Chairman and Chief Executive Officer is eligible for the basic French Social Security pension and for pension benefits under the ARRCO and AGIRC supplementary pension plans.

He also participates in the internal defined contribution pension plan applicable to all TOTAL S.A. employees, known as RECO SUP (Régime collectif et obligatoire de retraite supplémentaire à cotisations définies), covered by Article L. 242-1 of the French Social Security Code. The Company's commitment is limited to its share of the contribution paid to the insurance company that manages the plan. For fiscal year 2019, this pension plan represented a booked expense to TOTAL S.A. in favor of the Chairman and Chief Executive Officer of €2,431.

The Chairman and Chief Executive Officer also participates in a supplementary defined benefit pension plan, covered by Article L. 137-11 of the French Social Security Code, set up and financed by the Company and approved by the Board of Directors on March 13, 2001, for which management is outsourced to two insurance companies effective January 1, 2012. In accordance with the ordinance 2019-697 published on July 4, 2019, this plan is closed to any new participant as from July 4, 2019 and, for participants as of July 4, 2019 and retiring as from January 1, 2020, the amount of supplementary pension provided for in this plan is calculated on the basis of number of years of service as at December 31, 2019 and up to a maximum of 20 years.

This plan applies to all TOTAL S.A. employees whose compensation exceeds eight times the annual ceiling for calculating French Social Security contributions (PASS), set at €40,524 for 2019 (*i.e.*, €324,192), and above which there is no conventional pension plan.

To be eligible for this supplementary pension plan, participants must have served for at least five years, be at least 60 years old and exercised his or her rights to retirement from the French Social Security. The benefits under this plan are subject to a presence condition under which the beneficiary must still be employed at the time of retirement. However, the presence condition does not apply if a beneficiary aged 55 or older leaves the Company at the Company's initiative or in case of disability.

The length of service acquired by Mr. Pouyanné as a result of his previous salaried duties held at the Group since January 1, 1997, has been maintained for the benefit of this plan.

The compensation taken into account to calculate the supplementary pension is the average gross annual compensation (fixed and variable portion) over the last three years. The amount paid under this plan is equal to 1.8% of the compensation falling between 8 and 40 times the PASS and 1% for the portion of the compensation falling between 40 and 60 times this ceiling, multiplied by the number of years of service as of December 31, 2019, up to a maximum of 20 years.

The sum of the annual supplementary pension plan benefits and other pension plan benefits (other than those set up individually and on a voluntary basis) may not exceed 45% of the average gross compensation (fixed and variable portion) over the last three years. In the event that this percentage is exceeded, the supplementary pension is reduced accordingly. The amount of the supplementary pension determined in this way is indexed to the ARRCO pension point.

The supplementary pension includes a clause whereby 60% of the amount will be paid to beneficiaries in the event of death after retirement.

The Board noted that Mr. Pouyanné is no longer able to acquire additional pension rights under this plan given the rules for determining pension rights set out in the plan and Mr. Pouyanné's 20 years of service as of December 31, 2016.

The conditional rights granted to Mr. Patrick Pouyanné for the period from January 1, 1997, to December 31, 2016 (inclusive), are now equal to a reference rate of 36% for the portion of the base compensation falling between 8 and 40 times the PASS and 20% for the portion of the base compensation falling between 40 and 60 times the PASS.

Based on Mr. Pouyanné's seniority at the Company, capped at 20 years on December 31, 2016, the commitments made by TOTAL S.A. to the Chairman and Chief Executive Officer in terms of supplementary defined benefits and similar pension plans represented, at December 31, 2019, a gross annual retirement pension estimated at €628,932. It corresponds to 16.65% of Mr. Pouyanné's gross annual compensation of €3,778,300 consisting of the annual fixed portion for 2019 (*i.e.*, €1,400,000) and the variable portion paid in 2020 for fiscal year 2019 (*i.e.*, €2,378,300).

Nearly the full amount of TOTAL S.A.'s commitments under these supplementary and similar retirement plans (including the retirement benefit) is outsourced for all beneficiaries to insurance companies and the non-outsourced balance is evaluated annually and adjusted through a provision in the accounts. The amount of these commitments as of December 31, 2019, is €21.8 million for the Chairman and Chief Executive Officer (€21.9 million for the Chairman and Chief Executive Officer and the executive and non-executive directors covered by these plans). These amounts represent the gross value of TOTAL S.A.'s commitments to these beneficiaries based on the estimated gross annual pensions as of December 31, 2019 as well as the statistical life expectancy of the beneficiaries.

The total amount of all the pension plans in which Mr. Pouyanné participates represents, at December 31, 2019, a gross annual pension estimated at €734,889, corresponding to 19.45% of Mr. Pouyanné's gross annual compensation defined above (annual fixed portion for 2019 and variable portion paid in 2020 for fiscal year 2019).

- *Retirement benefit*

The Chairman and Chief Executive Officer is entitled to a retirement benefit equal to those available to eligible members of the Group under the French National Collective Bargaining Agreement for the Petroleum Industry. This benefit is equal to 25% of the fixed and variable annual compensation received during the 12 months preceding retirement.

The receipt of this retirement benefit is contingent upon a performance-related condition applicable to the beneficiary. The Board of Directors decided on March 18, 2020, to introduce a new criterion relating to the pre-dividend organic cash breakeven which is followed by investors, by replacing the previous criterion relating to the hydrocarbon production growth which is no longer relevant as regards the adaptation of the Group's strategy to the climate change challenges.

As a result, the conditions linked to the beneficiary's performance are considered as fulfilled when at least two of the criteria defined below are satisfied:

- the average ROE (return on equity) for the three years preceding the year in which the Chairman and Chief Executive Officer retires is at least 10%;
- the average net-debt-to-capital ratio for the three years preceding the year in which the Chairman and Chief Executive Officer retires is less than or equal to 30%; and
- the pre-dividend organic cash breakeven of the three years preceding the year in which the Chairman and Chief Executive Officer retires is below or equal to \$30/b (new criterion).

The retirement benefit cannot be combined with the severance benefit described below.

- *Severance benefit*

The Chairman and Chief Executive Officer is entitled to a benefit equal to two years of his gross compensation in the event of a forced departure related to a change of control or strategy. The calculation is based on the gross compensation (fixed and variable) of the 12 months preceding the date of termination or non-renewal of his term of office.

The severance benefit will only be paid in the event of a forced departure related to a change of control or strategy. It will not be due in case of gross negligence or willful misconduct or if the Chairman and Chief Executive Officer leaves the Company of his own volition, accepts new responsibilities within the Group or may claim full retirement benefits within a short time period.

Receipt of this severance benefit is contingent upon a performance-related condition applicable to the beneficiary. The Board of Directors decided on March 18, 2020, to introduce a new criterion relating to the pre-dividend organic cash breakeven which is followed by investors, by replacing the previous criterion relating to the hydrocarbon production growth which is no longer relevant as regards the adaptation of the Group's strategy to the climate change challenges.

As a result, the conditions linked to the beneficiary's performance are considered as fulfilled when at least two of the criteria defined below are satisfied:

- the average ROE (return on equity) for the three years preceding the year in which the Chairman and Chief Executive Officer leaves is at least 10%;
- the average net-debt-to-capital ratio for the three years preceding the year in which the Chairman and Chief Executive Officer leaves is less than or equal to 30%; and
- the pre-dividend organic cash breakeven of the three years preceding the year in which the Chairman and Chief Executive Officer retires is below or equal to \$30/b (new criterion).

- *Life insurance and health care plans*

The Chairman and Chief Executive Officer is covered by the following life insurance plans provided by various life insurance companies:

- an "incapacity, disability, life insurance" plan applicable to all employees, partly paid for by the Company, that provides for two options in case of death of a married employee: either the payment of a lump sum equal to five times the annual compensation up to 16 times the PASS, corresponding to a maximum of €3,290,880 in 2020, plus an additional amount if there is a

- dependent child or children, or the payment of a lump sum equal to three times the annual compensation up to 16 times the PASS, plus a survivor's pension and education allowance;
- a second “disability and life insurance” plan, fully paid by the Company, applicable to executive officers and senior executives whose annual gross compensation is more than 16 times the PASS. This contract, signed on October 17, 2002, amended on January 28 and December 16, 2015, guarantees the beneficiary the payment of a lump sum, in case of death, equal to two years of compensation (defined as the gross annual fixed reference compensation (base France), which corresponds to 12 times the monthly gross fixed compensation paid during the month prior to death or sick leave, to which is added the highest amount in absolute value of the variable portion received during one of the five previous years of activity), which is increased to three years in case of accidental death and, in case of accidental permanent disability, a lump sum proportional to the degree of disability. Death benefits are increased by 15% for each dependent child.

Payments due under this contract are made after the deduction of any amount paid under the above-mentioned plan applicable to all employees.

The Chairman and Chief Executive Officer also has the use of a company car and is covered by the health care plan available to all employees.