

Paris, February 8, 2023

Information on the compensation of the Chairman and Chief Executive Officer in respect of fiscal year 2022 In accordance with the AFEP-MEDEF Code

In accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code, Lectra SA (the « Company ») is publishing below the details of the compensation paid or granted to Daniel Harari, Chairman and Chief Executive Officer, in respect of fiscal year 2022, as approved by the Board of Directors at its meeting of February 8, 2023, acting on a recommendation from the Compensation Committee. It should be noted that the Chairman and Chief Executive Officer is the sole executive officer of the Company.

Components of the Chairman and Chief Executive Officer's compensation

Pursuant to Article L.22-10-8 of the French Commercial Code, at the Annual Shareholders' Meeting of April 29, 2022, the shareholders were asked to approve the policy governing the compensation of the Chairman and Chief Executive Officer in respect of the fiscal year ending December 31, 2022, as it had been laid down by the Board of Directors at its meeting of February 23, 2022. The resolution on this compensation policy was approved with a 97,10% vote.

All components of the total compensation and benefits in kind paid or granted to the Chairman and Chief Executive Officer in 2022 and described below are in line with said compensation policy approved by the Shareholders' Meeting.

Daniel Harari's compensation as Chairman and Chief Executive Officer comprises an annual fixed portion and a variable portion. He also receives compensation for being a member of the Board of Directors.

Daniel Harari does not receive any multi-year or exceptional variable compensation. The Company does not award him bonuses in any form.

Furthermore, Daniel Harari holds no stock options, performance-based or bonus shares.

Daniel Harari is not under any employment contract with the Company or any company controlled by Lectra SA within the meaning of Article L.233-16 of the French Commercial Code. He is not the beneficiary of any special scheme, or specific benefits, concerning deferred compensation, severance compensation, or pension liabilities committing the Company to grant any form of indemnity or benefit in the event of ending his functions, or at the time of his retirement, or more generally subsequent to the termination of his functions.

The compensation of the Chairman and Chief Executive Officer is paid in its entirety by the Company. He receives no compensation or particular benefit from companies controlled by Lectra SA within the meaning of Article L. 233-16 of the French Commercial Code.

Compensation of the Chairman and Chief Executive Officer paid or granted in respect of 2022

Fixed compensation

In accordance with the policy governing the compensation of the Chairman and Chief Executive Officer for the fiscal year 2022, Daniel Harari received gross compensation of € 390,000 in respect of the period from January 1 to December 31, 2022. This compensation was paid on a monthly basis. It is reminded that the fixed compensation remains unchanged since July 2017.

Variable compensation

Pursuant to the policy governing the compensation of the Chairman and Chief Executive Officer for the fiscal year 2022, the annual variable compensation of Daniel Harari is maintained at € 390,000, subject to achieving objectives. It is reminded that the target-based variable compensation remains unchanged since July 2017.

Regarding fiscal year 2022, the Board of Directors, on a proposition from the Compensation Committee, decided, at its meeting on February 23, 2022, to keep the performance criteria below. These criteria and weightings were set taking into account the 2020-2022 strategic roadmap and reflect the Company's strategy of profitable sales activity and earnings growth. They are identical to those used to determine the variable compensation of fiscal year 2021. They are calculated at constant exchange rates, which results in significantly lower percentages than if they had been calculated at actual exchange rates.

- (i) a criterion measuring the contributive value of growth in sales activity (accounting for 40 %);
- (ii) consolidated income before tax, excluding net financial expense and non-recurring items (accounting for 30 %); and
- (iii) protection and growth of recurring contracts (accounting for 30 %).

For each of these three criteria, the corresponding variable compensation is equal to zero below certain thresholds, it is 100% if all annual targets are met, and it is capped at 200% if annual targets are exceeded. Between these thresholds, it is calculated on a linear basis. The results are then weighted by the relative weight for each criterion. Only the annual targets and corresponding thresholds are revised each year, according to the objectives for the fiscal year.

Consequently, variable compensation is equal to zero if none of these thresholds is met and is capped at 200% of the target-based variable compensation if the annual targets are exceeded on all criteria and result in a limit of 200% for each of them. Therefore, total compensation can be comprised, depending on performance, between 50% and 150% of annual target-based compensation. In other words, variable compensation is comprised between zero and 200% of fixed compensation.

Following review by the Compensation Committee, at its meeting of February 8, 2023, the Board of Directors assessed the achievement of each of the criteria. In respect of fiscal year 2022, the percentage obtained by the Chairman and Chief Executive Officer for each of the three criteria above is as follows:

- (i) 71% for the contributive value of growth in sales activity (200% in 2021);
- (ii) 56% for consolidated income before tax (200% in 2021);
- (iii) 101% for the protection and growth of recurring contracts (185% in 2021).

In total, the percentage obtained for the variable portion of Daniel Harari's compensation represented 76% of the total amount set for achieving the annual performance objectives (195% in 2021), and his variable compensation in respect of fiscal year 2022 was therefore € 295 541 (€ 762 311 in 2021).

It should be noted that the payment of Daniel Harari's variable compensation in respect of fiscal year 2021 is contingent on approval of his compensation by the Shareholders' Meeting of April 28, 2023, pursuant to Article L.22-10-34 of the French Commercial Code.

Compensation for directorship

In accordance with the allocation rules governing the Directors' compensation, as set by the Board of Directors at its meeting of February 23, 2022 and approved by the Shareholders' Meeting of April 29, 2022, Daniel Harari's compensation for being a member of the Board of Directors amounts to € 53,500 for fiscal year 2022.

Summary table of the Chairman and Chief Executive Officer's compensation

Daniel Harari Chairman and Chief Executive Officer <i>(in euros)</i>	2022		2021	
	Amounts earned in respect of fiscal year	Amounts paid in the year	Amounts earned in respect of fiscal year	Amounts paid in the year
Fixed compensation	390,000	390,000	390,000	390,000
Variable compensation ¹	295,541	762,311	762,311	502,979
Extraordinary compensation	n/a	n/a	n/a	n/a
Directors' compensation ²	53,500	40,000	40,000	40,000
Benefits in kind ³	8,331	8,331	9,244	9,244
Total	747,372	1,200,642	1,201,555	490,223

Information relating to the company officers' compensation is detailed further in the Report on Corporate Governance, which will be adopted by the Board of Directors at its meeting on February 23, 2023 and presented to the shareholders at the Shareholders' Meeting of April 28, 2023. This Report will be included in the 2022 Annual Financial Report, which will be available on Lectra's website (<https://www.lectra.com/en/investors/financial-information/publications>).

¹ The variable compensation in respect of fiscal year 2021 was paid in 2022; the variable compensation in respect of fiscal year 2022 will be paid in 2023, subject to approval by the Shareholders' Meeting of April 28, 2023. The difference between the percentage of variable compensation granted in respect of fiscal year 2021 (195%), which was paid in 2022, and the percentage in respect of fiscal year 2022 (76%) explains the difference between the amounts of variable compensation due in respect of fiscal year 2022 and paid in 2022.

² The directors' compensation in respect of fiscal year 2021 was paid in 2022; the directors' compensation in respect of fiscal year 2022 will be paid in 2023, which explains the difference between the amounts due in respect of fiscal year 2022 and paid in 2022.

³ The amounts reported as benefits in kind correspond to the value of the use of a company car.