



Lagardère

**GENERAL MEETING
3 MAY 2018**

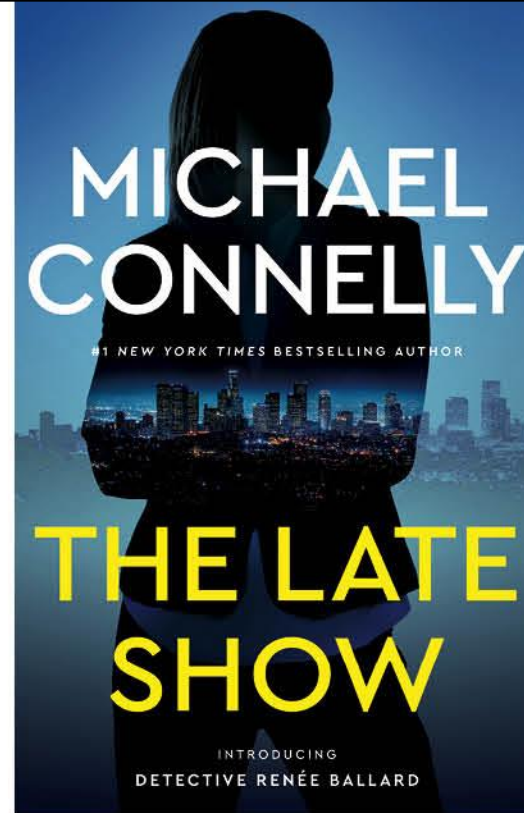
**SUPERVISORY
BOARD:
MEMBERS AND
ACTIVITIES**

Xavier de Sarrau
*Chairman of the
Supervisory Board*



Lagardère

**MEMBERSHIP OF THE
SUPERVISORY BOARD**



Annual Ordinary and
Extraordinary General Meeting
3 May 2018



MEMBERSHIP OF THE SUPERVISORY BOARD

- **A Supervisory Board that fully complies with corporate governance standards (as set out in the Afep-Medef Corporate Governance Code):**
 - all members qualify as independent;
 - more than 40% of members are women.

- **A transparent selection procedure for new members under the supervision of the Appointments, Remuneration and Governance Committee.**

- **A Supervisory Board whose members are regularly replaced or re-appointed: around one-quarter of tenures are renewed every year.**

- **A Supervisory Board whose members have complementary profiles and expertise adapted to the Group's needs.**

VARIED AND COMPLEMENTARY EXPERTISE

EXPERIENCE AS SENIOR EXECUTIVE WITHIN AN INTERNATIONAL COMPANY

Nathalie Andrieux

Former Deputy Chief Executive Officer – Digital, La Poste group
Former member of the French Digital Council

Yves Guillemot

President and Chief Executive Officer and co-founder, Ubisoft

Pierre Lescure

President of the Cannes Film Festival
Former Chairman and Chief Executive Officer, Canal+ SA
Former Chief Executive Officer, Vivendi Universal

Xavier de Sarrau, Chairman

Lawyer specialising in issues concerning the governance and organisational structure of family-owned companies and private holdings

BUSINESS(*) AND OTHER EXPERTISE(**)

François Roussely
Partner, Messier Maris

FINANCIAL EXPERIENCE

Georges Chodron de Courcel
Former Chief Operating Officer, BNP Paribas

François David
Former Chairman of the Board of Directors, Coface

Patrick Valroff
Former Chief Executive Officer, Crédit Agricole CIB

Hélène Molinari
Former Chief Operating Officer, Medef
Member of the Strategy Committee, Be-Bound

Aline Sylla-Walbaum
International Managing Director (Luxury), Christie's

Susan M. Tolson
Former Senior Vice-President,
Capital Group

Martine Chêne
Former CDFT union representative on the Group Employees' Committee

Jean-Claude Magendie
Former First President, Paris Court of Appeal

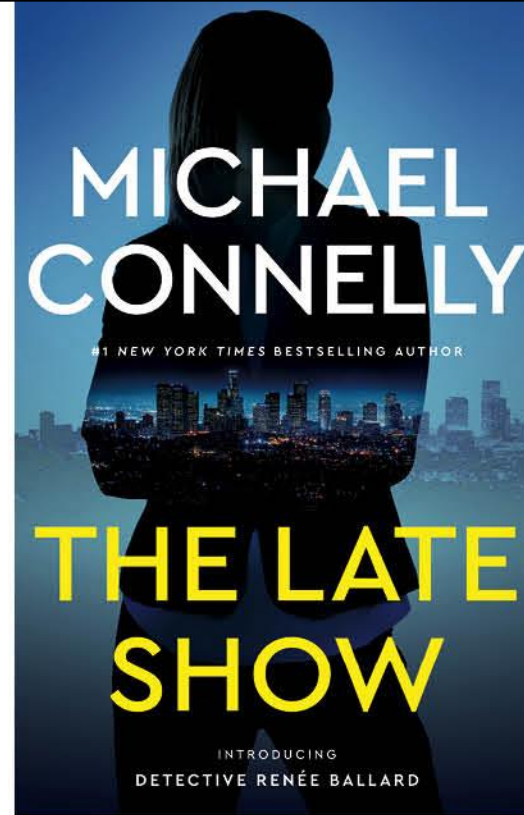
Soumia Malinbaum
Deputy Chief Executive Officer, Keyrus

(*) Media/Distribution/Innovation/New technologies.

(**) Legal/Governance/Social relations/Diversity.

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**ACTIVITIES AND
OPERATION OF THE
SUPERVISORY BOARD**



Annual Ordinary and
Extraordinary General Meeting
3 May 2018



ACTIVITIES AND OPERATION OF THE SUPERVISORY BOARD

- **Four meetings in 2017 – Attendance rate: 95%**
 - **Main subjects considered:**
 - **review** of the annual and interim **financial statements**;
 - general business position and outlook;
 - discussions regarding the **strategic vision** for Lagardère Publishing and Lagardère Travel Retail;
 - **preparation for the AGM** (reports of the Chairman and the Board, recommendations on the renewal of the Board, etc.);
 - **self-assessment of the Board**;
 - presentation of the Group's **IT systems security** policy;
 - presentation of the organisation of the **Group's financial communications**.
- **One Supervisory Board “executive session” was held without the Managing Partners in attendance.**
- **A seminar was organised outlining the Group's strategy and some of its businesses.**
- **Working meetings organised between certain Board members, the Managing Partners and the main division executives.**
- **Studies conducted by Board members (alone or in working groups) on specific matters: follow-up of the Group's compliance procedure.**
- **Self-assessment of the membership and operation of the Board every year and an external assessment every three years.**

SPECIALISED COMMITTEES

2017 work

Audit Committee

Xavier de Sarrau, Chairman
Nathalie Andrieux
François David
Aline Sylla-Walbaum
Patrick Valroff

6 meetings
in 2017

96% attendance
rate

- Review of **impairment tests** carried out on intangible assets.
- Review of the Group's risk exposure to **material off-balance sheet commitments**.
- **Review** of the consolidated financial statements.
- Review of the Group's **risk map** and results of the **self-assessment on internal control**.
- Review of the **draft Chairman's report** on internal control and risk management.
- Review of the service agreement with **Lagardère Capital & Management (LC&M)**.
- Review of **fees paid to the Statutory Auditors**.
- Review of **internal audit activities**.
- **One-off issues**: return on equity, tax policy, information systems security, changes in European copyright regulations, identification of key personnel and succession plan within the Finance Department.

Appointments, Remuneration and Governance Committee

François David, Chairman
Georges Chodron de Courcel
Pierre Lescure
Soumia Malinbaum
Hélène Molinari

5 meetings
in 2017

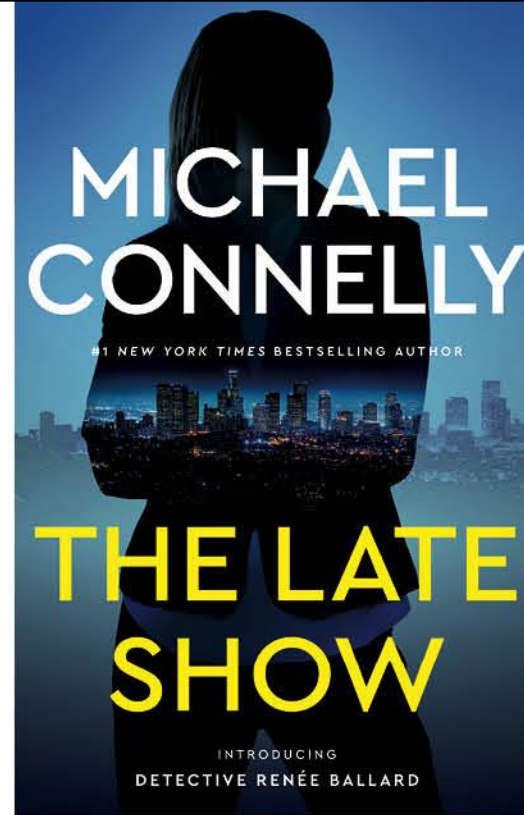
84% attendance
rate

- Analysis of the **membership of the Board and its Committees**, along with member **independence**.
- Preparation for **re-appointment or replacement of members** whose terms of office were due to expire.
- **Preparation of the AGM**: review of the main comments of the principal proxy advisors and investors with respect to the Board.
- Coordination of the **self-assessment** procedure of the Supervisory Board and the Supervisory Board's committees.
- Progress report for 2017 on the Group's **CSR roadmap**.
- Update on the Group's ESG ratings.
- Review of the conditions for awarding free shares to Group senior executives.
- Presentation of the **remuneration policy** for the Managing Partners.

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**PROPOSED
RE-APPOINTMENT
OF THREE MEMBERS
AND REDUCTION IN
THE NUMBER OF
SUPERVISORY BOARD
MEMBERS**

Annual Ordinary and
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PROPOSED RE-APPOINTMENT FOR A TERM OF FOUR YEARS



Xavier de Sarrau

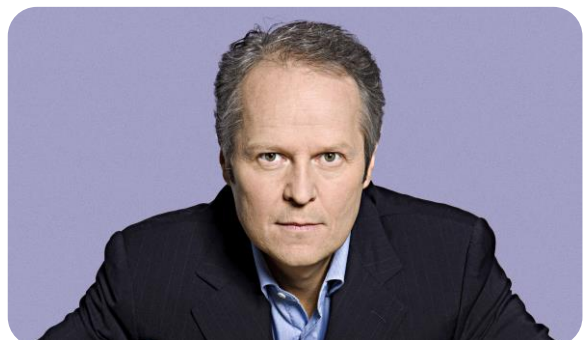
- **Chairman of the Supervisory Board and the Audit Committee**
- **Honorary lawyer specialising in issues concerning the governance and organisational structure of family-owned companies and private holdings**
- **Graduate of École des Hautes Études Commerciales (HEC)**
- **Doctor of Tax Law, University Paris 1 Panthéon-Sorbonne (postgraduate)**
- **67 years old**

- Financial and governance expertise.
- Experience as a senior executive within an international company.
- Independent.

Career

- EMEIA Managing Partner and member of the Global Executive Committee of the Arthur Andersen group.
- Lawyer at the Paris and Geneva bars.

PROPOSED RE-APPOINTMENT FOR A TERM OF FOUR YEARS



Yves Guillemot

- **Co-founder, Chairman and Chief Executive Officer of the Ubisoft group**
- **Graduate of Institut des Petites et Moyennes Entreprises**
- **57 years old**

- Expertise in the Group's businesses: in-depth knowledge of digital media and transformation and of social networks.
- Business experience: creation, development and international expansion of a corporate group.
- Independent.

Career

- Founder of Ubisoft in 1986, one of the world's leading developers, publishers and distributors of video games and interactive services.
- Over 30 years' expertise in developing, publishing and distributing video games (console, PC, mobile).

PROPOSED RE-APPOINTMENT FOR A TERM OF FOUR YEARS



Patrick Valroff

- **Member of the Audit Committee**
- **Former Chief Executive Officer of Crédit Agricole CIB**
- **Honorary judge at the French National Audit Office (*Cour des Comptes*)**
- **Holder of a Degree in Law, graduate of Institut d'Études Politiques de Paris and of École Nationale d'Administration**
- **69 years old**

- Financial expertise.
- Experience as head of a leading bank.
- Independent.

Career

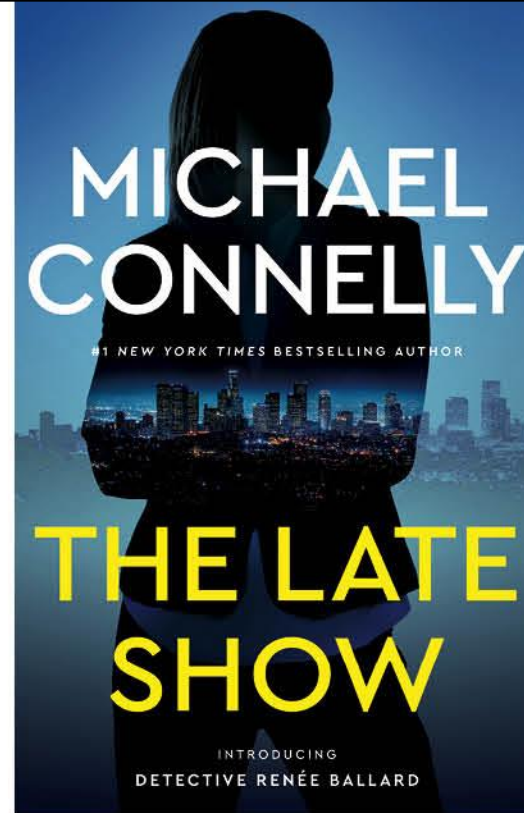
- Chief Executive Officer of Crédit Agricole CIB.
- Chairman and Chief Executive Officer of Sofinco.

REDUCTION IN THE NUMBER OF SUPERVISORY BOARD MEMBERS

- **A considerably larger Supervisory Board than most of its peers:**
 - Supervisory boards of SBF 120 companies: around 11.7 members on average in 2017*.
- **Adoption of a smaller structure better adapted to the Group's scope.**
- **Point for improvement highlighted in the self-assessments and independent reviews of the Board's membership and operation.**

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**OPINION OF THE
SUPERVISORY BOARD
ON DRAFT RESOLUTIONS
A AND B**



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OPINION ON DRAFT RESOLUTIONS A AND B

- **Draft resolutions A and B: appointment of two new members of the Supervisory Board**
 - Helen Lee Bouygues;
 - Arnaud Marion.
- **The appointments are incompatible with the aim of reducing the number of Supervisory Board members.**
- **The two candidates interviewed by the Chairman of the Supervisory Board and the Chairman of the Appointments, Remuneration and Governance Committee.**
- **The two candidates fail to offer any additional expertise or skills with regard to the Board's existing members, who are entirely suited to fulfilling the Group's needs:**
 - In-depth knowledge of the Group (businesses, competitive environment, challenges faced):
 - a background in sectors close to those of the Group;
 - extensive knowledge of the Group built up over the years.
 - Several members have renowned expertise in strategic and financial matters.
 - The current composition of the Board is the result of a strategy adopted in conjunction with the Appointments, Remuneration and Governance Committee.
- **The profile of these candidates (specialists in corporate restructuring and repositioning) is not suited either to the Board's mission or to the Group's situation.**

=> Unfavourable opinion on the two additional draft resolutions