

# 2

## CORPORATE GOVERNANCE REPORT

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Items appearing in the Annual Financial Report are cross-referenced with the following symbol <sup>AFR</sup>

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Items appearing in the Annual Financial Report are cross-referenced with the following symbol **AFR**

Ladies and Gentlemen,

This report contains all of the information required by article L. 22-10-78 of the French Commercial Code (*Code de commerce*), including, where appropriate, the information adapted to French partnerships limited by shares, as set out in articles L. 225-37-4 and L. 22-10-9 to L. 22-10-11. The additional information on the

matters referred to in paragraph 2 of article L. 22-10-10 of the French Commercial Code is covered in section 4.3.1.2 – Diversity and gender balance in human capital.

It was prepared with the assistance of the Supervisory Board Secretary and Group General Secretariat, and was approved by the Supervisory Board on 26 April 2021.

## 2.1 GENERAL PRESENTATION OF FRENCH PARTNERSHIPS LIMITED BY SHARES AND OF LAGARDÈRE SCA

**AFR**

### 2.1.1 GENERAL PRESENTATION OF FRENCH PARTNERSHIPS LIMITED BY SHARES

A French partnership limited by shares (*société en commandite par actions* – SCA) has two categories of partners:

- ▶ one or more General Partners (*Associés Commandités*), who are indefinitely personally liable for the Company's liabilities;
- ▶ Limited Partners (*Associés Commanditaires* or shareholders), whose situation is the same as that of shareholders in a joint-stock corporation (*société anonyme*). Their holdings can be sold or otherwise transferred under the same conditions as shares in a joint-stock corporation, and they are liable for the Company's

liabilities only to the extent of their contribution to the partnership. They are represented by a Supervisory Board.

A partnership limited by shares is managed by one or more Managing Partners (*Gérants*), who may be individuals or corporate entities.

As there are two categories of partners, collective decisions are taken at two different levels: by the Limited Partners in General Meetings, and by the General Partners. Members of the Supervisory Board are only appointed by the Limited Partners. If a General Partner is also a Limited Partner he cannot take part in the vote.

### 2.1.2 PRESENTATION OF LAGARDÈRE SCA

The provisions of French law related to partnerships limited by shares, as well as the Company's Articles of Association (see section 2.10), give Lagardère SCA an up-to-date organisational structure that is wholly in line with current corporate governance requirements, as it effectively complies with the two basic principles of establishing a clear distinction between management and control, and closely involving shareholders in the oversight of the Company.

This structure is characterised as follows:

- ▶ There is a very clear segregation between the Managing Partners who are responsible for running the business and the Supervisory Board, which represents the shareholders and is responsible for overseeing the Company's accounts and management. The Managing Partners cannot be members of the Supervisory Board, and the General Partners cannot take part in appointing the members of the Supervisory Board.

- ▶ The Supervisory Board is entitled to oppose the General Partners' appointment or re-appointment of a Managing Partner, although the final decision thereon is made by shareholders during an Ordinary General Meeting (see section 2.10.6). The term of office of a Managing Partner cannot exceed six years, but may be renewed.

- ▶ The General Partners' unlimited liability to the full extent of their assets is evidence of the proper balance between financial risk, power and responsibility.

- ▶ The Supervisory Board is entitled to receive the same information and has the same powers as the Statutory Auditors.

- ▶ The Supervisory Board must draw up a report on any proposed increase or reduction in the Company's share capital to be submitted to shareholders for approval.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol **AFR**

## 2.2 GENERAL PARTNERS AND MANAGING PARTNERS



### 2.2.1 GENERAL PARTNERS

The General Partners are:

- ▶ **Arnaud Lagardère**, domiciled at 4, rue de Presbourg, 75016 Paris, France, appointed in this capacity by the Extraordinary General Meeting of shareholders on 13 May 2003;

- ▶ **Arjil Commanditée-Arco**, a French joint-stock corporation with share capital of €40,000, whose registered office is located at 4, rue de Presbourg, 75016 Paris, France, registered with the Paris Trade and Companies Registry under number 387 928 393, appointed in this capacity by the Extraordinary General Meeting of shareholders on 30 December 1992.

### 2.2.2 MANAGING PARTNERS

The General Management of the Company is the responsibility of the Managing Partners, who are appointed by the General Partners with the approval of the Supervisory Board.

Each executive corporate officer represents and commits to the Company in its relations with third parties.

The Managing Partners are responsible for:

- ▶ determining the Group's strategy;
- ▶ guiding development and control;
- ▶ making the necessary major management decisions and ensuring that those decisions are implemented both at the level of the parent company and in the various divisions.

The Company's two Managing Partners are:

- ▶ **Arnaud Lagardère**; and
- ▶ **Arjil Commanditée-Arco**.

Significant changes currently planned concerning the Managing Partners will be put to the General Meeting of shareholders on 30 June 2021 (see section 6.1.1.3).

Items appearing in the Annual Financial Report are cross-referenced with the following symbol .

**2.2.2.1 ARNAUD LAGARDÈRE****Managing Partner, Lagardère SCA****Chairman and Chief Executive Officer, Arjil Commanditée-Arco SA, and Managing Partner, Lagardère SCA**

4 rue de Presbourg,  
75116 Paris, France

Date of birth:  
18 March 1961

Nationality: French

Number of Lagardère SCA shares held directly and indirectly at 31 December 2020 (see section 2.9.8.1): 9,521,625.

Arnaud Lagardère holds a DEA post-graduate degree in economics from the University of Paris Dauphine. He was appointed Director and Chief Executive Officer of MMB (which became Lagardère SCA) in 1987, and was Chairman of the US company Grolier Inc. from 1994 to 1998.

Arnaud Lagardère was appointed Managing Partner following a decision of Arjil Commanditée-Arco, which was approved by the Supervisory Board on 26 March 2003, and the Supervisory Board approved the General Partners' proposals to renew his appointment on 11 March 2009 and 11 March 2015 for successive six-year terms, and on 17 August 2020 for a four-year term expiring on 17 August 2024.

Arnaud Lagardère controls and is the Chairman of Lagardère SAS, LM Holding SAS and Lagardère Capital SAS (formerly Lagardère Capital & Management), with which he held a 7.26% stake in Lagardère SCA at 31 December 2020 (see section 2.9.8.1).

**Directorships and other positions held in the Group (at 31 December 2020)***In France:*

- ▶ Chairman and Chief Executive Officer and Chairman of the Board of Directors, Lagardère Media SAS
- ▶ Director, Hachette Livre SA
- ▶ Chairman of the Supervisory Board, Lagardère Travel Retail SAS
- ▶ Chairman of the Supervisory Board, Lagardère Active SAS
- ▶ Director, Lagardère Ressources SAS
- ▶ Chairman, Fondation Jean-Luc Lagardère
- ▶ Chairman, Lagardère Paris Racing Ressources sports association (not-for-profit organisation)
- ▶ Chairman, Lagardère Paris Racing sports association (not-for-profit organisation)

*International:*

- ▶ Chairman, Lagardère North America (United States)

**Directorships and other positions held outside the Group (at 31 December 2020)***In France:*

- ▶ Chairman, Lagardère SAS
- ▶ Chairman, Lagardère Capital (formerly Lagardère Capital & Management SAS)
- ▶ Chairman, Lagardère Management SAS
- ▶ Chairman, LM Holding SAS

**Former directorships and other positions held in the last five years***In France:*

- ▶ Chairman of the Executive Committee, Lagardère Sports and Entertainment SAS (until October 2019)
- ▶ General Manager, Europe 1 Digital (SARL) (formerly Lagardère News) (until March 2020)
- ▶ General Manager, Europe News SNC (until March 2020)
- ▶ Chairman, Europe 1 Télécompagnie SAS (until March 2020)
- ▶ Chairman, Lagardère Médias News SAS (until March 2020)

*International:*

- ▶ Chairman, Lagardère Sports LLC, formerly Lagardère Sports Inc. – United States (until February 2020)
- ▶ Deputy Chairman, Lagardère Active Broadcast – Monaco (until March 2020)
- ▶ Chairman, Lagardère Sports US LLC, formerly Sports Investment Company LLC – United States (until April 2020)
- ▶ Member of the Board of Directors, Lagardère Sports Asia Investments Ltd – Singapore (until April 2020)
- ▶ Member of the Board of Directors, Lagardère Sports Asia Holdings Ltd – Singapore (until April 2020)

### 2.2.2.2 ARJIL COMMANDITÉE-ARCO

A French joint-stock corporation

with share capital of €40,000.

4 rue de Presbourg – 75116 Paris, France.

Registered with the Paris Trade and Companies Registry under number 387 928 393.

Represented by Arnaud Lagardère, Pierre Leroy and Thierry Funck-Brentano.

Arjil Commanditée-Arco was appointed as a Managing Partner further to a decision of the General Partners approved by the Supervisory Board on 17 March 1998, and the Supervisory Board approved the General Partners' proposals to renew its appointment on 12 March 2004, 10 March 2010 and 9 March 2016 for successive six-year terms, with the latest term expiring on 17 March 2022.

Arjil Commanditée-Arco does not hold any directorships or other positions.

At the time of the most recent re-appointment of Arjil Commanditée-Arco on 9 March 2016, in application of the provisions of article 14-2 of the Articles of Association and based on a recommendation of the General Partners, the Supervisory Board re-appointed, within Arjil Commanditée-Arco:

- ▶ Arnaud Lagardère, as Chairman and Chief Executive Officer;
- ▶ Pierre Leroy, as Deputy Chairman and Chief Operating Officer;
- ▶ Thierry Funck-Brentano, as Chief Operating Officer.

As legal representatives of Arjil Commanditée-Arco, Managing Partner of Lagardère SCA, Pierre Leroy and Thierry Funck-Brentano act as "Co-Managing Partners" of Lagardère SCA and are, along with Arnaud Lagardère, executive corporate officers.

**Positions held by the legal representatives of Arjil Commanditée-Arco in other companies (at 31 December 2020):**

**ARNAUD LAGARDÈRE (SEE ABOVE)**

**PIERRE LEROY****Co-Managing Partner of Lagardère SCA****Secretary General of the Lagardère group**

4 rue de Presbourg,  
75116, Paris, France

Date of birth:  
8 October 1948

Nationality: French

Number of Lagardère SCA shares held at 31 December 2020: 105,135

Pierre Leroy is a graduate of the École Supérieure de Commerce de Reims business school and holds a degree in law. He has spent his entire career with the Lagardère group.

He was appointed Director and Chief Executive Officer of MMB (which became Lagardère SCA) in 1987, then Chairman and Chief Executive Officer of Lagardère Sociétés in 1988 and Secretary General of the Lagardère group in 1993.

He was appointed Co-Managing Partner of Lagardère SCA in March 2004 and was re-appointed in 2010 and 2016.

**Directorships and other positions held in the Group (at 31 December 2020)**

*In France:*

- ▶ Director, Deputy Chairman and Chief Operating Officer, Lagardère Media SAS
- ▶ Chairman and Chairman of the Board of Directors, Lagardère Ressources SAS
- ▶ Director, Hachette Livre SA
- ▶ Member of the Supervisory Board, Lagardère Travel Retail SAS
- ▶ Member of the Supervisory Board, Lagardère Active SAS
- ▶ Chairman of the Supervisory Board, Société d'Exploitation des Folies Bergère SAS
- ▶ Chairman, Lagardère Participations SAS
- ▶ Chairman, Lagardère Expression SAS
- ▶ Chairman, Dariade SAS
- ▶ Chairman, Sofrimo SAS
- ▶ Director, Fondation Jean-Luc Lagardère
- ▶ Chairman and Chief Executive Officer, Lagardère Paris Racing Ressources SASP

*International:*

- ▶ Director, Lagardère Active Broadcast SA – Monaco
- ▶ Member of the Board of Directors, Lagardère UK Ltd – United Kingdom

**Directorships and other positions held outside the Group (at 31 December 2020)**

*In France:*

- ▶ Chief Operating Officer, Lagardère Capital SAS, formerly Lagardère Capital & Management
- ▶ Chief Executive Officer, Lagardère Management SAS
- ▶ Chairman, IMEC (Institut Mémoires de l'Édition Contemporaine)
- ▶ Chairman, Mémoire de la Création Contemporaine Endowment Fund
- ▶ Chairman of the jury for the Prix des Prix literary awards
- ▶ Chairman of the jury for the Prix de la littérature arabe literary awards
- ▶ Director, Bibliothèque nationale de France Endowment Fund

**Former directorships and other positions held in the last five years**

*In France:*

- ▶ Permanent representative of Lagardère Participations on the Board of Directors of Galice SA (until January 2015)
- ▶ Manager, Team Lagardère SNC (until January 2016)
- ▶ Liquidator, Financière de Pichat & Compagnie SCA (until May 2016)
- ▶ Representative of Lagardère Participations as Chairman of Hélios SAS (until January 2017)
- ▶ Director, Ecrinvest 4 SA (until June 2017)
- ▶ Chairman, Holpa SAS (until November 2019)

**THIERRY FUNCK-BRENTANO****Co-Managing Partner of Lagardère SCA****Chief Human Relations, Communications and Sustainable Development Officer, Lagardère group**4 rue de Presbourg,  
75116, Paris, FranceDate of birth:  
2 May 1947

Nationality: French

Number of Lagardère SCA shares held at 31 December 2020: 202,089

Thierry Funck-Brentano holds a master's degree in management from the University of Paris Dauphine as well as an MBA from Northwestern University (Kellogg) in the United States. He has spent his entire career with the Lagardère group.

He was appointed Co-Managing Partner of Lagardère SCA in March 2010, and was re-appointed in 2016.

**Directorships and other positions held in the Group (at 31 December 2020)***In France:*

- ▶ Director and Chief Operating Officer, Lagardère Media SAS
- ▶ Permanent representative of Lagardère Media SAS on the Board of Directors of Hachette Livre SA
- ▶ Member of the Supervisory Board, Lagardère Active SAS
- ▶ Member of the Supervisory Board, Lagardère Travel Retail SAS
- ▶ Chairman, Lagardère Live Entertainment SAS
- ▶ Director, Lagardère Ressources SAS
- ▶ Member of the Supervisory Board, Société d'Exploitation des Folies Bergère SAS
- ▶ Director, Fondation Jean-Luc Lagardère
- ▶ Director, Secretary General and Treasurer, Lagardère Paris Racing Ressources sports association (not-for-profit organisation)
- ▶ Secretary General and member of the steering committee, Lagardère Paris Racing sports association (not-for-profit organisation)

*International:*

- ▶ Director, Lagardère Active Broadcast SA – Monaco

**Directorships and other positions held outside the Group (at 31 December 2020)***In France:*

- ▶ Director, Lagardère Capital SAS (formerly Lagardère Capital & Management)

**Former directorships and other positions held in the last five years***In France:*

- ▶ Representative, Lagardère Sports and Entertainment, Chairman, Lagardère Unlimited Stadium Solutions SAS (until January 2017)
- ▶ Chairman of the Supervisory Board, Matra Manufacturing & Services SAS (until June 2017)
- ▶ Director, Ecrinvest 4 SA (until June 2017)
- ▶ Member of the Executive Committee, Lagardère Sports and Entertainment SAS (until October 2019)
- ▶ Chairman, Lagardère Sports and Entertainment SAS (until April 2020)

*International:*

- ▶ Member of the Board of Directors, Lagardère Sports Asia Holdings Ltd – Singapore (until April 2020)
- ▶ Member of the Board of Directors, Lagardère Sports Asia Investments Ltd – Singapore (until April 2020)



**2.3 SUPERVISORY BOARD****AFR****2.3.1 MEMBERS****A) OVERVIEW OF THE SUPERVISORY BOARD****SUPERVISORY BOARD MEMBERSHIP AND DIVERSITY IN 2020****63**Average  
age**37.5%**Percentage of women  
on the Board<sup>(\*)</sup>**10**Number  
of meetings**97%**Attendance  
rate**100%**Independence  
rate**SUPERVISORY BOARD**

9 members:

- Patrick Valroff (Chairman)
  - Jamal Benomar
  - Valérie Bernis
  - Soumia Malinbaum
  - Guillaume Pepy
  - Gilles Petit
  - Nicolas Sarkozy
  - Susan M. Tolson
- including 1 employee-representative member:
- Michel Defer

**3 COMMITTEES****AUDIT****3 members | 7 meetings | 92% attendance rate**

- Patrick Valroff (Chairman)
- Guillaume Pepy
- Susan M. Tolson

**STRATEGY****4 members | 7 meetings | 100% attendance rate**

- Guillaume Pepy (Chairman)
- Gilles Petit
- Patrick Valroff
- Nicolas Sarkozy

**APPOINTMENTS, REMUNERATION AND CSR****4 members | 7 meetings | 100% attendance rate**

- Gilles Petit (Chairman)
- Jamal Benomar
- Valérie Bernis
- Soumia Malinbaum

**BOARD EXPERTISE**International experience | **5 members**Senior executive and financial expertise | **6 members**Business and other expertise | **7 members**

(\*) The percentage of women on the Board dipped below 40% further to the General Meeting of 5 May 2020, as a result of the vote not to re-appoint Martine Chêne.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol **AFR**

Pursuant to the Articles of Association, the Supervisory Board comprises a maximum of ten members plus either one or two members representing employees.

Around a quarter of Board members are replaced or re-appointed each year. Members are appointed for a maximum term of four years.

At 31 December 2020, the Board comprised nine members:

### List of members of the Supervisory Board at 31 December 2020

	Personal information				Experience	Position on the Board				Participation in Board Committees
	Age	Sex	Nationality	Number of shares	Number of directorships held in listed companies <sup>(1)</sup>	Independence <sup>(2)</sup>	First appointed	End of term of office	Board seniority	
<b>Patrick Valroff</b> Chairman	72 years	M	French	600	0	Yes	27 April 2010	2022 OGM*	11 years	Audit Committee (Chairman) Strategy Committee
<b>Jamal Benomar</b>	64 years	M	British Moroccan	150	0	Yes	12 September 2018	2023 OGM*	2 years	Appointments, Remuneration and CSR Committee
<b>Valérie Bernis</b>	63 years	F	French	150	2	Yes	31 August 2020 <sup>(4)</sup>	2021 OGM*	1 years	Appointments, Remuneration and CSR Committee
<b>Michel Defer</b> Employee representative	60 years	M	French	0	0	N/A	4 November 2020	4 November 2024	1 years	
<b>Soumia Malinbaum</b>	59 years	F	French	650	1	Yes	3 May 2013	2021 OGM*	8 years	Appointments, Remuneration and CSR Committee
<b>Guillaume Pepy</b>	63 years	M	French	600	1	Yes	27 February 2020 <sup>(3)</sup>	2024 OGM*	1 years	Audit Committee meetings Strategy Committee (Chairman)
<b>Gilles Petit</b>	65 years	M	French	600	1	Yes	10 May 2019	2023 OGM*	2 years	Strategy Committee Appointments, Remuneration and CSR Committee (Chairman)
<b>Nicolas Sarkozy</b>	66 years	M	French	1,301	3	Yes	27 February 2020 <sup>(3)</sup>	2022 OGM*	1 years	Strategy Committee
<b>Susan M. Tolson</b>	59 years	F	American	600	3	Yes	10 May 2011	2023 OGM*	10 years	Audit Committee
<b>Laure Rivière</b> Secretary										

(1) Outside the Lagardère group.

(2) Under the Afep-Medef corporate governance criteria applied by the Supervisory Board (see below).

(3) Co-optation effective 28 February 2020.

(4) Co-optation effective 1 September 2020.

\* The Ordinary General Meeting to be held in the year indicated to approve the financial statements for the previous year.

## B) LIST OF DIRECTORSHIPS AND OTHER POSITIONS HELD BY SUPERVISORY BOARD MEMBERS

### PATRICK VALROFF

*Chairman of the Supervisory Board*

*Chairman of the Audit Committee*

*Member of the Strategy Committee*

Nationality: French  
4 rue de Presbourg,  
75116 Paris, France  
Date of birth:  
3 January 1949

Patrick Valroff holds a degree in law and is a graduate of the Institut d'Études Politiques de Paris and École Nationale d'Administration. He began his career in the French civil service. In 1991, he joined the specialist consumer credit company Sofinco as Deputy Chief Executive Officer. In 2003, he was appointed Head of Specialised Financial Services at Crédit Agricole SA Group, which comprises Sofinco, Finaref, Crédit Agricole Leasing and Eurofactor, and subsequently served as Chairman and Chief Executive Officer of Sofinco. From May 2008 to December 2010, Patrick Valroff was Chief Executive Officer of Crédit Agricole Corporate and Investment Bank.

Patrick Valroff is an honorary magistrate at the French National Audit Office (*Cour des Comptes*).

#### Directorships and other positions held in other companies

*In France:*

- ▶ Director of not-for-profit association La Protection sociale de Vaugirard
- ▶ Member of the Financial Committee of the International Chamber of Commerce

#### Directorships and other positions expired during the last five years

- ▶ Senior Advisor to Omnes Capital
- ▶ Director, Néovacs<sup>(1)</sup>

(1) Listed company.

### JAMAL BENOMAR

*Member of the Supervisory Board*

*Member of the Appointments, Remuneration and CSR Committee*

Nationality: British and Moroccan  
9 Rutland Road  
Scarsdale  
NY 10583  
United States  
Date of birth:  
11 April 1957

Jamal Benomar has 35 years of experience in roles with international responsibility, including as Special Advisor to the UN Secretary-General and as Under-Secretary-General.

After earning degrees in sociology, economics and politics from the universities of Rabat, Paris and London, Jamal Benomar worked as a lecturer and research associate. At the UN, his work focused on diplomatic actions and governance issues.

#### Directorships and other positions held in other companies

*Outside France:*

- ▶ Chairman of the Board of Directors of Centre international pour les initiatives de dialogue (ICDI)

#### Directorships and other positions expired during the last five years

None

**VALÉRIE BERNIS****Member of the Supervisory Board****Member of the Appointments, Remuneration and CSR Committee**

Nationality: French  
86, avenue de Breteuil  
75015 Paris, France  
Date of birth:  
9 December 1958

Valérie Bernis is a graduate of the Institut Supérieur de Gestion and the Université de sciences économiques in Limoges. Having spent two years as Press and Communications Officer for the French Prime Minister's Officer, in 1996 she joined Compagnie de Suez as Executive Vice-President – Communications, and then in 1999 was appointed Deputy CEO in charge of Corporate Communications and Sustainable Development. During that time, she also served for five years as Chair and CEO of Paris Première, a French TV channel.

**Directorships and other positions held in other companies***In France:*

- ▶ Member of the Board of Directors, Chair of the CSR Committee and member of the Remuneration Committee, Atos<sup>(1)</sup>
- ▶ Member of the Board of Directors, Chair of the Remuneration Committee and member of the Strategy Committee and the Commitments Committee, France Télévisions
- ▶ General Secretary of the Board of Directors, AROP (Opéra de Paris)
- ▶ Member of the Board of the French Alzheimer's Research Foundation
- ▶ Outside France:
- ▶ Member of the Board of Directors and member of the Nominations Committee, Occitane International SA (Luxembourg)<sup>(1)</sup>

**Directorships and other positions expired during the last five years**

- ▶ Member of the Supervisory Board of Euro Disney SCA<sup>(1)</sup>
- ▶ Member of the Board of Directors, Suez SA<sup>(1)</sup>

(1) Listed company.

**MICHEL DEFER****Member of the Supervisory Board Employee representative**

Nationality: French  
34, Grande Rue,  
28700 Le Gue de Longroi,  
France  
Date of birth:  
26 July 1960

Michel Defer, has been an employee of the Lagardère Publishing division for almost 38 years and is currently an electromechanical service technician at the Hachette Livre Services and Operations division distribution centre.

**Directorships and other positions held in other companies**

None

**Directorships and other positions expired during the last five years**

None

**SOUMIA MALINBAUM****Member of the Supervisory Board****Member of the Appointments, Remuneration and CSR Committee**

Nationality: French  
17, rue des Acacias  
75017 Paris, France  
Date of birth:  
8 April 1962

Soumia Malinbaum has spent most of her career working in the digital and technologies sector, both as a founder and managing director of small and medium-sized companies. She is currently Deputy Chief Executive Officer of Keyrus, a management consulting firm which was merged with Specimen, the IT company she created and managed for 15 years. Before being appointed Business Development Manager of the group, she was Director of Human Resources.

She is extremely committed to promoting and managing diversity in the corporate environment and is President of the European Association of Diversity Managers and founder of the French equivalent (AFMD).

**Directorships and other positions held in other companies***In France:*

- ▶ Director of Nexity<sup>(1)</sup> and member of the Remuneration and Appointments Committee

**Directorships and other positions expired during the last five years**

- ▶ Member of the Board of Directors, Université Paris Dauphine
- ▶ Director and Chair of the Audit Committee, FMM (France Médias Monde)
- ▶ Member of the Educational Board, HEC Paris
- ▶ Member of the Board of Directors, Institut du monde arabe (IMA)

(1) Listed company.

**GUILLAUME PEPEY****Member of the Supervisory Board****Chairman of the Strategy Committee****Member of the Audit Committee**

Nationality: French  
 2, rue des Versailles  
 Beauvillage  
 64200 Biarritz  
 Date of birth:  
 26 May 1958

A graduate of Institut d'études politiques de Paris and École nationale d'administration, Guillaume Pepy began his career as an auditor before becoming a legal assistant at the Conseil d'État, France's highest administrative court. Having pursued a career at ministerial office level (Technical Advisor to the Chief of Staff of the Budget department, Chief of Staff to the Minister for Civil Service and Administrative Reform, then Chief of Staff to the Minister for Labour, Employment and Vocational Training), he became Deputy Chief Executive Officer in charge of business development at the Sofres group in 1996. The following year, he took the helm at SNCF's Mainline Services unit, later becoming head of all passenger business. He created Voyages-sncf.com and served as its chairman from 1998 to 2006, before being appointed Group Chief Operating Officer by Louis Gallois in 2003. On 27 February 2008, he was appointed by Nicolas Sarkozy as Chairman of SNCF for a five-year term, and was re-appointed by François Hollande in 2013. In his second term, Guillaume Pepy's primary mission was to continue leading France's major rail reform and pave the way for the creation of the new SNCF rail group on 1 January 2020.

Guillaume Pepy has also been President of the Initiative France business support network since 30 June 2020 and Vice-President of the National Choreographic Centre in Biarritz since 11 September 2020. He is a Senior Advisor to Sales Force and to the Canadian Pension Plan Investment Board.

**Directorships and other positions held in other companies***In France:*

- ▶ Director, Patrimoine Orient-Express fund
- ▶ Director, Memorial pour la mémoire de la Shoah
- ▶ President, Initiative France
- ▶ Vice-President, National Choreographic Centre, Biarritz
- ▶ Senior Advisor to BCG Paris

*Outside France:*

- ▶ Senior Advisor to Sales Force<sup>(1)</sup>
- ▶ Senior Advisor for Europe to the Canadian Pension Plan Investment Board

**Directorships and other positions expired during the last five years**

- ▶ Director, Chairman of the Appointment, Compensation and Governance Committee, member of the Strategy Committee, and Chairman of the Audit and Financial Statements Committee, Suez<sup>(1)</sup>
- ▶ Chairman of the Management Board, SNCF
- ▶ Chairman and Chief Executive Officer, SNCF Mobilités
- ▶ Member of the Supervisory Board, Systra
- ▶ Director, Comuto SA (BlaBlaCar)
- ▶ Member of the Supervisory Board, Keolis
- ▶ Member of the Board of Directors, Nuovo Traporto Viaggiatori
- ▶ Directorships and other positions held in various SNCF group companies

(1) Listed company.

**GILLES PETIT****Member of the Supervisory Board****Member of the Strategy Committee****Chairman of the Appointments, Remuneration and CSR Committee**

Nationality: French  
 67, rue de Versailles  
 92410 Ville-d'Avray,  
 France  
 Date of birth: 22 March  
 1956

Gilles Petit is a well-known figure in the French retail landscape. Having begun his career in 1980 with Arthur Andersen, he joined the Promodès group in 1989, where at the time of the merger with Carrefour in 1999, he held the position of Chief Executive Officer of the hypermarkets division for Promodès in France. He was successively appointed Managing Director of Carrefour Belgium in 2000, Carrefour Spain in 2005, and Carrefour France in 2008, until he joined Elior as Chief Executive Officer and Chairman of the Executive Committee in 2010, taking charge of its stock market listing on Euronext Paris in 2014. He was appointed Chief Executive Officer of Maisons du Monde in 2015, and also successfully led its initial public offering.

Gilles Petit is a graduate of the École supérieure de commerce de Reims, in France.

**Directorships and other positions held in other companies***In France:*

- ▶ Chairman, Gilles Petit Conseil

*Outside France:*

- ▶ Director, B&M European Value Retail (UK)<sup>(1)</sup>

**Directorships and other positions expired during the last five years**

- ▶ Director, Maisons du Monde SA<sup>(1)</sup>
- ▶ Senior Advisor to the Chief Executive Officer of Maisons du Monde SA
- ▶ Chief Executive Officer, Maisons du Monde SA

(1) Listed company.

**NICOLAS SARKOZY****Member of the Supervisory Board****Member of the Strategy Committee**

Nationality: French  
77, rue de Miromesnil  
75008, Paris, France  
Date of birth: 28 January  
1955

Nicolas Sarkozy was the 6<sup>th</sup> President of France's Fifth Republic (2007-2012).

Mayor of Neuilly-sur-Seine (1983-2002), National Assembly Representative for Hauts-de-Seine (1988-2002), President of the General Council for Hauts-de-Seine (2004-2007), Minister for the Budget (1993-1995), Minister for Communications (1994-1995), Government spokesman (1993-1995), Minister of the Interior, Internal Security and Local Freedoms (2002-2004), Minister of State, Minister for the Economy, Finance and Industry (2004), Minister of State, Minister of the Interior and Town and Country Planning (2005-2007). He was also the elected leader of French political parties UMP (2004-2007) and Les Républicains (2014-2016).

A trained lawyer, Nicolas Sarkozy is married and has four children. He is the author of several books, including *Libre, Témoignage, La France pour la vie, Tout pour la France, Passions* and *Le Temps des Tempêtes*.

**Directorships and other positions held in other companies**

*In France:*

- ▶ Director and Chairman of the International Strategy Committee, Accor<sup>(1)</sup>
- ▶ Director and member of the Strategy Committee, Lucien Barrière group
- ▶ Member of the Supervisory Board, Lov Group Invest
- ▶ Member of the Natixis International Advisory Network<sup>(1)</sup>

*Outside France:*

- ▶ Member of the Advisory Board, Axian (Madagascar)
- ▶ Member of the Advisory Board, Chargeurs<sup>(1)</sup> (Switzerland)
- ▶ Member of the Advisory Board, SPAO Reso Garantia (Russia)

**Directorships and other positions expired during the last five years**

- ▶ Chief Executive Officer, CSC SELAS

(1) Listed company.

**SUSAN M. TOLSON****Member of the Supervisory Board****Member of the Audit Committee**

Nationality: American  
2344 Massachusetts  
Ave NW  
Washington DC 20008  
United States  
Date of birth:  
7 March 1962

Susan M. Tolson graduated from Smith College in 1984 with a B.A. cum laude before obtaining an MBA from Harvard in 1988. She joined Prudential Bache Securities as a corporate finance analyst in 1984 and subsequently took on the position of Investment Officer in Private Placements at Aetna Investment Management in 1988. In 1990, she joined The Capital Group Companies – a major private US investment fund formed in 1931 – where between April 1990 and June 2010 she successively served as a financial analyst, senior account manager and then Senior Vice-President, a position she left to join her husband in Paris.

Over the last 20 years, Susan M. Tolson has issued recommendations and made decisions relating to investments in numerous business sectors, including the media and entertainment industries.

**Directorships and other positions held in other companies**

*In France:*

- ▶ Director, WorldLine E-Payment Services<sup>(1)</sup> and Member of the Audit, Governance and Remuneration Committees

*Outside France:*

- ▶ Director, Outfront Media<sup>(1)</sup>, Chair of the Governance and Appointments Committee and member of the Audit Committee
- ▶ Director, Take-Two Interactive<sup>(1)</sup>, Chairman of the Audit Committee
- ▶ Member of the Los Angeles World Affairs Council, the Paley Center For Media and the Los Angeles Society of Financial Analysts

**Directorships and other positions expired during the last five years**

- ▶ Director, America Media, Inc.
- ▶ Member of the Board of Trustees, American University of Paris
- ▶ Honorary Chair, American Women's Group in Paris
- ▶ Director, Fulbright Commission
- ▶ Honorary Chair, American Friends of The Musée d'Orsay
- ▶ Director, the American Cinémathèque
- ▶ Director, Terra Alpha LLC

(1) Listed company.

**C) CHANGES IN COMPOSITION IN 2020****Changes in the composition of the Supervisory Board and the Supervisory Board Committees in 2020**

At 31 December 2020

	Departures	Appointments	Re-appointments
Supervisory Board	François David (28 February 2020) Xavier de Sarrau (28 February 2020) Nathalie Andrieux (5 May 2020) Martine Chêne (5 May 2020) Hélène Molinari (5 May 2020) Aline Sylla-Walbaum (17 August 2020) Yves Guillemot (27 August 2020)	Guillaume Pepy (co-opted on 27 February 2020 with effect from 28 February 2020) Nicolas Sarkozy (co-opted on 27 February 2020 with effect from 28 February 2020) Valérie Bernis (co-opted on 31 August 2020 with effect from 1 September 2020) Michel Defer (appointed on 4 November 2020 by the Group Employees' Committee)	Guillaume Pepy (5 May 2020)
Audit Committee	Nathalie Andrieux (28 February 2020) François David (28 February 2020) Xavier de Sarrau (28 February 2020) Aline Sylla-Walbaum (17 August 2020)	Guillaume Pepy (28 February 2020) Susan M. Tolson (28 February 2020)	
Appointments, Remuneration and CSR Committee	François David (28/02/2020) Hélène Molinari (28/02/2020) Aline Sylla-Walbaum (17/08/2020)	Gilles Petit (appointed Chairman of the Committee on 28 February 2020) Jamal Benomar (28 February 2020) Aline Sylla-Walbaum (28 February 2020) Valérie Bernis (co-opted on 31 August 2020 with effect from 1 September 2020)	
Strategy Committee		Guillaume Pépy (appointed Chairman of the Committee on 27 February 2020) Gilles Petit (27 February 2020) Nicolas Sarkozy (27 February 2020) Patrick Valroff (27 February 2020)	

Besides the changes recommended to the Annual General Meeting of 30 June 2021, no significant changes are planned to date in the composition of the Supervisory Board.

**D) DIVERSITY**

The Supervisory Board pays particular attention to its composition and to the composition of its Committees.

The Board has put in place a policy aimed at ensuring Board and Board Committee members have a broad range of skills (managerial, financial, strategic and/or legal), experience and knowledge of the Group's businesses, as well as different age, gender, nationality and cultural profiles. This diversity is essential to the effectiveness of the Board's work, guaranteeing high quality discussions and the proper performance of its supervisory duties.

A formal description of this policy is provided below pursuant to article L. 22-10-10 of the French Commercial Code:

In order to put this policy into place, the Board has adopted a series of criteria for selecting members that mirror these goals, based on a recommendation of the Appointments, Remuneration and CSR Committee. The composition of the Supervisory Board and the Board Committees is reviewed each year by the Appointments, Remuneration and CSR Committee, which reports its findings to the Supervisory Board and puts forward recommendations in this regard.

Each year, the Board critically reviews its composition through the self-assessment procedure.

Criteria	Objectives	Basis for implementation and 2020 results
Size of the Board	Maintain a reduced number of Supervisory Board members, including appointments required by law (employee representative member) to enable the Board to operate efficiently.	The size of the Board was reduced to a maximum of 12 members in 2018 as per the Company's Articles of Association. In 2020, as part of amendments to the Articles of Association regarding the appointment of employee representative members, it was decided to keep the maximum number of members at 12, including two members representing the Group's employees.
Age limit	Pursuant to article 12 of the Articles of Association, no more than one-third of the members of the Supervisory Board in office may be over 75 years old.	No Supervisory Board member in office was aged over 75.
Gender balance	At least 40% of members are women, in accordance with article L. 22-10-74 of the French Commercial Code.	This threshold was met before the Annual General Meeting of 5 May 2020. The resolutions put forward to the General Meeting by the Supervisory Board relating to its composition (reappointment of members) respected this threshold. However, shareholders' rejection of the resolution to reappoint Martine Chêne meant that the percentage of female members fell below 40%. On 31 August 2021, the Board decided to co-opt Valérie Bernis to replace Aline Sylla-Walbaum, who resigned.
Availability	The availability of Supervisory Board members must be sufficient to allow the Board and its Committees to operate effectively.	In 2020, the average attendance rate of members at meetings of the Supervisory Board was 97% (92% for the Audit Committee and 100% for the Strategy Committee and the Appointments, Remuneration and CSR Committee).
Qualifications and professional experience Nationality, international experience	Members must have diverse profiles with senior management experience; financial, managerial, legal, social and CSR expertise; and knowledge of the Group's businesses. They must have international experience and knowledge of the countries in which the Group conducts its business or in which it wishes to develop.	Appointment in 2020 of Nicolas Sarkozy and Guillaume Pepy (exceptional careers, unique expertise and in-depth knowledge of geopolitical and economic issues in the Group's regions and business sectors) and of Valérie Bernis (recognised experience within large international groups and strong CSR expertise). The diagram below reflects this diversity.
Independence	At least half of members must be independent pursuant to the Afep-Medef Corporate Governance Code. ( <i>Code de gouvernement d'entreprise des sociétés cotées</i> ).	All Board members are independent.
Employee representation on the Board	In accordance with the French "Pacte law" of 22 May 2019, two employee representative members must be appointed to the Board when the number of the other Board members (representing the shareholders) exceeds eight, and one employee representative member must be appointed when the number of the other Board members is equal to or less than eight.	The Annual General Meeting of 5 May 2020 amended the Articles of Association to provide for the appointment to the Supervisory Board of employee representative members by the Group Employees' Committee. The Group Employees' Committee appointed Michel Défer on 4 November 2020.



Therefore, Supervisory Board has a combination of expertise, experience and valuable skills. This is the result of a demanding and transparent review and selection process, which enables it to fulfil its role and responsibilities, wholly independently of the Managing Partners.



(\*) Media/Distribution/Innovation/New technologies/Travel Retail.

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

In view of its supervisory duties, the Board must have a majority of independent members.

At its meeting on 30 March 2021, the Appointments, Remuneration and CSR Committee therefore reviewed the situation of each of the Supervisory Board members.

In particular, the Committee considered that the volume of business assigned to the Realyze law firm and the attendant fees paid to that firm are not material to the Group or to Realize (it being specified that

Nicolas Sarkozy himself does not provide any legal advisory services to the Group), and that accordingly, Nicolas Sarkozy qualifies as an independent member.

Based on this review, it was concluded that all members, except for the employee representative, qualify as independent members in the light of the criteria for independence, applied by the Supervisory Board and stipulated in the Afep-Medef Corporate Governance Code, which it has used as a benchmark framework for analysis (see table below).

## Summary table of Supervisory Board members' compliance with the independence criteria set out in the Afep-Medef Corporate Governance Code at 31 December 2020

	P. Valroff	J. Benomar	V. Bernis	M. Defer (*)	S. Malinbaum	G. Pepy	G. Petit	N. Sarkozy	S. M. Tolson
<b>Independence criteria set out in the Afep-Medef Corporate Governance Code and applied by the Supervisory Board</b>									
Not to be and not to have been in the previous five years, (i) an employee or executive corporate officer of the Company, (ii) an employee, executive corporate officer or a director of an entity that is consolidated within the Company, or (iii) an employee, executive corporate officer or a director of the Company's parent company or an entity consolidated within that parent company.	✓	✓	✓	N/A	✓	✓	✓	✓	✓
Not to be an executive corporate officer of an entity in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive corporate officer of the Company (currently in office or having held such office within the last five years) holds a directorship.	✓	✓	✓	N/A	✓	✓	✓	✓	✓
Not to have any ties, directly or indirectly, with a customer, supplier, investment banker, commercial banker or consultant: - that is significant to the Company or the Group - or for which the Company or the Group represents a significant proportion of its activities.	✓	✓	✓	N/A	✓	✓	✓	✓	✓
Not to be related by close family ties to a Managing Partner.	✓	✓	✓	N/A	✓	✓	✓	✓	✓
Not to have been a Statutory Auditor of the Company within the previous five years.	✓	✓	✓	N/A	✓	✓	✓	✓	✓
Directors representing major shareholders of the Company or its parent may be considered as independent provided that these shareholders do not take part in control of the Company. Nevertheless, beyond a 10% threshold in capital or voting rights, the Board, upon a report by the Appointments Committee, should systematically review the qualification of a director as independent, in light of the make-up of the Company's capital and the existence of a potential conflict of interest.	✓	✓	✓	N/A	✓	✓	✓	✓	✓
Not to receive variable remuneration in cash or in the form of shares or any other remuneration linked to the performance of the Company or Group.	✓	N/A							
Conclusion	Independent	Independent	Independent	N/A	Independent	Independent	Independent	Independent	Independent
<b>Independence criteria set out in the Afep-Medef Corporate Governance Code and not applied by the Supervisory Board</b>									
Not to have been a member of the Supervisory Board for more than 12 years.	✓	✓	✓	✓	✓	✓	✓	✓	✓

(\*) Employee representative Supervisory Board member.

## 2.3.2 BOARD'S INTERNAL RULES AND OPERATION

The terms and conditions of the Supervisory Board's organisation and operations are set out in its internal rules, which also define the duties incumbent on each member and the code of professional ethics each individual member is bound to respect. These internal rules are updated regularly, most recently on 28 February 2020.

These rules concern the following:

**1. The independence of Board members:** the minimum quota for independent members is fixed at half of the total serving members. Independent members must have no direct or indirect relations of any kind with the Company, the Group or its Management that could compromise their freedom of judgement or participation in the work of the Board. It lists a number of criteria, which form a framework for determining whether or not a member may be considered independent;

**2. The annual number of meetings:** a schedule for the coming year is fixed annually, based on a proposal by the Chairman;

**3. The duties of each member:** apart from the fundamental duties of loyalty, confidentiality and diligence, members' obligations also concern knowledge of the law, regulations and statutory provisions, ownership of a significant number of shares, declaration to the Board of any conflict of interest and regular attendance at meetings;

**4. Trading in shares of the Company and its subsidiaries:** as Board members have access to inside information and in-depth knowledge on certain aspects of the life of the Company and Group, they are expected to refrain from trading in Company shares, except within the following restrictions contained in the Board's internal rules:

- ▶ no trading in shares may take place during certain defined periods,
- ▶ it is recommended that acquisitions should take place once a year, at the end of the Annual General Meeting, in the form of a block purchase carried out through the Company by each Board member,
- ▶ the General Secretariat of Lagardère SCA and the French financial markets authority (*Autorité des marchés financiers* – AMF) must be informed of any transactions in shares within three days of their completion;

**5. The existence of three committees: the Audit Committee; the Appointments, Remuneration and CSR Committee; and the Strategy Committee:** in addition to the tasks described below, these committees are responsible for preparing topics for discussion at Board meetings that fall within their remit.

In accordance with the provisions introduced by the "Pacte law" in France, the Supervisory Board approved an Internal Charter on the procedure for identifying related-party agreements subject to the monitoring procedure set out in the French Commercial Code. Any agreements considered susceptible to meeting the definition of a related-party agreement are submitted prior to signature to the General Secretariat, who determines their classification in light of the criteria set out in the charter. Agreements are regularly reviewed, particularly in the event they are amended, renewed or terminated, to ensure that the specified criteria continue to be met.

## 2.3.3 2020 WORK SCHEDULE

The Supervisory Board meets regularly to review the financial position and operations of the Company and its subsidiaries, the annual and interim financial statements, the outlook for each of the business activities taking into account corporate social responsibility issues, as well as the Group's strategy. During these meetings, the Committees report to the Board on their work. The Supervisory Board defines an annual schedule for its meetings, six of which are planned for 2021.

During 2020, the Supervisory Board met ten times with an average attendance rate of 97%.

Members of the Board closely monitored the impacts of the Covid-19 crisis on the Group's businesses, along with the action plans put in place to address these impacts.

The other work carried out by the Supervisory Board during the year mainly concerned:

- ▶ Group business and finance:
  - reviewing the annual and interim financial statements and the Group's general situation and strategy;
  - presenting the new strategic roadmap adopted by the Managing Partners.
- ▶ Governance, appointments and remuneration:
  - reviewing the findings of the independent expert as regards the assessment of the Supervisory Board;
  - setting up a Strategy Committee and updating the Supervisory Board's internal rules;
  - changing the composition of the Board's Committees;
- co-opting as Nicolas Sarkozy and Guillaume Pepy Supervisory Board members to replace Xavier de Sarrau and François David, who resigned from the Board;
- providing an advisory opinion on the Managing Partner remuneration policy;
- designing the remuneration policy for the members of the Supervisory Board;
- conducting the annual review of the Service Agreement, which remained in force during the year;
- preparing the charter to identify related-party agreements;
- preparing the Annual General Meeting of 5 May 2020, drafting the report on corporate governance and the report to the shareholders;
- providing an opinion on the draft resolutions proposed by Amber Capital to the Annual General Meeting of 5 May 2020;
- co-opting Valérie Bernis to replace Aline Sylla-Walbaum;
- presenting the findings of the working group responsible for reviewing the Group's succession plans.
- ▶ Opinions, approvals and other duties:
  - reviewing the proposed partnership between Lagardère Capital & Management and Groupe Arnault;
  - approving the re-appointment of Arnaud Lagardère as Managing Partner for a period of four years;
  - reviewing the request for calling a General Meeting submitted by Amber Capital and Vivendi.

- ▶ Corporate social responsibility:
  - reviewing the Group's CSR roadmap.

The Supervisory Board's annual seminar could not be held in 2020 due to the Covid-19 pandemic. However, immediately after the Supervisory Board meeting on 27 February 2020, the Board members held a separate meeting without the Managing Partners attending.

In addition to his traditional duties, the Chairman of the Supervisory Board also performs other specific services in view of his professional experience. The Group considers it beneficial not only to draw on his opinions on matters within the traditional remit of the Supervisory Board, but also to engage in a regular dialogue that affords him a better understanding of the key events and developments impacting the Group, so that he can, in turn, share that insight with the other

members of the Board. As such, he may be consulted by General Management on certain key or strategic events for the Group. The Chairman of the Supervisory Board must also ensure the appropriate balance between advising, taking part in the process for appointing and renewing the Board, and ensuring that any comments expressed by members of the Board, especially in meetings in which the Managing Partners are not present, are dealt with adequately. In 2020, these duties gave rise to numerous meetings with the Managing Partners, the Finance Department, the division senior executives and the Statutory Auditors, as well as to working sessions with the Internal Audit Department and the Risk, Compliance and Internal Control Department. The Chairman of the Supervisory Board is responsible for any dealings between shareholders and the Board.

### Members' attendance at Supervisory Board and Committee meetings in 2020 (for members in office at December 31, 2020)

Member of the Board	Supervisory Board meetings	Audit Committee meetings	Appointments, Remuneration and CSR Committee	Strategy Committee
Jamal Benomar	90%	-	100%	-
Valérie Bernis	100%	-	100%	-
Michel Defer	100%	-	-	-
Soumia Malinbaum	100%	-	100%	-
Guillaume Pepy	100%	100%	-	100%
Gilles Petit	100%	-	100%	100%
Nicolas Sarkozy	89%	-	-	100%
Susan M. Tolson	100%	100%	-	-
Patrick Valroff	100%	100%	-	100%

**2.3.4 SUPERVISORY BOARD COMMITTEES****A) AUDIT COMMITTEE**

<b>Members</b>	<ul style="list-style-type: none"> <li>▶ <b>Patrick Valroff (Chairman)</b></li> <li>▶ <b>Guillaume Pepy</b></li> <li>▶ <b>Susan M. Tolson</b></li> </ul> <p>Audit Committee members are appointed for their financial and/or accounting skills, assessed with particular regard to their past career (positions held in general or financial management or in an audit firm), academic background or specific knowledge of the Company's business. The expert knowledge of the members of the Audit Committee is described in section 2.3.1 of the Universal Registration Document. At 31 December 2020, all of the Audit Committee's members were independent (see table above).</p>
<b>Main tasks</b>	<p>The Committee applies all of the recommendations contained in the AMF working group's report of 22 July 2010, with the exception of those that it does not deem relevant with regard in particular to the tasks specific to a Supervisory Board of a French partnership limited by shares, and thereby:</p> <ul style="list-style-type: none"> <li>▶ reviews the accounts and the consistency of the accounting methods used for the Lagardère SCA parent company and consolidated financial statements, and monitors the process for preparing financial information;</li> <li>▶ monitors the audit of the parent company and consolidated financial statements by the Statutory Auditors;</li> <li>▶ monitors the Statutory Auditors' independence;</li> <li>▶ issues a recommendation on the Statutory Auditors nominated for re-appointment at the General Meeting;</li> <li>▶ monitors the effectiveness of internal control and risk management systems and where applicable internal audit, as regards accounting and financial reporting procedures;</li> <li>▶ ensures that the Company has internal control and risk management procedures, particularly procedures for (i) risk assessment and management, and (ii) compliance of Lagardère SCA and its subsidiaries with the main regulations applicable to them. The Audit Committee is informed of any observations and/or suggestions from the Statutory Auditors regarding these internal control procedures;</li> <li>▶ monitors the implementation of measures to prevent and detect corruption;</li> <li>▶ examines all matters pertaining to the internal auditing of the Company and its activities, the audit plan, organisation, operation and implementation;</li> <li>▶ reviews agreements directly or indirectly linking the Group and the senior executives of Lagardère SCA. Readers are reminded that the executive corporate officers' salaries are paid by Lagardère Management, which is bound to the Group by a Service Agreement. The appropriate application of this agreement, which has been approved by the Board and the shareholders as a related-party agreement, is monitored regularly. The Board has delegated this task to the Audit Committee, which includes the amount of expenses invoiced under the contract, essentially comprising the Managing Partners' remuneration.</li> </ul> <p>The Chairman of the Audit Committee reports to the members of the Board on the work conducted by the Audit Committee. The members of the Audit Committee interview the Group's key senior executives when necessary, and the Statutory Auditors also present a report on their work. In addition, Audit Committee members reserve the right to interview the Statutory Auditors without Management in attendance and to consult external experts.</p>

<b>Main activities in 2020</b>	<p>The Audit Committee met seven times in 2020 with an attendance rate of 92%, it being specified that two meetings to review the annual and interim financial statements were held several days before the Supervisory Board's meetings. During 2020, the Committee:</p> <ul style="list-style-type: none"> <li>▶ reviewed (i) the impairment tests performed on intangible assets for the purposes of the financial statements at 31 December 2019, (ii) the consolidated financial statements for 2019 and the first half of 2020, (iii) the Company's dividend coverage, and (iv) the presentation of the budget for 2021, 2022 and 2023, and the Group's cash management and cost-savings plans;</li> <li>▶ reviewed the renewal of the term of office of Mazars as Statutory Auditor and examined the Statutory Auditors' fees. The Auditors gave the Committee a presentation on the code of conduct and independence rules applicable to their profession and set out their audit plan for the coming year;</li> <li>▶ assessed the relations with Lagardère Capital &amp; Management (LC&amp;M);</li> <li>▶ analysed the work carried out by the Internal Audit Department in the first and second half of 2020 as well as the 2021 internal audit plan;</li> <li>▶ was given a presentation on (i) the organisation of risk and internal control oversight within the Group, (ii) the Group's risk map and internal control systems, (iii) the results of the internal control self-assessment, (iv) a follow-up of risk management actions undertaken, and (v) a draft risk management charter;</li> <li>▶ analysed the processes for validating planned acquisitions and divestments; updated the Group's commitments procedure; examined the Group's financing policy and information systems security policy; verified the progress of the compliance program; and reviewed the Group's legal disputes;</li> <li>▶ examined Lagardère Travel Retail's report on its sales activity with Auckland airport.</li> </ul> <p>The Audit Committee also held exceptional meetings during the year where it was given detailed presentations of the impacts of the Covid-19 pandemic on the Group's operations, particularly for Lagardère Travel Retail. The Committee also reviewed the Group's financial communications, dividend, financing and liquidity position in the context of the pandemic.</p> <p>The Audit Committee meetings were attended by the Chief Financial Officer, the Internal Audit Director, the Head of Risk Management, Compliance and Internal Control, the Accounting Director, the Group Management Control Director and the Statutory Auditors. Depending on the issues discussed, other executives were asked to provide input on an as-needed basis, including the Secretary General, the Group IT Director, the Group General Counsel, the Head of Financing and Investor Relations, and the executive management of Lagardère Travel Retail, as well as certain members of their teams.</p>
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## B) STRATEGY COMMITTEE

<b>Members</b>	<ul style="list-style-type: none"> <li>▶ <b>Guillaume Pepy (Chairman)</b></li> <li>▶ <b>Gilles Petit</b></li> <li>▶ <b>Nicolas Sarkozy</b></li> <li>▶ <b>Patrick Valroff</b></li> </ul> <p>At 31 December 2020, all of the Strategy Committee's members were independent (see table above).</p>
<b>Main tasks</b>	<p>The Strategy Committee is responsible for assisting the Supervisory Board in preparing and supporting its work on the ex-post supervision of business operations. In this respect, it receives all necessary information from the Managing Partners on:</p> <ul style="list-style-type: none"> <li>▶ the Group's main strategic focuses;</li> <li>▶ market trends, the competitive environment and the key strategic challenges facing the Group, as well as the resulting medium- and long-term outlook;</li> <li>▶ major investments and divestments that individually represent more than €100 million and are to be carried out in line with the aforementioned strategic focuses; and</li> <li>▶ any transactions likely to significantly change the Group's scope, business or financial structure.</li> </ul> <p>The Chairman of the Strategy Committee reports to (or instructs someone to report to) the members of the Board on the work conducted by the Committee.</p>
<b>Main activities in 2020</b>	<p>The Strategy Committee met seven times in 2020, with an attendance rate of 100%.</p> <p>During its meetings, the Committee reviewed the financial situation of the Group's operations and cash position, as well as Lagardère SCA's shareholder structure. It also examined the new strategic roadmap, assessed the Managing Partners' performance and recommended that Arnaud Lagardère be re-appointed as Managing Partner before the end of his term of office.</p> <p>With regard to the businesses, it reviewed in particular the progress of Lagardère News' radio operations and the Lagardère Travel Retail division.</p> <p>It also reviewed planned acquisitions and divestments, especially the planned disposal of Lagardère Studios and a projected acquisition at Lagardère Publishing (upstream review of bid).</p> <p>Depending on the issues discussed, the meetings were attended by the Group Chief Financial Officer and by the senior executives of the divisions concerned. The Chairman of the Strategy Committee reports to the Board on the work conducted and opinions given by the Committee.</p>

**C) APPOINTMENTS, REMUNERATION AND CSR COMMITTEE**

<b>Members</b>	<ul style="list-style-type: none"> <li>▶ <b>Gilles Petit (Chairman)</b></li> <li>▶ <b>Jamal Benomar</b></li> <li>▶ <b>Valérie Bernis</b></li> <li>▶ <b>Soumia Malinbaum</b></li> </ul> <p>At 31 December 2020, all of the Appointments, Remuneration and CSR Committee's members were independent (see table above).</p>
<b>Main tasks</b>	<ul style="list-style-type: none"> <li>▶ <i>Regarding Board and Committee membership:</i> <ul style="list-style-type: none"> <li>- defining the selection criteria for future members;</li> <li>- selecting and recommending Supervisory Board and Committee candidates to the Supervisory Board.</li> </ul> </li> <li>▶ <i>Regarding remuneration:</i> <ul style="list-style-type: none"> <li>- issuing an advisory opinion on the remuneration policy for the Managing Partners, approved by the General Partners;</li> <li>- monitoring, where relevant, any other components of remuneration allocated to the Managing Partners, in accordance with the remuneration policy;</li> <li>- proposing the overall amount of annual remuneration allocated to members of the Supervisory Board, which is submitted to the General Meeting for approval;</li> <li>- proposing the remuneration policy applicable to members of the Supervisory Board and its Committees, which is submitted to the General Meeting for approval.</li> </ul> </li> <li>▶ <i>Regarding governance:</i> <ul style="list-style-type: none"> <li>- issuing its opinion to the Supervisory Board concerning the appointment or re-appointment of the Managing Partners proposed by the General Partners;</li> <li>- regularly reviewing the independence of Supervisory Board members in light of the independence criteria defined by the Supervisory Board;</li> <li>- managing the annual assessment of the operations of the Board and its Committees;</li> <li>- carrying out advance assessments of potential risks of conflicts of interest between Supervisory Board members and the Lagardère group;</li> <li>- reviewing the anti-discrimination and diversity policy implemented by the Managing Partners, notably as regards the principle of balanced representation of women and men within the Group's managing bodies.</li> </ul> </li> <li>▶ <i>Regarding sustainable development (CSR):</i> <ul style="list-style-type: none"> <li>- examining the main corporate, environmental and social risks and opportunities for the Group as well as the CSR policy in place;</li> <li>- reviewing the reporting, assessment and monitoring systems allowing the Group to prepare reliable ESG data;</li> <li>- examining the Group's main lines of communication with shareholders and other stakeholders regarding corporate social responsibility matters;</li> <li>- examining and monitoring the Group's rankings attributed by ESG rating agencies.</li> </ul> </li> </ul> <p>The members of the Committee interview the Chairman of the Supervisory Board, the executive corporate officers or any other person of their choice when necessary.</p> <p>The Chairman of the Committee reports to the members of the Board on the work conducted by the Committee.</p>

**Main activities in 2020**

The Appointments, Remuneration and CSR Committee met seven times in 2020 with a 100% attendance rate. The main work carried out by the Committee during its meetings concerned the following:

- ▶ reviewing and drawing up the remuneration policies for the Managing Partners and the Supervisory Board members and preparing the corporate governance report;
- ▶ reviewing the Supervisory Board's membership structure and the independence status of its members, and putting forward recommendations to the Board about the re-appointment of existing members and the appointment of new members;
- ▶ working on the organisational and administrative aspects of the Board Committees: proposing the creation of a Strategy Committee, making changes to the Committees' membership structure and amending the internal rules of the Supervisory Board;
- ▶ preparing an opinion for the Supervisory Board on the resolutions put forward by Amber Capital at the General Meeting;
- ▶ reviewing (i) Arnaud Lagardère's performance during his term of office as Managing Partner, (ii) the presentation of the new medium-term strategic plan, and (iii) the recommendation that Arnaud Lagardère be re-appointed as Managing Partner for a four-year term;
- ▶ analysing the presentation of the findings of a study carried out by two Supervisory Board members on the Group's succession plans;
- ▶ carrying out an annual progress review for 2020 on the Group's CSR roadmap and reviewing the process used for preparing non-financial information;
- ▶ being given a presentation on (i) the diversity and anti-discrimination policy in place within the Group's management bodies and (ii) the Group's corporate sponsorship policy.

These meetings took place in the presence of the Group Secretary General and, when discussions fell within their areas of expertise, the Corporate Social Responsibility Director, the Deputy Director of Non-Financial Reporting and Environmental Responsibility, the Group Human Relations Director, and the Head of Corporate Law/Securities Law.

## 2.3.5 ASSESSMENT OF THE SUPERVISORY BOARD'S MEMBERSHIP STRUCTURE AND OPERATING PROCEDURES

Since 2009, the Supervisory Board has carried out an annual assessment of the operating procedures of the Board and its Committees in order to form an opinion on the preparation and quality of their work. Every three years, this assessment is performed by an independent consulting firm.

In this context, the Supervisory Board commissioned an independent consulting firm to carry out an external assessment in 2019, overseen by the Appointments, Remuneration and CSR Committee. The findings were presented to the Supervisory Board on 4 December 2019 and 27 February 2020.

The assessment mainly concerned the Board's membership, as well as its operation, the organisation of its meetings, access to information, the agenda and work, the amount and distribution of attendance fees, and relations between the Board and the Managing Partners. These issues were also addressed with regard to the Committees.

Members also assessed their own individual contributions. The members of the Supervisory Board voted unanimously to maintain the current *modus operandi* and not to require them to complete a

formal questionnaire specifically designed to systematically assess the contribution of their fellow members.

The members were mostly very satisfied with the membership, organisation and operation of the Board and its Committees. There was an improvement in the Board's operation and performance and attendance at meetings was very satisfactory. The Board's seminar, the topics and analyses presented, as well as the participants involved proved especially popular. The main areas that the Board members felt could be improved were (i) setting up a Strategy Committee, (ii) creating new working groups and (ii) receiving more information before meetings. There was a recommendation that certain senior executives could be asked to participate more often by the Committees and provide their input in meetings, in line with the items on the agenda.

As the findings of the assessment were presented to the Supervisory Board in February 2020, in view of the unprecedented conditions in which the Board had to work in 2020 as well as the major changes in its membership structure during the year, it was decided to carry out the next self-assessment process after the 2021 Annual General Meeting.



## 2.3.6 COMPLIANCE WITH FRENCH CORPORATE GOVERNANCE REGULATIONS – AFEP-MEDEF

The Company has applied the corporate governance principles laid down in the Afep-Medef Corporate Governance Code revised in January 2020. This code is available in the Corporate Governance section of Lagardère's website.

As stated in the introduction to the Code, most of the recommendations it contains have been established with reference to joint-stock companies with a board of directors. Companies with an executive board and supervisory board, and partnerships limited by shares, need to make adjustments as appropriate in order to implement the recommendations. By its very principle, a partnership

limited by shares has a strict separation of powers between the Managing Partners who run the company (and thereby the General Partners who have unlimited liability), and the Supervisory Board, which reviews management actions *ex-post* but does not actively participate in management.

Given Lagardère SCA's specificities in terms of French law and its own Articles of Association as a partnership limited by shares, the Board has adopted an organisational structure which is appropriate to the nature of its work in accordance the law and the recommendations of the Afep-Medef Corporate Governance Code.

Provision of the Afep-Medef Corporate Governance Code set aside or partially applied	Explanation
<b>Independence criteria</b>	
<p><b>“Not to have been a director of the corporation for more than 12 years”</b></p>	<p>It is considered that being a Board member for more than 12 years does not disqualify a member as an independent member. On the contrary, it is considered an asset in a control role within a diverse group where it inevitably takes longer to build up in-depth knowledge of the different business lines and their competitive environment and to develop a strong command of the related strategic challenges.</p> <p>Moreover, the members of the Supervisory Board consider a long period of service to be a positive factor that does not alter an independent member's judgement, moral standards or ability to freely express their views.</p> <p>However, no current Supervisory Board member has been on the Board for more than 12 years.</p>
<p><b>Remuneration Committee:</b></p> <p><b>“It is recommended [...] that one of its members should be an employee director”</b></p>	<p>As the employee representative member was only appointed on 4 November 2020, the Supervisory Board has not yet decided which committee the employee representative will join and how the Committees' membership structure will change as a result.</p>

## 2.4 REMUNERATION AND BENEFITS OF EXECUTIVE CORPORATE OFFICERS

AFR

The provisions of articles L. 22-10-75 *et seq.* of the French Commercial Code introduced by French Government Order no. 2019-1234 of 27 November 2019 concerning the remuneration of corporate officers in listed companies provide for a single, strict legal framework for the remuneration of the Managing Partners and Supervisory Board members.

The purpose of this section is therefore to present (i) the remuneration policy for the Company's executive corporate officers and (ii) the components of the total remuneration and benefits paid during or allocated in respect of 2020 to these corporate officers. This remuneration policy and the components of the executive corporate officers' remuneration packages will be submitted for shareholder approval at the Annual General Meeting to be held on 30 June 2021.

In applying the Afep-Medef Corporate Governance Code (the "Afep-Medef Code") – which the Company uses as its corporate governance framework – Lagardère has opted to use a wide interpretation of the term "executive corporate officer" as it has always applied the corresponding recommendations contained

in the Code, not only for Arnaud Lagardère, in his capacity as a Managing Partner of Lagardère SCA, but also for the Chief Operating Officers of Arjil Commanditée-Arco, Lagardère SCA's other Managing Partner.

The descriptions and explanations that follow therefore concern:

- ▶ Arnaud Lagardère, in his capacity as Managing Partner of Lagardère SCA and Chairman and Chief Executive Officer of Arjil Commanditée-Arco, Managing Partner of Lagardère SCA;
- ▶ Pierre Leroy, in his capacity as Vice-Chairman and Chief Operating Officer of Arjil Commanditée-Arco, Managing Partner of Lagardère SCA; and
- ▶ Thierry Funck-Brentano, in his capacity as Chief Operating Officer of Arjil Commanditée-Arco, Managing Partner of Lagardère SCA.

Arnaud Lagardère, Pierre Leroy and Thierry Funck Brentano as "executive corporate officers" of the Company and are referred to as such below.

### 2.4.1 REMUNERATION POLICY FOR EXECUTIVE CORPORATE OFFICERS

#### 2.4.1.1 UNDERLYING PRINCIPLES OF THE REMUNERATION POLICY FOR EXECUTIVE CORPORATE OFFICERS

In accordance with the legal framework set out in articles L. 22-10-75 *et seq.* of the French Commercial Code, the remuneration policy applicable to the executive corporate officers was approved by the General Partners on the advice issued by the Appointments, Remuneration and CSR Committee and by the Supervisory Board at their respective meetings of 30 March and 26 April 2021.

**The contribution of the Supervisory Board and Appointments, Remuneration and CSR Committee, comprising only independent members, ensures that there are no conflicts of interest when preparing, reviewing and implementing the remuneration policy.**

This procedure will be identical for any subsequent revision of the remuneration policy.

Most of the main principles underlying the remuneration policy for Lagardère SCA's executive corporate officers were set in 2003 and have been applied consistently since that date.

However, the different components of the remuneration policy are regularly reviewed and reassessed as part of the work performed by the General Partners and submitted to the Appointments, Remuneration and CSR Committee to ensure that they best reflect (i) changes in corporate governance best practices, including the recommendations of the Afep-Medef Corporate Governance Code, the French financial markets authority (*Autorité des marchés financiers* – AMF) and the French High Commission for Corporate Governance (*Haut Comité de Gouvernement d'Entreprise*), (ii) market practices as observed in the benchmarking of SBF120 companies or of comparable companies in the industries in which the Group operates, and (iii) observations and remarks that may be made to the Company within the scope of its dialogue with its shareholders and proxy advisory firms.

The aim of the remuneration policy is to achieve – through its various components – a fair balance, commensurate with the work performed and the level of responsibility, between a lump-sum, recurring portion (**annual fixed remuneration**), and a portion directly

related to the operating environment, strategy and performance of the Group (annual variable remuneration and performance shares).

Within the variable portion, a balance is also sought between the portion based on short-term objectives (**annual variable remuneration contingent on performance for the year concerned**) and the portion based on long-term objectives (**free shares subject to performance conditions assessed over a minimum period of three consecutive years, with the vesting period followed by a holding period of no less than two years**).

The aim of these performance share awards is to closely align the executive corporate officers' interests with those of the Company's shareholders in terms of long-term value creation.

The underlying performance criteria applicable to both the annual variable remuneration and the performance shares are mainly **quantitative financial criteria**, which are key indicators of the Group's overall health. These criteria are a way of assessing the Group's intrinsic performance, i.e., its year-on-year progress, based on internal indicators that are directly correlated with the Group's strategy.

The variable remuneration of the Group's executive corporate officers is also contingent on **quantitative non-financial criteria** related to the Group's key commitments under its Corporate Social Responsibility policy, which apply both to the short-term portion (annual variable remuneration) and the long-term portion (performance shares). The inclusion of these non-financial criteria is designed to encourage a model of steady, sustainable growth that mirrors the Group's corporate values and respects the environment in which it operates.

With the exception of Arnaud Lagardère, the annual variable remuneration of executive corporate officers also includes a minority portion contingent on **qualitative criteria**, based on a set of specific priority targets assigned to them each year.

In addition, executive corporate officers have a conditional right to receive a **supplementary pension** in addition to benefits under

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the basic state pension system. This benefit is taken into account when calculating their overall remuneration.

Lastly, **on a very exceptional basis**, bonuses may be awarded, under terms and conditions that always comply with best corporate governance principles and practices.

In light of all these elements, executive corporate officers do not receive:

- ▶ **multi-annual variable remuneration in cash;**
- ▶ **remuneration for any office held within the Group;**
- ▶ **benefits linked to taking up or terminating office;**
- ▶ **benefits linked to non-competition agreements.**

Furthermore, Arnaud Lagardère, who is a significant shareholder of Lagardère SCA, does not receive any free share awards or other share options, as his stake in the Company automatically guarantees that his actions over the long term will be closely aligned with the interests of shareholders, of which he is one.

**Beyond the application of market practices, the remuneration policy for executive corporate officers takes account of the remuneration and employment conditions of Company and Group personnel.** Accordingly, around 40% of Group employees have a variable component in their overall annual remuneration. Similarly, in accordance with best corporate governance practices, the Lagardère SCA free share plans are not just restricted to executive corporate officers and senior managers. They also cover over 400 Group employees, notably young high-potential managers identified during the talent management process. In addition, for a portion of the beneficiaries of these plans, free shares are allocated subject to the achievement of the same performance conditions as those applicable to the executive corporate officers.

As noted in the advice issued by the Supervisory Board and the Appointments, Remuneration and CSR Committee, **the policy ensures reasonable, fair and balanced remuneration, with a strong correlation between the interests of the executive corporate officers and the interests of the Company, its shareholders and all of its stakeholders, in line with the Group's strategy and its performance objectives.**

In accordance with the second paragraph of article L. 22-10-76, III of the French Commercial Code, exceptions may be decided as to the application of the remuneration policy by modifying, on the advice of the Appointments, Remuneration and CSR Committee, the objectives set for certain criteria applicable to the executive corporate officers' annual variable remuneration or long-term incentive instruments, provided that any such modification is justified by exceptional circumstances, such as a change in accounting standards, a material change in scope, the completion of a transformational transaction, a substantial change in market conditions or an unexpected development in the competitive landscape. Any such modification of the objectives, which would aim to ensure that the application of the criteria continues to reflect the actual performance of the Group and of the executive corporate officer, would be made public and justified, notably with regard to the Group's corporate and long-term interests. In all circumstances, the payment of variable remuneration remains subject to the approval of the shareholders.

## 2.4.1.2 COMPONENTS OF THE REMUNERATION POLICY FOR EXECUTIVE CORPORATE OFFICERS

### 2.4.1.2.A SHORT-TERM REMUNERATION COMPONENTS

#### A) Annual fixed remuneration

Annual fixed remuneration is paid in 12 equal monthly instalments over the year.

The amount of this fixed remuneration reflects the responsibilities, skills and experience of each executive corporate officer, and is reviewed at relatively long intervals in accordance with the recommendations of the Afep-Medef Code.

**Arnaud Lagardère** receives **€1,140,729** in annual fixed remuneration, unchanged since 2009.

**Pierre Leroy** receives **€1,474,000** in annual fixed remuneration, unchanged since 2011.

**Thierry Funck-Brentano** receives **€1,206,000** in annual fixed remuneration, unchanged since 2011.

#### B) Annual variable remuneration

Annual variable remuneration is calculated as a portion of a benchmark amount set for each executive corporate officer, based on **a combination of specific criteria – both financial and non-financial – directly correlated with the Group's strategy.** Annual variable remuneration is also subject to a **cap expressed as a maximum percentage of fixed remuneration** for the same fiscal year.

In accordance with article L. 22-10-77 II of the French Commercial Code, the variable remuneration of the executive corporate officers can only be paid following the approval of the General Meeting of shareholders and of the General Partners.

#### Benchmark amounts, weighting of criteria and caps

For **Arnaud Lagardère** – who receives neither variable remuneration based on qualitative criteria nor share options or performance shares – his annual variable remuneration is based on a benchmark amount of **€1,400,000 (i.e., 123% of his annual fixed remuneration)** which has remained unchanged for several years.

**Only quantitative criteria** are applied to this benchmark amount, breaking down as **financial criteria (accounting for 75%)** and **non-financial CSR criteria (accounting for 25%).**

His annual variable remuneration **may not exceed 150% of his annual fixed remuneration.**

The annual variable remuneration for the **other executive corporate officers** is based on an **aggregate benchmark amount of €600,000 (i.e., 41% of Pierre Leroy's fixed remuneration and 50% of Thierry Funck-Brentano's fixed remuneration).** This amount has remained unchanged for several years.

This benchmark amount takes into account **quantitative financial criteria, breaking down as financial criteria (accounting for 50%), non-financial CSR criteria (25%), and qualitative criteria (25%).** Annual variable remuneration is therefore mostly (i.e., 75%) based on quantitative criteria. This is more than the weighting in the previous remuneration policy, when it accounted for 66%.

The annual variable remuneration of the Co-Managing Partners is also subject to a dual cap: for both of these executive corporate officers, their annual variable remuneration **may not exceed 75% of their annual fixed remuneration**, and the amount of the **qualitative portion is capped at 25% of their annual fixed remuneration.** The qualitative portion may not therefore represent more than 33% of their maximum annual variable remuneration.

#### Quantitative financial criteria

The quantitative financial criteria underlying the executive corporate officers' annual variable remuneration correspond to **two internal criteria which have an equal weighting.** These criteria reflect key indicators of the Group's solidity:

- ▶ **recurring operating profit of fully consolidated companies (recurring EBIT);**
- ▶ **free cash flow.**

These criteria have been modified compared to the previous remuneration policy in order to reflect both (i) the impact of the Covid-19 crisis on the Group's traditional performance indicators, and (ii) the new strategic roadmap adapted to take into account the impacts of this crisis as defined in 2020.

For each of these two criteria, the General Partners validate, on the advice issued by the Appointments, Remuneration and CSR Committee and by the Supervisory Board, the "trigger level" and "target level" for the objectives, in line with the Group's provisional consolidated budget.

For each of these two criteria:

- ▶ if the target level is achieved, 100% of the benchmark amount allocated to the criterion will be awarded;
- ▶ if the level achieved is between the trigger and target levels, 0% to 100% of the benchmark amount allocated to the criterion will be awarded, as calculated on a straight-line basis;
- ▶ if the target level is exceeded, the award is proportionate to the outperformance, but cannot exceed the specified aggregate annual variable remuneration cap;
- ▶ if the trigger level is not achieved, 0% of the benchmark amount allocated to the criterion is awarded.

#### Quantitative non-financial CSR criteria

Four quantitative non-financial CSR criteria underline executive corporate officers' annual variable remuneration, **each with an equal weighting**. The criteria are related to the Group's priority commitments under its Corporate Social Responsibility policy.

Each of the four criteria used must be **relevant** to the Group's CSR roadmap, be **measurable and monitored over time using reliable systems, and be subject to specific procedures carried out by the independent third party** in the context of its report on the Group's non-financial statement, except for external criteria based on assessments performed by an independent third party.

Each of the criteria is set by the General Partners on the basis of proposals put forward by the Sustainable Development Department, on the advice of the Appointments, Remuneration and CSR Committee and of the Supervisory Board.

For each of the four criteria, trigger level and target level objectives are set under the same conditions. These targets must be demanding and consistent in terms of both the Group's historic performance and changes in its operating environment, notably in connection with its strategic refocusing.

For each of these four criteria:

- ▶ if the target level is achieved, 125% of the benchmark amount allocated to the criterion will be awarded;
- ▶ if the level achieved is between the trigger and target levels, 75% of the benchmark amount allocated to the criterion will be awarded;
- ▶ if the target level is exceeded, 150% of the benchmark amount allocated to the criterion will be awarded;
- ▶ if the trigger level is not achieved, 0% of the benchmark amount allocated to the criterion is awarded.

This system is set to evolve in 2022, with the four specific criteria listed above replaced by an **internal CSR composite index** covering a wider scope of indicators tracking the implementation of the Group's CSR strategy and performance.

#### Qualitative criteria

The qualitative criteria that apply to the **executive corporate officers' remuneration (with the exception of Arnaud Lagardère)** are based on the **following two areas, each with equal weighting**:

- ▶ **rollout of the Group's strategic plan;**
- ▶ **quality of governance and management.**

The performance levels achieved in these two areas are directly assessed by Arnaud Lagardère based on reports prepared by the relevant technical departments.

The performance level achieved – which is also submitted for approval to the Appointments, Remuneration and CSR Committee and Supervisory Board – can raise or lower the benchmark amount, although the qualitative portion of annual variable remuneration may not under any circumstances exceed 25% of the executive corporate officer's fixed remuneration for a given year.

## Summary presentation of the annual variable remuneration structure

	Managing Partner			Co-Managing Partners				
	Weighting	Benchmark amount	Maximum amount (% of fixed remuneration)	Weighting	Benchmark amount	Maximum amount (% of fixed remuneration)		
<b>Quantitative financial criteria</b>	<b>75%</b>	<b>€1,050,000</b>	<b>150%</b>	<b>50%</b>	<b>€300,000</b>			
Recurring operating profit of fully consolidated companies	37.5%	€525,000		25%	€150,000			
Free cash flow	37.5%	€525,000		25%	€150,000			
<b>Quantitative CSR criteria</b>	<b>25%</b>	<b>€350,000</b>		<b>25%</b>	<b>€150,000</b>			
Criterion 1	6.25%	€87,500		6.25%	€37,500			
Criterion 2	6.25%	€87,500		6.25%	€37,500			
Criterion 3	6.25%	€87,500		6.25%	€37,500			
Criterion 4	6.25%	€87,500		6.25%	€37,500			
<b>Qualitative criteria</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>25%</b>		<b>€150,000</b>	<b>25%</b>
Strategic plan					12.5%		€75,000	
Quality of management				12.5%	€75,000			
<b>Total</b>	<b>100%</b>	<b>€1,400,000</b>	<b>150%</b>	<b>100%</b>	<b>€600,000</b>	<b>75%</b>		

### “Clawback clause”

The General Partners decided, following approval of the Appointments, Remuneration and CSR Committee and of the Supervisory Board, to introduce a clawback clause in the remuneration policy. This clause allows some or all of the annual variable remuneration paid to the executive corporate officers to be “clawed back” under exceptional and serious circumstances.

The clawback clause is designed as an effective means of aligning the interests of management with those of shareholders. It can be activated in the exceptional event that, in the two years following payment of the annual variable remuneration, the financial data on which it was based are found to have been demonstrably and intentionally distorted. The amount clawed back in this case would represent the sums impacted by the fraud.

### 2.4.1.2.B LONG-TERM REMUNERATION COMPONENTS

#### Performance share awards

With the exception of Arnaud Lagardère, executive corporate officers are awarded performance shares on a yearly basis.

These awards are decided in the first half of the year, after publication of the Group's results for the previous year. Their terms and conditions are set by the Appointments, Remuneration and CSR Committee in compliance with the recommendations of the Afep-Medef Code. The terms and conditions in force are described below.

#### Number of performance shares awarded:

- ▶ the value of the performance share rights awarded each year to each executive corporate officer may not exceed **one-third of that officer's total remuneration** for the previous year;

- ▶ the overall number of performance share rights awarded to all executive corporate officers may not represent more than **20% of the total** free share awards authorised by the shareholders;
- ▶ furthermore, pursuant to the authorisation given by the Company's shareholders, the performance shares awarded yearly to each executive corporate officer may not exceed **0.025%** of the number of shares comprising the Company's share capital. This cap has not been revised since 2009.

#### Holding period for vested performance shares:

- ▶ **100% of the vested shares** must be held in a registered account (*nominatif pur*) for a period of **two years**, although there is no legal obligation to do so. At the end of this two-year period;
- ▶ **25% of the vested shares** must be held in a registered account (*nominatif pur*) until the beneficiary **ceases his duties as an executive corporate officer**;
- ▶ **25% of the vested shares** must be held in a registered account (*nominatif pur*) until the **value of the Lagardère SCA shares held equals at least one year's worth of the executive corporate officer's gross variable remuneration**. This value is assessed each year based on (i) the average Lagardère SCA share price for the month of December of the previous year and (ii) the fixed and variable remuneration due in respect of the past year, with the theoretical maximum level being used for the variable portion;
- ▶ each executive corporate officer formally agrees **not to enter into transactions to hedge** risks associated with their performance shares during the holding period;
- ▶ at the close of the mandatory holding periods, the corresponding shares become transferable and can be traded under the terms and conditions established by law and regulations and in accordance with the black-out periods established by Lagardère SCA in its **Confidentiality and Market Ethics Charter**.

**Vesting conditions:****► Performance conditions**

The performance conditions are based on criteria representing key indicators used for the Group's strategy, which ensure that the beneficiaries' interests are closely aligned with those of the Company and its stakeholders.

One criterion has been modified compared to the previous remuneration policy in order to reflect (i) the impact of the Covid-19 crisis on the Group's traditional performance indicators, and (ii) the new strategic roadmap adapted to take into account the impacts of this crisis as approved in 2020. The weighting applicable to non-financial criteria has also been increased, from 20% to 30%.

The criteria are all **quantitative criteria** and are assessed over a minimum period of **three consecutive fiscal years**, including the fiscal year during which the performance shares are awarded (the "reference period").

**► For 25% of the performance shares** awarded: the achievement during the reference period of a pre-defined **return on capital employed (ROCE)**.

ROCE is a relevant performance indicator reflecting the profitability of the return on the Company's operating assets and its ability to create value.

**► For 25% of the performance shares** awarded: the achievement during the reference period of a pre-defined **cumulative amount of free cash flow**.

This criterion, which reflects the Group's capacity to finance its investments and pay dividends, is also a key indicator of the Group's financial health.

For each of these two objectives, the Managing Partners, further to the approval of the Appointments, Remuneration and CSR Committee and the Supervisory Board, validate the following:

- the **"target level"** to be reached for 100% of the shares allocated to the objective to vest;
- the **"trigger level"**, corresponding to the level (i) above which 0% to 100% of the shares allocated to the objective will vest (determined on a straight-line basis) and (ii) below which no shares will vest. The trigger level cannot be lower than **66% of the target level**.

**► For 20% of the performance shares** awarded: the **comparative positioning** of Lagardère SCA's **Total Shareholder Return (TSR)** during the reference period, measured as follows:

- for 10% of the shares awarded, measured against the TSR of a panel of peer companies; and
- for 10% of the shares awarded, measured against the TSR of the other companies in the CAC Mid 60 index.

TSR incorporates both changes in share price and dividends paid, and therefore reflects the value delivered to shareholders as compared with the value created by other investments available to them. Consequently, TSR is also a key performance indicator for the Group.

For each of the 10% portions:

- 50% of the shares awarded vest if Lagardère SCA's average annual TSR during the reference period is at least equal to the average annual TSR of the reference panel;
- 100% of the shares awarded vest if Lagardère SCA's average annual TSR during the reference period is at least 2% above the average annual TSR of the reference panel;
- between 50% and 100% of the shares awarded vest on a straight-line basis if Lagardère SCA's average annual TSR during the reference period is between the average annual TSR of the

reference panel and 2% above the reference panel's average annual TSR;

- 0% of the shares awarded vest if Lagardère SCA's average annual TSR during the reference period is below the average annual TSR of the reference panel.

**► For 30% of the performance shares** awarded: the achievement of precise objectives based on three quantitative criteria related to the Group's key commitments under its **Corporate Social Responsibility** policy, each weighted equally (i.e., 10% for each criterion). This objective can for example concern gender equality, a reduction of the environmental impact of the Group's activities, employee working conditions, or overall non-financial performance.

As is the case for the variable portion of the annual remuneration, both the criteria themselves and the target and trigger levels set for each criterion are approved by the Managing Partners on the basis of proposals put forward by the Sustainable Development and CSR Department as endorsed by the Appointments, Remuneration and CSR Committee and the Supervisory Board. The criteria used must be relevant to the Group's CSR roadmap, measurable and monitored over time using reliable systems, and subject to verifications by the independent third party.

For each of the 10% portions:

- 100% of the shares awarded vest if the target level is achieved;
- 0% of the shares vest if the trigger level is not achieved;
- between 0% and 100% of the shares vest on a straight-line basis if the achievement is between the trigger level and the target level.

For each annual performance share plan, further to discussion by the Appointments, Remuneration and CSR Committee and the Supervisory Board, the Managing Partners set all of the precise performance conditions and levels, in accordance with the principles described above. The performance objectives set must be demanding and consistent, both in terms of the Group's historic performance and changes in its operating environment, notably in connection with its strategic refocusing.

**► Presence condition**

In order for the performance shares to vest, the executive corporate officer concerned must **still be an executive corporate officer of Lagardère SCA three years after the award date**.

In respect of this presence condition, rights to performance shares are:

- **forfeited** if the executive corporate officer **resigns**, is **dismissed or removed from office due to misconduct** before the end of this three-year period;
- **retained in full** in the event his office is terminated ahead of term due to **death or incapacity** before the end of this three year period;
- **retained in part** on a **pro rata** basis if the executive corporate officer **retires or is dismissed or removed from office for reasons other than misconduct** before the end of this three-year period.

Note that the performance conditions continue to apply in any event.

The rights to free shares are partly retained on a pro rata basis in the specific cases of retirement or forced departure for reasons other than misconduct, because they are an essential component of the executive corporate officer's annual remuneration and are awarded in consideration for duties performed in the year that the rights are awarded. The partial retention of these rights, which continue to be subject to achieving demanding long-term performance conditions, encourages the executive corporate officer to act in the long-term interests of the Group.

Consequently, all of the terms and conditions of the Company's performance share awards fully comply with the recommendations in the Afep-Medef Code. This is the case for (i) the applicable performance conditions, which are solely based on quantitative criteria and combine internal and comparative criteria, and financial and non financial criteria, all corresponding to key indicators for the Company's strategy, and (ii) the other terms and conditions (number of shares, vesting period, holding period etc.). All of these terms and conditions combined ensure that the performance share awards are a way of retaining the beneficiaries concerned and closely aligning their interests with those of the Company and its stakeholders.

### 2.4.1.2.C OTHER BENEFITS

#### A) Benefits in kind – business expenses

The executive corporate officers are provided with a **company car**, the potential personal use of which corresponds to a benefit in kind.

The executive corporate officers are also entitled to the reimbursement of business travel and business entertainment expenses incurred in connection with their executive duties.

#### B) Supplementary pension plan

A supplementary pension plan was set up by Lagardère Capital & Management on 1 July 2005 for executive corporate officers. This is a defined supplementary benefit plan as provided for in article L. 137-11 of the French Social Security Code (*Code de la sécurité sociale*) and article 39 of the French Tax Code (*Code général des impôts*).

In accordance with French Government Order no. 2019-697 dated 3 July 2019, which reformed the statutory supplementary pension plan regime in France, **this plan was closed to new entrants as from 4 July 2019, and benefits accrued under the plan were frozen as at 31 December 2019**. No further benefits will be accrued under the plan as from that date.

The characteristics of this supplementary pension plan fully comply with the recommendations of the Afep-Medef Code.

Only employees or senior executives of Lagardère Capital & Management who were members of the Executive Committee were eligible for this plan.

The plan is a conditional benefit plan, and the pension will only be payable if the beneficiary is still with the company at retirement age, except in the event of (i) termination (other than for serious misconduct) after the age of 55 providing the beneficiary does not take up another post, (ii) long-term disability, and (iii) early retirement. In addition, beneficiaries are required to have been members of the Executive Committee for at least five years at the date that they retire.

In the event of the beneficiary's death, 60% of the pension is transferable to the surviving spouse.

Before the plan was frozen at 31 December 2019, its beneficiaries accrued supplementary pension entitlements at a rate equal to 1.75% of the benchmark remuneration per year of membership of the plan.

The benchmark remuneration corresponded to the average gross annual remuneration over the last five years (fixed + variable up to a maximum of 100% of the fixed portion). In addition, each annual remuneration could not exceed 50 times the annual limit defined by the French social security system i.e., a maximum amount of €2,026,200 in 2019. Each beneficiary's benchmark remuneration was frozen at 31 December 2019.

As the number of years of plan membership used to calculate the benefit entitlements is capped at 20, the supplementary pension could not exceed 35% of the benchmark remuneration.

The pension entitlements are fully borne by the Company and this benefit is taken into account in determining the overall remuneration of executive corporate officers.

Under current social security laws (article L. 137-11 of the French Commercial Code), the Company is required to pay a contribution equal to 32% of the amount of the benefits, at the time that such benefits are paid.

In addition to the tax and social security contributions applicable to pensions (levied at a rate of 10.1%, of which 5.9% is tax-deductible), under current tax and social security laws, the annuities that will be paid to the beneficiaries will also be subject to the specific contribution provided for in article L. 137-11-1 of the French Social Security Code, before income tax withheld at source and any surtaxes on high incomes.

In 2021, a new supplementary "vested benefits" pension plan is to be set up in accordance with the new legal framework introduced by article L. 137-11-2 of the French Social Security Code.

This will be an individual rather than collective plan and will be "portable", in that the benefits will be attached to the employee and will be carried over even in case of a change of employer.

The terms and conditions of this new pension plan, which will be available to members of the Executive Committee, will in any event comply with the applicable legislation.

Under this plan, the supplementary pension benefits will vest at a rate of 1.25% of the benchmark remuneration each year.

The benchmark remuneration corresponds to the gross annual remuneration (fixed + variable) and cannot exceed 50 times the annual ceiling used to calculate social security contributions.

Since the maximum vesting period is 20 years, the accumulated rights are capped at 25%.

In the event of the beneficiary's death, 60% of the pension will be transferable to the surviving spouse.

In accordance with applicable legislation, vesting is subject to performance conditions and will require an achievement rate of at least 75% for the annual financial and non-financial targets used to determine the beneficiary's annual variable remuneration.

In accordance with the provisions of the instruction of 23 December 2020, this new plan would apply with retroactive effect from 1 January 2020 and exceptionally, the performance conditions will not apply to rights in respect of the 2020 fiscal year.

#### C) Termination benefit

The Company has not given any commitments to the executive corporate officers in relation to granting them any termination benefits.

However, as they are employees of Lagardère Management, the executive corporate officers (with the exception of Arnaud Lagardère) may be eligible for benefits in certain cases of contract termination, pursuant to the applicable laws, regulations and collective bargaining agreements.

In all circumstances, any benefits paid to the executive corporate officers may not exceed the cap of two years' worth of fixed and variable remuneration recommended in the Afep-Medef Corporate Governance Code.

#### D) Extraordinary remuneration

Bonuses may be granted to the executive corporate officers in very specific and exceptional circumstances, notably in connection with one-off transactions requiring extensive involvement of the executive corporate officers, particularly when the impacts of such transactions, despite being extremely significant for the Group, cannot be taken into account in determining the variable portion of their remuneration.



The conditions of any exceptional bonus awards and payments are determined in accordance with best corporate governance practices. Any exceptional bonus award, which must be disclosed and justified in detail, may not in any case exceed 150% of the annual fixed remuneration of the executive corporate officer concerned.

Over the past six years, the executive corporate officers (with the exception of Arnaud Lagardère) have only once been awarded a special bonus: in 2014, when the Group sold its stake in EADS and Canal+ France. The total amount of the bonuses paid to the Co-Managing Partners represented 0.1% of the proceeds from these divestments, of which 58% was paid over to shareholders and on average, represented 85.68% of the annual fixed remuneration of the Co-Managing Partners.

**2.4.1.2.D SUMMARY PRESENTATION OF THE REMUNERATION STRUCTURE**

As described above, the annual remuneration of the Company's executive corporate officers is structured in compliance with best corporate governance practices. The principles underlying this structure are **straightforward, stable and transparent**, and they ensure that the **interests of the executives are closely aligned with the interests of the Company and its stakeholders**.

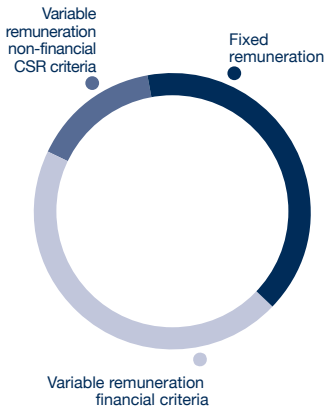
**Arnaud Lagardère**

Arnaud Lagardère's annual remuneration mainly comprises (i) **fixed remuneration** and (ii) **variable cash remuneration** that may not exceed 150% of his fixed remuneration. His variable remuneration is based on:

- ▶ **quantitative financial criteria (75% weighting);**
- ▶ **quantitative non-financial CSR criteria (25% weighting).**

As Arnaud Lagardère is a significant shareholder of Lagardère SCA, owning 7.26% of its capital and 11.03% of the voting rights, he is naturally exposed to the Company's share performance and therefore **does not receive any free share awards or share options**.

**Arnaud Lagardère**



**Pierre Leroy and Thierry Funck-Brentano**

The annual remuneration of the other executive corporate officers mainly comprises (i) **fixed remuneration**, (ii) **variable cash remuneration**, and (iii) **performance share awards**.

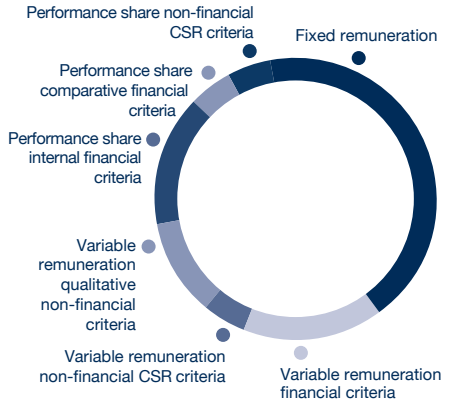
Their **variable cash remuneration** – which may not exceed 75% of their fixed remuneration – is based on:

- ▶ **quantitative financial criteria (50% weighting);**
- ▶ **quantitative non-financial CSR criteria (25% weighting);**
- ▶ **qualitative criteria (25% weighting)**, it being specified that this qualitative variable portion may not exceed 25% of their fixed remuneration.

**Performance share** awards may not represent more than 33.33% of the overall remuneration (fixed and variable) of the executive corporate officers concerned, and the vesting of the shares is contingent on long-term performance (over three consecutive fiscal years). The **applicable performance criteria – which are solely quantitative** – correspond to:

- ▶ **internal financial criteria (50% weighting);**
- ▶ **comparative financial criteria (20% weighting);**
- ▶ **non-financial CSR criteria (30% weighting).**

**Pierre Leroy and Thierry Funck-Brentano**





## 2.4.2 TOTAL REMUNERATION AND BENEFITS PAID DURING OR ALLOCATED IN RESPECT OF 2020 TO THE EXECUTIVE CORPORATE OFFICERS

This section notably includes, with regard to the executive corporate officers, the information referred to in article L. 22-10-9 of the French Commercial Code.

### 2.4.2.1 COMPONENTS OF REMUNERATION PAID OR ALLOCATED

#### A) ANNUAL FIXED REMUNERATION

The remuneration policy approved for 2020 had maintained executive corporate officers' fixed remuneration amounts unchanged for the past ten years, i.e., at €1,140,729 for Arnaud Lagardère, €1,474,000 for Pierre Leroy and €1,206,000 for Thierry Funck-Brentano.

**In the context of the Covid-19 crisis, the executive corporate officers, like the other members of the Executive Committee, voluntarily decided to reduce their fixed remuneration by 20% for April and May 2020, and to set aside the amounts to the Covid-19 Solidarity Fund created by the Company for its employees, temporary staff and partners.**

Consequently:

**Arnaud Lagardère** received **€1,102,705** in annual fixed remuneration;

**Pierre Leroy** received **€1,424,867** in annual fixed remuneration;

**Thierry Funck-Brentano** received **€1,165,800** in annual fixed remuneration.

#### B) ANNUAL VARIABLE REMUNERATION

##### Annual variable remuneration paid during 2020

As annual variable remuneration for a given year can only be calculated after the end of that year and is submitted for shareholders' approval as part of the ex-post "say on pay" vote (article L. 22-10-77, II of the French Commercial Code), it is only paid during the following year.

Consequently, the variable remuneration due to the executive corporate officers in respect of 2019 was only paid in 2020, following approval of the shareholders at the General Meeting of 5 May 2020 (under the tenth, eleventh and twelfth resolutions, each approved by 72.48% of the votes).

The amounts of variable remuneration allocated in respect of 2019 and paid in 2020 were as follows:

► For Arnaud Lagardère: €1,569,750;

► For Pierre Leroy and Thierry Funck-Brentano: €698,500.

##### Annual variable compensation allocated in respect of 2020

##### Quantitative portion of annual variable compensation

##### Financial criteria

For 2020, executive corporate officers' annual variable remuneration was based on two financial criteria: (i) **recurring operating profit of fully consolidated companies (recurring EBIT)**, and (ii) **net cash**

**from operating activities of fully consolidated companies**, applied to a benchmark amount of €1,050,000 for Arnaud Lagardère and €300,000 for Pierre Leroy and Thierry Funck-Brentano.

The benchmark amounts are then multiplied by a factor equal to the arithmetic average of the following two inputs:

- the differential between the growth rate in recurring operating profit of fully consolidated companies communicated as market guidance at the beginning of the year and the growth rate in said recurring operating profit actually attained (applied on a proportional basis in the event of a negative change and at a rate of 10% per percentage point in the event of a positive change);
- the percentage difference between the amount of net cash from operating activities of fully consolidated companies as forecast in the Group's provisional consolidated budget and the amount of net cash from operating activities of fully consolidated companies actually attained (applied on a proportional basis).

The arithmetic average of these two inputs may be impacted (downwards only) if there is a negative change in recurring operating profit of fully consolidated companies, as compared with the previous year, by directly applying the negative change percentage.

On 27 February 2020, at the time of publishing its 2019 annual results, the Company's guidance was an increase in recurring operating profit of fully consolidated companies (recurring EBIT) of between 4% and 6% at constant exchange rates, excluding the acquisition of International Duty Free and excluding the impact of the coronavirus. On 25 March 2020, in view of the uncertainty over the duration and scale of the epidemic and government-imposed lockdowns and closures, the Company suspended this guidance, which it then cancelled on 5 November 2020.

The first provisional consolidated budget approved at the start of the year forecast a net cash inflow from operating activities of fully consolidated companies of €436.6 million. In light of the impacts of the Covid-19 pandemic, this amount was revised in July 2020 and reduced to a net cash outflow of €253.8 million. The actual net cash outflow from operating activities of fully consolidated companies amounted to €96.9 million for 2020, significantly better than the amount revised in mid-year.

Based on the criteria and targets set in February 2020 before the Covid-19 pandemic really began to hit and severely disrupt the Group's operations and results, a factor of 0 was applied to the associated benchmark amounts (versus 1.12 in 2019 and 1.163 in 2018), leading to a variable financial portion equal to €0 for Arnaud Lagardère, Pierre Leroy and Thierry Funck-Brentano.

##### Non-financial CSR criteria

For 2020, the achievement levels for the non financial CSR criteria resulted in a factor of **1.125**. Consequently, the variable portion of the executive corporate officers' remuneration based on **quantitative non-financial CSR criteria amounted to €393,750 for Arnaud Lagardère** (€350,000 x 1.125) and **€112,500 for Pierre Leroy and Thierry Funck-Brentano** (€100,000 x 1.125).

Criteria	Minimum performance level	Target performance level	Level achieved	Achievement rate
Proportion of female executive managers by end-2020	42%	44%	51%	1.50
Scopes 1 & 2 CO <sub>2</sub> emissions per million euros of revenue in 2019 (tCO <sub>2</sub> e)	16.2	14.6	18.1	0
Proportion of Group employees having an employee representative at end-2019	67%	71%	73%	1.50
Percentile ranking in the Dow Jones Sustainability Index	81%	87%	93%	1.50
<b>Average</b>				<b>1.125</b>

- exceeding the target performance level corresponds to a 1.50 achievement rate;
- meeting the target performance level corresponds to a 1.25 achievement rate;
- not meeting the target performance level corresponds to a 0.75 achievement rate;
- not meeting the minimum performance level corresponds to a 0 achievement rate.

Pursuant to the remuneration policy, the criteria themselves and the minimum and target performance levels were approved on the basis of proposals put forward by the Sustainable Development and CSR Department.

The first three criteria were selected because they embody the focal areas of the Group's CSR policy (social, environmental and societal issues).

They are reported on each year in the Group's annual report, which ensures their transparency. The first three criteria also form part of the quantitative "information considered the most important", which is subject to the specific procedures carried out by the independent third party in order to draw up its report on the Group's consolidated non-financial statement.

**The first criterion – concerning the proportion of female executive managers** – is a key indicator for the Group's performance in implementing its strategy of promoting diversity. It is a growth and creativity driver and has been one of the priority objectives of the Group's CSR roadmap for many years. In addition, this criterion is fully in line with the general objective of gender diversity in senior management that is a central governance goal for modern-day companies. **The target set was exceeded, with women representing 51% of the Group's executives. In light of this, the Managing Partners decided to set a target covering a more restrictive scope of 300 top managers, effective as from 2021** (see section 2.7.4. – Executive body gender balance policy).

**The second criterion – Scopes 1 & 2 CO<sub>2</sub> emissions per million euros of revenue (tCO<sub>2</sub>e)** – is a benchmark indicator for controlling the environmental impacts of operations, which represents an essential global objective for any company with a consistent CSR strategy. The criterion used covers Scope 1 and Scope 2 emissions, i.e., direct emissions from owned or controlled sources (from stationary combustion sources using gas and fuel oil for example) and indirect emissions from the generation of purchased energy (such as electricity and district heating), for all of the Group's offices, points of sale, warehouses, live performance venues and other sites out of which it operates. These emissions correspond to elements over which the Group has real operational leverage and on which it therefore focuses as part of its CSR strategy. **The trigger level of the target was not achieved for this criterion, which was affected by government-imposed lockdowns and closures that led to the full-scale shutdown of certain activities and a sharp decline in revenue, but no corresponding energy savings.**

**The third criterion – the proportion of Group employees with an employee representative** – is a key indicator of the quality of the Group's labour relations, which is an essential component of

its CSR policy. It fits seamlessly with the clear principle of seeking a permanent balance between financial targets and HR goals. Through this employee representative system, the Group can build up a steady flow of constructive dialogue with its people, notably concerning working conditions, the goals and challenges of the Group, and the business transformations it needs to undertake.

**The target set was exceeded.**

**The final criterion – the Group's percentile ranking in the Dow Jones Sustainability Index** – is an external criterion that gives an overall evaluation of the Group's CSR performance and a comparison against other companies included in the index. Through this criterion, the Group's internal assessment based on specific criteria can be rounded out by an objective overall external evaluation performed by a recognised expert in the sector, which also gives an insight into how the Group's stakeholders view its CSR approach. Additionally, in the same way as the first three criteria, it provides transparency and ensures that the Group's performance can be tracked over the long term. **The target set for this criterion was also exceeded, as the Company's percentile ranking rose from 87% in 2019 to 93% in 2020.**

For each of the four criteria, the minimum and target performance levels have been set in such a way as to create demanding and consistent objectives that factor in (i) the Group's historic performance over the previous three years and (ii) changes in its operating environment, notably in connection with its strategic refocusing. These criteria and targets were also set at the start of the year before the Covid-19 pandemic really began to hit.

#### Qualitative portion of annual variable compensation

In light of the achievements described below, Arnaud Lagardère deemed that the targets set for 2020 had largely been met with strong personal input from the executive corporate officers in the unprecedented context of the Covid-19 crisis.

Based on this assessment, Arnaud Lagardère decided to apply a factor of **1.25** (identical to 2020 and 2019). Consequently, **the variable portion of Pierre Leroy and Thierry Funck-Brentano's remuneration based on qualitative criteria amounted to €250,000** (€200,000 x 1.25) each.

#### Execution of the Group's strategic plan

2020 saw the completion of the Group's strategic plan to refocus its business, with the disposals of Lagardère Sports to H.I.G Capital in April and of Lagardère Studios to Mediawan on 30 October 2020.

The year was also defined by the devastating Covid-19 crisis. From the outset, the Managing Partners, working closely alongside the divisional managers, assessed the impact of the pandemic on the dynamics of the Group's different markets. The aim was to draw up

a new strategic roadmap that would enable (i) Lagardère Travel Retail to emerge stronger from the crisis thanks to the implementation of an ambitious operational performance plan, (ii) Lagardère Publishing to strengthen its positions in order to confirm its power engine status, and (iii) the Group's other activities to enhance their value.

In view of the uncertainty surrounding the ongoing health crisis, the Managing Partners also bolstered the Group's financial structure by arranging a state-backed loan for €465 million, and amending and extending the term of its revolving credit facility. Against this backdrop, its covenants were redefined to take account of the impacts of the health crisis on all of the Group's businesses.

### Quality of governance and management

In the unprecedented context of the Covid-19 pandemic, the Managing Partners rapidly implemented a comprehensive action plan to address the crisis, with the overriding objective of protecting the Group's employees, customers and partners.

In terms of compliance, the Managing Partners focused particularly on (i) fighting corruption with the launch of the ethics whistleblowing line, (ii) international economic sanctions with ongoing awareness-raising sessions for the employees most exposed to such risks, and (iii) personal data protection with the design of a pedagogical Compliance Pack for all its employees.

### Summary of variable remuneration allocated in respect of 2020

The application of the quantitative and qualitative criteria described above led to the allocation of the following variable remuneration in respect of 2020, which will be paid in 2021 provided it is approved at the Annual General Meeting to be held on 30 June 2021.

	Weighting (% of benchmark amount)	Benchmark amount (in euros)	Maximum amount (% of fixed remuneration)	Achievement rate applied to the benchmark amount	Variable remuneration	
					Amount to be paid (in euros)	(% of fixed remuneration)
<b>Arnaud Lagardère</b>						
Quantitative financial criteria	75%	1,050,000	150%	0	0	0%
Quantitative non-financial CSR criteria	25%	350,000		1.125	393,750	34.52%
Qualitative criteria	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>100%</b>	<b>1,400,000</b>	<b>150%</b>		<b>393,750</b>	<b>34.52%</b>
<b>Pierre Leroy</b>						
Quantitative financial criteria	50%	300,000		0	0	0%
Quantitative non-financial CSR criteria	16.67%	100,000		1.125	112,500	7.63%
Qualitative criteria	33.33%	200,000	25%	1.25	250,000	16.96%
<b>Total</b>	<b>100%</b>	<b>600,000</b>	<b>75%</b>		<b>362,500</b>	<b>24.59%</b>
<b>Thierry Funck-Brentano</b>						
Quantitative financial criteria	50%	300,000		0	0	0%
Quantitative non-financial CSR criteria	16.67%	100,000		1.125	112,500	9.33%
Qualitative criteria	33.33%	200,000	25%	1.25	250,000	20.73%
<b>Total</b>	<b>100%</b>	<b>600,000</b>	<b>75%</b>		<b>362,500</b>	<b>30.06%</b>

### C) PERFORMANCE SHARE AWARDS

The remuneration policy approved for 2020 included the award of performance shares to the Co-Managing Partners, Pierre Leroy and Thierry Funck-Brentano, in proportions that complied with the rules set out in the 2021 remuneration policy described above, which remains unchanged in this respect.

**In the unprecedented context of the Covid-19 pandemic, the Managing Partners decided not to award any performance shares in 2020. Accordingly, the two Co-Managing Partners did not receive any performance shares during the year.**

### D) BENEFITS IN KIND – BUSINESS EXPENSES

In accordance with the remuneration policy, the executive corporate officers each had the use of a company car in 2020.

The value of this benefit-in-kind is based on the executive corporate officers' potential personal use of their car, and corresponds to the following amounts:

- ▶ For Arnaud Lagardère: €18,616;
- ▶ For Pierre Leroy: €16,281;
- ▶ For Thierry Funck-Brentano: €13,644.

**E) SUPPLEMENTARY PENSION PLAN**

In accordance with French Government Order no. 2019-697 dated 3 July 2019, which reformed the statutory supplementary conditional benefit pension plan in France governed by article L. 137-11 of the French Social Security Code, the plan available to the executive corporate officers was closed to new entrants as from 4 July 2019, and benefits accrued under the plan along with the officers' benchmark remuneration were frozen as at 31 December 2019.

No amounts were paid to the executive corporate officers under this plan in 2020. At 31 December 2020, the estimated amounts of the future pension annuities were €686,490 for Arnaud Lagardère and Pierre Leroy, and €669,144 for Thierry Funck-Brentano.

**F) EXTRAORDINARY REMUNERATION**

The executive corporate officers did not receive any extraordinary remuneration for 2020.

**2.4.2.2 SUMMARY TABLES**

The information and tables provided in this section show the remuneration of the Company's executive corporate officers based

on the presentation format recommended in the Afep-Medef Code and AMF recommendation 2021-02.

**Arnaud Lagardère**

Summary of gross remuneration and benefits (before deducting social security contributions)				
	Fiscal year 2019		Fiscal year 2020	
	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Fixed remuneration	1,140,729	1,140,729	1,140,729 <sup>(1)</sup>	1,102,705 <sup>(1)</sup>
Variable remuneration	1,569,750 <sup>(2)</sup>	1,628,200 <sup>(2)</sup>	393,750 <sup>(2)</sup>	1,569,750 <sup>(2)</sup>
Extraordinary remuneration	-	-	-	-
Remuneration allocated for offices held	-	-	-	-
Benefits in kind	18,616	18,616	18,616	18,616
<b>Total</b>	<b>2,729,095</b>	<b>2,787,545</b>	<b>1,553,095</b>	<b>2,691,071</b>

(1) Members of the Executive Committee decided to reduce their fixed remuneration for April and May 2020 by 20%.

(2) As the variable portion of annual remuneration for a given year can only be calculated after the end of that year, it is paid during the following year.

Arnaud Lagardère, who is a significant shareholder of the Company, has not been awarded any share options or free shares since his appointment as General and Managing Partner in 2003.

► **Share options granted during the year:** none.

► **Share options exercised during the year:** none.

► **Performance share rights granted during the year:** none.

► **Performance shares that became available during the year:** none.

Total remuneration and benefits, share options and performance shares granted		
	Fiscal year 2019	Fiscal year 2020
Remuneration allocated for the year (details in previous table)	2,729,095	1,553,095
Value of multi-annual variable remuneration allocated during the year	None	None
Value of share options granted during the year	None	None
Value of performance share rights granted during the year	None	None
<b>Total</b>	<b>2,729,095</b>	<b>1,553,095</b>

**Pierre Leroy**

Summary of gross remuneration and benefits (before deducting social security contributions)				
	Fiscal year 2019		Fiscal year 2020	
	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Fixed remuneration	1,474,000	1,474,000	1,474,000 <sup>(1)</sup>	1,424,867 <sup>(1)</sup>
Variable remuneration	698,500 <sup>(2)</sup>	723,900 <sup>(2)</sup>	362,500 <sup>(2)</sup>	698,500 <sup>(2)</sup>
Extraordinary remuneration	-	-	-	-
Remuneration allocated for offices held	-	-	-	-
Benefits in kind	16,281	16,281	16,281	16,281
<b>Total</b>	<b>2,188,781</b>	<b>2,214,181</b>	<b>1,852,781</b>	<b>2,139,648</b>

(1) Members of the Executive Committee decided to reduce their fixed remuneration for April and May 2020 by 20%.

(2) As the variable portion of annual remuneration for a given year can only be calculated after the end of that year, it is paid during the following year.

- ▶ **Share options granted during the year:** none.
- ▶ **Share options exercised during the year:** none.
- ▶ **Performance share rights granted during the year:** none.
- ▶ **Performance shares that became available during the year:** 16,000.

The mandatory holding period for the 32,000 performance shares which vested for Pierre Leroy on 1 April 2018 under the 1 April 2015 plan ended on 1 April 2020. According to the holding rules defined by the Supervisory Board in accordance with the applicable laws and with the recommendations of the Afep-Medef Corporate Governance Code, half of these shares are still subject to holding periods based on the valuation of Pierre Leroy's share portfolio and the termination of his duties.

- ▶ **Performance shares that vested during the year:** 5,856.

Of the 32,000 performance shares granted to Pierre Leroy under the 6 April 2017 plan, 5,856 shares (i.e., 18.3%) vested on 7 April 2020,

resulting from the application of the performance conditions provided for in the decision to award the shares.

Achievement of the objective relating to growth in Group recurring operating profit:

- ▶ average annual growth rate for Group recurring operating profit between 2017 and 2019:  $(6.74\% + 2.14\% + 5.63\%)/3 = 4.84\%$ ;
- ▶ achievement rate of objective = 0% (below the trigger level of 7.36%).

Achievement of the objective relating to net cash from operating activities of fully consolidated companies:

- ▶ average annual amount of net cash from operating activities of fully consolidated companies between 2017 and 2019:  $(318 + 455 + 474) = \text{€}415.6 \text{ million}$ ;
- ▶ achievement rate of objective  $(415.6 - 349.5)/(529.6 - 349.5) = 36.7\%$ .

Total remuneration and benefits, share options and performance shares granted		
	Fiscal year 2019	Fiscal year 2020
Remuneration awarded for the year (see previous table)	2,188,781	1,852,781
Value of multi-annual variable remuneration awarded for the year	None	None
Value of share options granted during the year	None	None
Value of rights to performance shares awarded during the year	524,480	0
<b>Total</b>	<b>2,713,261</b>	<b>1,852,781</b>

## Thierry Funck-Brentano

Summary of gross remuneration and benefits (before deducting social security contributions)				
	Fiscal year 2019		Fiscal year 2020	
	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Fixed remuneration	1,206,000	1,206,000	1,206,000 <sup>(1)</sup>	1,165,800 <sup>(1)</sup>
Variable remuneration	698,500 <sup>(2)</sup>	723,900 <sup>(2)</sup>	362,500 <sup>(2)</sup>	698,500 <sup>(2)</sup>
Extraordinary remuneration	-	-	-	-
Remuneration allocated for offices held	-	-	-	-
Benefits in kind	13,644	13,644	13,644	13,644
<b>Total</b>	<b>1,918,144</b>	<b>1,943,544</b>	<b>1,582,144</b>	<b>1,877,944</b>

(1) Members of the Executive Committee decided to reduce their fixed remuneration for April and May 2020 by 20%.

(2) As the variable portion of annual remuneration for a given year can only be calculated after the end of that year, it is paid during the following year.

- ▶ **Share options granted during the year:** none.
- ▶ **Share options exercised during the year:** none.
- ▶ **Performance share rights granted during the year:** none.
- ▶ **Performance shares that became available during the year:** 24,000.

The mandatory holding period for the 32,000 performance shares which vested for Thierry Funck-Brentano on 1 April 2018 under the 1 April 2015 plan ended on 1 April 2020. According to the holding rules defined by the Supervisory Board in accordance with the applicable laws, a quarter of these shares are still subject to a holding period until the termination of Thierry Funck-Brentano's duties. Since the valuation of Thierry Funck-Brentano's share portfolio is higher than one year of his fixed and variable remuneration, the holding period established in accordance with the recommendations of the Afep-Medef Corporate Governance Code and applicable to a quarter of the shares, no longer applies.

- ▶ **Performance shares that vested during the year:** 5,856.

Of the 32,000 performance shares granted to Thierry Funck-Brentano under the 6 April 2017 plan, 5,856 shares (i.e., 18.3% of the total shares granted) vested on 7 April 2020, resulting from the application of performance conditions provided for in the decision to award the shares:

Achievement of the objective relating to growth in Group recurring operating profit:

- ▶ average annual growth rate for Group recurring operating profit between 2017 and 2019:  $(6.74\% + 2.14\% + 5.63\%)/3 = +4.84\%$ ;
- ▶ achievement rate of objective = 0% (below the trigger level of 7.36%).

Achievement of the objective relating to net cash from operating activities of fully consolidated companies:

- ▶ average annual amount of net cash from operating activities of fully consolidated companies between 2017 and 2019:  $(318 + 455 + 474) = €415.6$  million;
- ▶ achievement rate of objective  $(415.6 - 349.5) / (529.6 - 349.5) = 36.7\%$ .

Total remuneration and benefits, share options and performance shares granted		
	Fiscal year 2019	Fiscal year 2020
Remuneration allocated for the year (details in previous table)	1,918,144	1,582,144
Value of multi-annual variable remuneration allocated during the year	None	None
Value of share options granted during the year	None	None
Value of performance share rights granted during the year	524,480	None
<b>Total</b>	<b>2,442,624</b>	<b>1,582,144</b>

Share options<sup>(1)</sup>

	Plans expired					
	2001 Plan	2002 Plan	2003 Plan	2004 Plan	2005 Plan	2006 Plan
Date of AGM	23 May 2000		23 May 2000 and 13 May 2003	11 May 2004		2 May 2006
Date of Board of Directors' or Executive Board meeting (as relevant)	Not relevant to Lagardère SCA, which is a French partnership limited by shares Grant date = date of decision by the Managing Partners					
Total number of shares under option <sup>(1)</sup>	1,271,740 <sup>(1)</sup>	1,313,639 <sup>(1)</sup>	1,453,451 <sup>(1)</sup>	1,577,677 <sup>(**)</sup>	1,736,769 <sup>(**)</sup>	1,919,029 <sup>(**)</sup>
<b>O/w shares available for subscription or purchase by Managing Partners and members of the Supervisory Board<sup>(1)</sup>:</b>						
Arnaud Lagardère	50,560	50,554	0	0	0	0
Pierre Leroy	30,336	30,333	40,444	50,433	62,345	62,350
Philippe Camus	20,224	20,222	30,333	30,336	50,000	50,000
Dominique D'Hinnin	30,336	30,333	40,444	50,433	62,345	62,350
Thierry Funck-Brentano	30,336	30,333	40,444	50,433	62,345	62,350
Start of exercise period	19 Dec. 2003	19 Dec. 2004	18 Dec. 2005	20 Nov. 2006	21 Nov. 2007	14 Dec. 2008
Option expiry date	19 Dec. 2008	19 Dec. 2009	18 Dec. 2013	20 Nov. 2014	21 Nov. 2015	14 Dec. 2016
Subscription or purchase price	€46.48 <sup>(1)</sup>	€51.45 <sup>(1)</sup>	51.45 <sup>(1)</sup>	€41.64 <sup>(***)</sup>	€45.69 <sup>(**)</sup>	€44.78 <sup>(**)</sup>
Number of shares vested at 28 February 2019	30,336 <sup>(2)</sup>	-	-	-	-	-
<b>Total number of share options cancelled or forfeited:</b>						
Arnaud Lagardère	50,560	50,554	-	-	-	-
Pierre Leroy		30,333	40,444	50,433	62,345	62,350
Philippe Camus	20,224	20,222	30,333	30,336	50,000	50,000
Dominique D'Hinnin	30,336	30,333	40,444	50,433	62,345	62,350
Thierry Funck-Brentano	30,336	30,333	40,444	50,433	62,345	62,350
<b>Share options<sup>(1)</sup> outstanding at end-2018:</b>						
Arnaud Lagardère	0	0	-	-	-	-
Pierre Leroy	0	0	0	0	0	0
Dominique D'Hinnin	0	0	0	0	0	0
Thierry Funck-Brentano	0	0	0	0	0	0

(1) Share purchase plans only.

(2) Exercised by Pierre Leroy on 20 December 2005.

(1) After adjustment on 6 July 2005.

(\*\*) After adjustment on 20 June 2014.

(\*\*\*) After adjustments on 6 July 2005 and 20 June 2014.

## Historical information on performance share awards

	Plan 1	Plan 2	Plan 3	Plan 4	Plan 5	Plan 6	Plan 7	Plan 8	Plan 9	Plan 10
<b>Date of AGM</b>	28 April 2009	28 April 2009	28 April 2009	28 April 2009	3 May 2013	3 May 2013	3 May 2016	3 May 2016	3 May 2016	10 May 2019
<b>Date of grant<sup>(*)</sup></b>	31 Dec. 2009	17 Dec. 2010	29 Dec. 2011	25 June 2012	26 Dec. 2013	1 April 2015	9 May 2016	6 April 2017	16 April 2018	14 May 2019
<b>Total number of free shares granted<sup>(**)</sup></b>	50,000	116,000	104,000	115,017	115,017	96,000	64,000	64,000	64,000	64,000
<b>Of which granted to:</b>										
Arnaud Lagardère <sup>(***)</sup>	-	-	-	-	-	-	-	-	-	-
Pierre Leroy	25,000	29,000	26,000	38,339	38,339	32,000	32,000	32,000	32,000	32,000
Philippe Camus	25,000	29,000	26,000	-	-	-	-	-	-	-
Dominique D'Hinnin	-	29,000	26,000	38,339	38,339	32,000	-	-	-	-
Thierry Funck-Brentano	-	29,000	26,000	38,339	38,339	32,000	32,000	32,000	32,000	32,000
<b>Vesting date</b>	2 April 2012 2 April 2014	2 April 2013	2 April 2014	1 April 2015	1 April 2017	1 April 2018	10 May 2019	7 April 2020	17 April 2021	15 May 2022
<b>End of holding period<sup>(****)</sup></b>	2 April 2014	2 April 2015	2 April 2016	1 April 2017	1 April 2019	1 April 2020	10 May 2021	7 April 2022	17 April 2023	15 May 2024
<b>Performance conditions</b>	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Number of shares vested at 31 March 2021</b>	42,310	59,547	72,054	104,253	111,036	96,000	47,180	11,712	-	-
<b>Total number cancelled or forfeited</b>	7,690	56,453	31,946	10,764	3,981	0	16,820	52,288	-	-
Arnaud Lagardère	-	-	-	-	-	-	-	-	-	-
Pierre Leroy	3,845	9,151	1,982	3,588	1,327	0	8,410	26,144	-	-
Philippe Camus	3,845	29,000	26,000	-	-	-	-	-	-	-
Dominique D'Hinnin	-	9,151	1,982	3,588	1,327	0	-	-	-	-
Thierry Funck-Brentano	-	9,151	1,982	3,588	1,327	0	8,410	26,144	-	-
<b>Performance shares outstanding at 2019<sup>(**)</sup></b>	-	-	-	-	-	-	-	-	64,000	64,000
Arnaud Lagardère	-	-	-	-	-	-	-	-	-	-
Pierre Leroy	-	-	-	-	-	-	-	-	32,000	32,000
Philippe Camus	-	-	-	-	-	-	-	-	-	-
Dominique D'Hinnin	-	-	-	-	-	-	-	-	-	-
Thierry Funck-Brentano	-	-	-	-	-	-	-	-	32,000	32,000

(\*) Since Lagardère SCA is a French partnership limited by shares, performance share awards are the responsibility of the Managing Partners and are only coordinated by the Supervisory Board.

(\*\*) After adjustment on 20 June 2014.

(\*\*\*) Arnaud Lagardère, Managing Partner, does not receive any performance shares.

(\*\*\*\*) Applicable to 50% of the vested shares. The shares corresponding to the remaining 50% are subject to additional holding conditions (see section 2.4.1.2.B above).



## Other

Executive corporate officers	Employment contract <sup>(1)</sup>		Supplementary pension plan		Indemnities or benefits receivable or likely to be receivable due to a termination or change of function		Indemnities receivable under a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Arnaud Lagardère Position: Managing Partner Date of appointment: } Renewed End of term of office: } 17 August 2020 for a four year term		X	X <sup>(2)</sup>			X		X
Pierre Leroy Position: Managing Partner <sup>(a)</sup> Date of appointment: End of term of office:		NA <sup>(1)</sup>	X <sup>(2)</sup>			X <sup>(3)</sup>		X
Thierry Funck-Brentano Position: Managing Partner <sup>(b)</sup> Date of appointment: End of term of office:		NA <sup>(1)</sup>	X <sup>(2)</sup>			X <sup>(3)</sup>		X

(a) Deputy Chairman and Chief Operating Officer of Arjil Commanditée-Arco whose term of office as Managing Partner of Lagardère SCA was renewed on 9 March 2016 for a six-year period.

(b) Chief Operating Officer of Arjil Commanditée-Arco, appointed in that capacity on 10 March 2010 for a six-year period and on 9 March 2016 for a further six-year period.

(1) The AfeP-Medef Corporate Governance Code recommendations that company officers should not hold employment contracts with the company only apply to the following persons: Chairman of the Board of Directors, Chairman and Chief Executive Officer, Chief Executive Officer of companies with a Board of Directors, Chairman of the Management Board, Chief Executive Officer of companies with a Management Board and Supervisory Board, and Managing Partners of French partnerships limited by shares (SCA).

(2) See section 2.4.1.2.C B) above.

(3) See section 2.4.1.2.C C) above.

## PAY RATIOS

French Government Order 2019-1234 of 27 November 2019 introduced the requirement for companies to disclose, in their corporate governance reports, the following information for each executive corporate officer:

- ▶ the ratios between (i) the remuneration of the officer and (ii) the average and median remuneration, on a full-time equivalent basis, of the Company's non-executive employees;
- ▶ year-on-year changes in remuneration; the Company's performance; the average remuneration, on a full-time equivalent basis, of the Company's employees; and the above ratios, covering at least the past five years.

In addition to this legal requirement, the Afep-Medef Code recommends that listed companies with a low number of employees publish this information based on a scope that is more representative of their overall payroll or workforce in France. The Afep-Medef Code states that 80% of a company's workforce in France can be considered as a representative scope.

Lagardère SCA has less than ten employees, not including the executive corporate officers who are employed by Lagardère Management.

Consequently, the tables below set out the required disclosures concerning (i) the scope corresponding to Lagardère SCA, in compliance with the compulsory provisions of Government Order, 2019-1234 of 27 November 2019, which have been applied on a voluntary basis, and (ii) the scope corresponding to all of the French companies exclusively controlled by Lagardère SCA within the meaning of article L. 233-16, II of the French Commercial Code, in accordance with recommendation 26.2 of the Afep-Medef Code.

The tables below show **the remuneration paid or allocated during each year from 2016 to 2020** (i.e., including variable remuneration allocated in respect of the preceding year).

The remuneration amounts presented include – for the executive corporate officers as well as employees – the fixed portions, variable

portions, and extraordinary remuneration paid during the year stated, on a gross basis.

In accordance with Afep-Medef guidelines, they also include **free shares awarded during the year**, valued in accordance with IFRS. The value stated corresponds to their grant-date valuation and therefore does not actually represent the value of the shares that will effectively be delivered at the end of the vesting period, which will depend on (i) the Company's share price on the delivery date and (ii) the achievement rate of the applicable performance conditions. For the Company's free share plans awarded in 2016, 2017 and 2018, the average delivery rate of shares to executive corporate officers was 31%. In addition, the value of the shares at their delivery date still does not reflect an amount paid to executive corporate officers since the shares cannot in any case be sold before the end of a minimum period of two years, and one-half of the shares remains subject to further holding periods.

The amounts shown below do not, however, include the valuation of benefits-in-kind or, for employees, the components of employee savings plans (statutory and discretionary profit-shares, etc.), as details of these components cannot be provided for all of the employees included in the French scope.

Finally, the performance criteria presented are the financial criteria applied for calculating the executive corporate officers' annual variable remuneration for fiscal years 2015 to 2020:

- ▶ the growth rate for recurring operating profit of fully consolidated companies, determined based on the rules defined in the Group's market guidance; and
- ▶ net cash from operating activities of fully consolidated companies, which represents the cash generated by the Group's operations.

As the remuneration amounts shown for each year are the amounts actually paid, these performance indicators are given each time for year Y-1, i.e., the year in respect of which they were assessed for the purpose of calculating the executive corporate officers' variable remuneration for year Y.

## Arnaud Lagardère

	2016	2017	2018	2019	2020
Remuneration paid or allocated during the year (in €)	2,851,822	2,851,822	2,445,529	2,768,929	<b>2,672,455</b>
Average remuneration paid or allocated during the year to Company employees (in €)	444,525	415,095	328,974	352,018	<b>277,431</b>
Ratio versus the average remuneration of Company employees	6	7	7	8	<b>10</b>
Median remuneration paid or allocated during the year to Company employees (in €)	269,460	255,548	251,902	260,472	<b>212,681</b>
Ratio versus the median remuneration of Company employees	11	11	10	11	<b>13</b>
Average remuneration paid or allocated during the year to Group employees in France (in €)	55,032	57,659	56,468	56,098	<b>52,338</b>
Ratio versus the average remuneration of Group employees in France	52	49	43	49	<b>51</b>
Median remuneration paid or allocated during the year to Group employees in France* (in €)	50,985	51,771	50,535	50,745	<b>50,675</b>
Ratio versus the median remuneration of Group employees in France*	56	55	48	55	<b>53</b>
Year-on-year increase in Group recurring operating profit (in %)	+8.84	+13.5	+6.74	+2.14	<b>+5.63</b>
Net cash from operating activities of fully consolidated companies in the prior year (in €m)	523.7	457.9	318.2	482.5	<b>513.6</b>

(\*) The median remuneration of Group employees in France and the corresponding ratio do not include the value of free shares as this component cannot be disclosed meaningfully for this extremely wide scope. No free shares were awarded in 2020.

## Pierre Leroy

	2016	2017	2018	2019	2020
Remuneration paid or allocated during the year (in €)	2,837,485*	2,959,280*	2,702,440*	2,722,380*	<b>2,123,367</b>
Average remuneration paid or allocated during the year to Company employees (in €)	444,525	415,095	328,974	352,018	<b>277,431</b>
Ratio versus the average remuneration of Company employees	6	7	8	8	<b>8</b>
Median remuneration paid or allocated during the year to Company employees (in €)	269,460	255,548	251,902	260,472	<b>212,681</b>
Ratio versus the median remuneration of Company employees	11	12	11	10	<b>10</b>
Average remuneration paid or allocated during the year to Group employees in France (in €)	55,032	57,659	56,468	56,098	<b>52,338</b>
Ratio versus the average remuneration of Group employees in France	52	51	48	49	<b>41</b>
Median remuneration paid or allocated during the year to Group employees in France** (in €)	50,985	51,771	50,535	50,745	<b>50,675</b>
Ratio versus the median remuneration of Group employees in France**	44	43	42	43	<b>42</b>
Year-on-year increase in Group recurring operating profit (in %)	+8.84	+13.5	+6.74	+2.14	<b>+5.63</b>
Net cash from operating activities of fully consolidated companies in the prior year (in €m)	523.7	457.9	318.2	482.5	<b>513.6</b>

(\*) Including 32,000 performance share rights valued in accordance with IFRS. No free shares were awarded in 2020. The average overall delivery rate of shares awarded in 2016, 2017 and 2018 was 31%. Following delivery, the shares are in any case subject to a holding period of at least two years, and one-quarter of the shares are to be held until termination of his duties within the Group.

(\*\*) The median remuneration of Group employees in France and the corresponding ratio do not include the value of free shares as this component cannot be disclosed meaningfully for this extremely wide scope. No free shares were awarded in 2020.

**Thierry Funck-Brentano**

	2016	2017	2018	2019	2020
Remuneration paid or allocated during the year (in €)	2,569,485*	2,681,280*	2,434,440*	2,454,380*	<b>1,864,300</b>
Average remuneration paid or allocated during the year to Company employees (in €)	444,525	415,095	328,974	352,018	<b>277,431</b>
Ratio versus the average remuneration of Company employees	6	6	7	7	<b>7</b>
Median remuneration paid or allocated during the year to Company employees (in €)	269,460	255,548	251,902	260,472	<b>212,681</b>
Ratio versus the median remuneration of Company employees	10	11	10	9	<b>9</b>
Average remuneration paid or allocated during the year to Group employees in France (in €)	55,032	57,659	56,468	56,098	<b>52,338</b>
Ratio versus the average remuneration of Group employees in France	47	47	43	44	<b>36</b>
Median remuneration paid or allocated during the year to Group employees in France** (in €)	50,985	51,771	50,535	50,745	<b>50,675</b>
Ratio versus the median remuneration of Group employees in France**	39	38	36	38	<b>37</b>
Year-on-year increase in Group recurring operating profit (in %)	+8.84	+13.5	+6.74	+2.14	<b>+5.63</b>
Net cash from operating activities of fully consolidated companies in the prior year (in €m)	523.7	457.9	318.2	482.5	<b>513.6</b>

(\*) Including 32,000 performance share rights valued in accordance with IFRS. No free shares were awarded in 2020. The average overall delivery rate of shares awarded in 2016, 2017 and 2018 was 31%. Following delivery, the shares are in any case subject to a holding period of at least two years, and one-quarter of the shares are to be held until termination of his duties within the Group.

(\*\*) The median remuneration of Group employees in France and the corresponding ratio do not include the value of free shares as this component cannot be disclosed meaningfully for this extremely wide scope. No free shares were awarded in 2020.

### 2.4.2.3 APPROVAL OF THE COMPONENTS OF REMUNERATION PAID DURING OR ALLOCATED IN RESPECT OF 2020 TO THE EXECUTIVE CORPORATE OFFICERS

The fixed, variable and extraordinary components making up the total remuneration and benefits paid during or allocated in respect

of 2020 to the executive corporate officers are, in accordance with article L. 22-10-77, II of the French Commercial Code, submitted to the approval of the Company's shareholders at the Annual General Meeting to be held on 30 June 2021.

These components, which are described in detail in the preceding sections, are summarised below in the format recommended in the Afeq-Medef Code.

#### Arnaud Lagardère

Components of remuneration put to the shareholders' vote	Amounts paid in 2020	Amounts allocated in respect of 2020 (or accounting values)	Presentation
Annual fixed remuneration	€1,102,705	€1,140,729	<ul style="list-style-type: none"> <li>▶ The amount of gross fixed remuneration awarded in 2020 has remained unchanged since 2009. In the context of the Covid-19 crisis, Arnaud Lagardère decided to reduce his fixed remuneration by 20% for April and May 2020, and to set aside the corresponding amounts to the Covid-19 Solidarity Fund created by the Company for its employees and partners.</li> </ul>
Annual variable remuneration	€1,569,750 (amount allocated in respect of 2019, approved by 72.48% of the votes cast at the 5 May 2020 Annual General Meeting - 10 <sup>th</sup> resolution)	€393,750	<ul style="list-style-type: none"> <li>▶ This annual variable remuneration is based solely on quantitative financial criteria (75% weighting) and non-financial CSR criteria (25% weighting).</li> <li>▶ The financial criteria are related to the Group's performance in 2020 (growth rate for Group recurring operating profit compared with the target growth rate for Group recurring operating profit communicated as market guidance, and net cash from operating activities of fully consolidated companies compared with the budget prepared at the start of the year. The average of the figures calculated based on these two criteria may be reduced, where appropriate, by applying the ratio between Group recurring operating profit in 2020 and that generated in 2019) (see section 2.4.2.1 of the Universal Registration Document).</li> <li>▶ The non-financial CSR criteria are related to the Group's 2020 performance concerning its priority commitments under its Corporate Social Responsibility policy (e.g., proportion of female executive managers, Scopes 1 &amp; 2 CO<sub>2</sub> emissions per million euros of revenue, proportion of staff that have an employee representative, ranking in the Dow Jones Sustainability Index) (see section 2.4.2.1 of the Universal Registration Document).</li> <li>▶ The achievement rates are applied to a benchmark amount of (i) €1,050,000 for the financial criteria (75% weighting) and (ii) €350,000 for CSR non-financial criteria (25% weighting).</li> <li>▶ Arnaud Lagardère's annual variable remuneration may not exceed 150% of his annual fixed remuneration.</li> <li>▶ Based on the achievement rates attained in 2020 (0 for the financial criteria set in February 2020 before the full impacts of the Covid-19 crisis had been felt by the Group, and 1.125 for the non-financial CSR criteria), Arnaud Lagardère's annual variable remuneration amounted to 34.52% of his annual fixed remuneration in 2020.</li> </ul>
Multi-annual cash-settled variable remuneration	N/A	N/A	<ul style="list-style-type: none"> <li>▶ Arnaud Lagardère does not receive any multi-annual cash-settled variable remuneration.</li> </ul>
Share options, performance shares and other grants of securities	N/A	N/A	<ul style="list-style-type: none"> <li>▶ Arnaud Lagardère has not received any share options, performance shares, or other grants of securities since his appointment as Managing Partner in 2003.</li> </ul>
Extraordinary remuneration	N/A	N/A	<ul style="list-style-type: none"> <li>▶ Arnaud Lagardère did not receive any extraordinary remuneration for 2020.</li> </ul>
Remuneration for offices held	N/A	N/A	<ul style="list-style-type: none"> <li>▶ Arnaud Lagardère was not entitled to and did not receive any directors' fees for 2020.</li> </ul>

Components of remuneration put to the shareholders' vote	Amounts paid in 2020	Amounts allocated in respect of 2020 (or accounting values)	Presentation
Benefits in kind		€18,616	► This corresponds to Arnaud Lagardère's potential personal use of a company car.
Benefits linked to taking up or terminating office	N/A	N/A	► Arnaud Lagardère is not entitled to any benefits of this nature.
Benefits linked to non-competition agreements	N/A	N/A	► Arnaud Lagardère is not entitled to any benefits of this nature.
Supplementary pension plan	€0	€0	<ul style="list-style-type: none"> <li>► Arnaud Lagardère is a beneficiary of the defined benefit supplementary pension plan set up by Lagardère Management for members of the Executive Committee.</li> <li>► In accordance with French Government Order no. 2019-697 dated 3 July 2019, which reformed these pension regimes, the plan was closed to new entrants as from 2019 and the benefits accrued under the plan along with the beneficiaries' benchmark remuneration were frozen as at 31 December 2019.</li> <li>► The plan was a conditional benefit plan, and the pension will only be payable if the beneficiary is still with the Company at retirement age, except in the event of (i) termination (other than for serious misconduct) after the age of 55 if the beneficiary does not take up another post, (ii) long-term disability or (iii) early retirement. Arnaud Lagardère's pension benefit entitlements accrue at a rate of 1.75% of the benchmark remuneration per year of membership of the plan. The benchmark remuneration corresponded to the average gross annual remuneration over the last five years (fixed and variable up to a maximum of 100% of the fixed portion), and cannot exceed 50 times the annual ceiling used to calculate social security contributions. As the number of years of plan membership used to calculate the benefit entitlements was capped at 20, the supplementary pension could not exceed 35% of the benchmark remuneration.</li> <li>► At 31 December 2020, the estimated amount of Arnaud Lagardère's future annuity, determined in accordance with the applicable regulations, is the amount calculated at 31 December 2019, i.e., €686,490, representing approximately 25.69% of his total gross remuneration (fixed and variable) paid in 2020.</li> <li>► No benefits were due or paid to Arnaud Lagardère under this plan for 2020.</li> </ul>

## Pierre Leroy

Components of remuneration put to the shareholders' vote	Amounts paid in 2020	Amounts allocated in respect of 2020 (or accounting values)	Presentation
Annual fixed remuneration	€1,424,867	€1,474,000	<ul style="list-style-type: none"> <li>▶ The gross fixed remuneration awarded in 2020 has remained unchanged since 2011. In the context of the Covid-19 crisis, Pierre Leroy decided to reduce his fixed remuneration by 20% for April and May 2020, and to set aside the corresponding amounts to the Covid-19 Solidarity Fund created by the Company for its employees and partners.</li> </ul>
Annual variable remuneration	€698,500 (amount allocated in respect of 2019, approved by 72.48% of the votes cast at the 5 May 2020 Annual General Meeting - 11 <sup>th</sup> resolution)	€362,500	<ul style="list-style-type: none"> <li>▶ Pierre Leroy's annual variable remuneration includes: <ul style="list-style-type: none"> <li>– a portion based on quantitative criteria, as follows: <ul style="list-style-type: none"> <li>• financial criteria (75% weighting) related to the Group's performance in 2020 (growth rate for Group recurring operating profit compared with the target growth rate for Group recurring operating profit communicated as market guidance, and net cash from operating activities of fully consolidated companies compared with the budget prepared at the start of the year. The average of the figures calculated based on these two criteria may be reduced, where appropriate, by applying the ratio between Group recurring operating profit in 2020 and that generated in 2019) (see section 2.4.2.1 of the Universal Registration Document),</li> <li>• non-financial CSR criteria (25% weighting) related to the Group's 2020 performance concerning its priority commitments under its Corporate Social Responsibility policy (e.g., proportion of women executives, Scope 1 and 2 CO<sub>2</sub> emissions per million euros of revenue, proportion of staff that have an employee representative, ranking in the Dow Jones Sustainability Index) (see section 2.4.2.1 of the Universal Registration Document);</li> </ul> </li> <li>– a qualitative portion, corresponding to a set of priority targets related to two domains, each of which are given an equal weighting: the roll-out of the Group's strategic plan and the quality of governance and management (see section 2.4.2.1 of the Universal Registration Document);</li> </ul> </li> <li>▶ Pierre Leroy's annual variable remuneration is based on (i) a "quantitative portion" benchmark amount of €400,000 and (ii) a "qualitative portion" benchmark amount of €200,000, representing an overall benchmark amount of €600,000. Consequently, 66.66% of the annual variable remuneration (i.e., a clear majority) is based on quantitative criteria and 33.33% on qualitative criteria.</li> <li>▶ Pierre Leroy's annual variable remuneration may not exceed 75% of his annual fixed remuneration, and the amount of the qualitative portion is capped at 25% of his annual fixed remuneration. Consequently, the qualitative portion may not represent more than 33% of his maximum annual variable remuneration.</li> <li>▶ Based on the achievement rates attained in 2020 (0 for the financial criteria set in February 2020 before the full impacts of the Covid-19 crisis had been felt by the Group, 1.125 for the non-financial CSR criteria and 1.25 for the qualitative criteria), Pierre Leroy's annual variable remuneration amounted to 24.59% of his annual fixed remuneration in 2020.</li> </ul>
Multi-annual cash-settled variable remuneration	N/A	N/A	<ul style="list-style-type: none"> <li>▶ Pierre Leroy does not receive any multi-annual cash-settled variable remuneration.</li> </ul>
Share options, performance shares and other grants of securities	N/A	N/A	<ul style="list-style-type: none"> <li>▶ In the unprecedented context of the Covid-19 pandemic, the Managing Partners decided not to award any performance shares in 2020.</li> <li>▶ Pierre Leroy did not receive any options in 2020 and was not granted any securities.</li> </ul>



Components of remuneration put to the shareholders' vote	Amounts paid in 2020	Amounts allocated in respect of 2020 (or accounting values)	Presentation
Extraordinary remuneration	N/A	N/A	► Pierre Leroy did not receive any extraordinary remuneration for 2020.
Remuneration for offices held	N/A	N/A	► Pierre Leroy was not entitled to and did not receive any directors' fees for 2020.
Benefits in kind		€16,281	► This corresponds to Pierre Leroy's potential personal use of a company car.
Benefits linked to taking up or terminating office	N/A	N/A	► Pierre Leroy is not entitled to any benefits of this nature.
Benefits linked to non-competition agreements	N/A	N/A	► Pierre Leroy is not entitled to any benefits of this nature.
Supplementary pension plan	€0	€0	<ul style="list-style-type: none"> <li>► Pierre Leroy is a beneficiary of the defined benefit supplementary pension plan set up by Lagardère Management for members of the Executive Committee.</li> <li>► In accordance with French Government Order no. 2019-697 dated 3 July 2019, which reformed these pension regimes, the plan was closed to new entrants as from 2019 and the benefits accrued under the plan along with their benchmark remuneration was frozen as at 31 December 2019.</li> <li>► The plan was a conditional benefit plan, and the pension will only be payable if the beneficiary is still with the Company at retirement age, except in the event of (i) termination (other than for serious misconduct) after the age of 55 if the beneficiary does not take up another post, (ii) long-term disability or (iii) early retirement. Pierre Leroy's pension benefit entitlements accrue at a rate of 1.75% of the benchmark remuneration per year of membership of the plan. The benchmark remuneration corresponded to the average gross annual remuneration over the last five years (fixed and variable up to a maximum of 100% of the fixed portion), and cannot exceed 50 times the annual ceiling used to calculate social security contributions. As the number of years of plan membership used to calculate the benefit entitlements was capped at 20, the supplementary pension could not exceed 35% of the benchmark remuneration.</li> <li>► At 31 December 2020, the estimated amount of Pierre Leroy's future annuity, determined in accordance with the applicable regulations, is the amount calculated at 31 December 2019, i.e., €686,490, representing approximately 32.33% of his total gross remuneration (fixed and variable) paid in 2020.</li> <li>► No benefits were due or paid to Pierre Leroy under this plan for 2020.</li> </ul>

## Thierry Funck-Brentano

Components of remuneration put to the shareholders' vote	Amounts paid in 2020	Amounts allocated in respect of 2020 (or accounting values)	Presentation
Annual fixed remuneration	€1,165,800	€1,206,000	<ul style="list-style-type: none"> <li>▶ The gross fixed remuneration awarded in 2020 has remained unchanged since 2011. In the context of the Covid-19 crisis, Thierry Funck-Brentano decided to reduce his fixed remuneration by 20% for April and May 2020, and to set aside the corresponding amounts to the Covid-19 Solidarity Fund created by the Company for its employees and partners.</li> </ul>
Annual variable remuneration	€698,500 (amount allocated in respect of 2019, approved by 72.48% of the votes cast at the 5 May 2020 Annual General Meeting - 12 <sup>th</sup> resolution)	€362,500	<ul style="list-style-type: none"> <li>▶ Thierry Funck-Brentano's annual variable remuneration includes: <ul style="list-style-type: none"> <li>- a portion based on quantitative criteria, as follows: <ul style="list-style-type: none"> <li>• financial criteria (75% weighting) related to the Group's performance in 2020 (growth rate for Group recurring operating profit compared with the target growth rate for Group recurring operating profit communicated as market guidance, and net cash from operating activities of fully consolidated companies compared with the budget prepared at the start of the year. The average of the figures calculated based on these two criteria may be reduced, where appropriate, by applying the ratio between Group recurring operating profit in 2020 and that generated in 2019) (see section 2.4.2.1 of the Universal Registration Document),</li> <li>• non-financial CSR criteria (25% weighting) related to the Group's 2020 performance concerning its priority commitments under its Corporate Social Responsibility policy (e.g., proportion of women executives, Scope 1 and 2 CO<sub>2</sub> emissions per million euros of revenue, proportion of staff that have an employee representative, ranking in the Dow Jones Sustainability Index) (see section 2.4.2.1 of the Universal Registration Document);</li> </ul> </li> <li>- a qualitative portion, corresponding to a set of priority targets related to two domains, each of which are given an equal weighting: the roll-out of the Group's strategic plan and the quality of governance and management (see section 2.4.2.1 of the Universal Registration Document);</li> </ul> </li> <li>▶ Thierry Funck-Brentano's annual variable remuneration is based on (i) a "quantitative portion" benchmark amount of €400,000 and (ii) a "qualitative portion" benchmark amount of €200,000, representing an overall benchmark amount of €600,000. Consequently, 66.66% of the annual variable remuneration (i.e., a clear majority) is based on quantitative criteria and 33.33% on qualitative criteria.</li> <li>▶ Thierry Funck-Brentano's annual variable remuneration may not exceed 75% of his annual fixed remuneration, and the amount of the qualitative portion is capped at 25% of his annual fixed remuneration. Consequently, the qualitative portion may not represent more than 33% of his maximum annual variable remuneration.</li> <li>▶ Based on the achievement rates attained in 2020 (0 for the financial criteria as set in February 2020 before the full impacts of the Covid-19 crisis had been felt by the Group, 1.125 for the non-financial CSR criteria and 1.25 for the qualitative criteria), Thierry Funck-Brentano's annual variable remuneration amounted to 30.06% of his annual fixed remuneration in 2020.</li> </ul>
Multi-annual cash-settled variable remuneration	N/A	N/A	<ul style="list-style-type: none"> <li>▶ Thierry Funck-Brentano does not receive any multi-annual cash-settled variable remuneration.</li> </ul>

Components of remuneration put to the shareholders' vote	Amounts paid in 2020	Amounts allocated in respect of 2020 (or accounting values)	Presentation
Share options, performance shares and other grants of securities	N/A	N/A	<ul style="list-style-type: none"> <li>▶ In the unprecedented context of the Covid-19 pandemic, the Managing Partners decided not to award any performance shares in 2020.</li> <li>▶ Thierry Funck-Brentano did not receive any options in 2020 and was not granted any securities.</li> </ul>
Extraordinary remuneration	N/A	N/A	<ul style="list-style-type: none"> <li>▶ Thierry Funck-Brentano did not receive any extraordinary remuneration for 2020.</li> </ul>
Remuneration for offices held	N/A	N/A	<ul style="list-style-type: none"> <li>▶ Thierry Funck-Brentano was not entitled to and did not receive any directors' fees for 2020.</li> </ul>
Benefits in kind		€13,644	<ul style="list-style-type: none"> <li>▶ This corresponds to Thierry Funck-Brentano's potential personal use of a company car.</li> </ul>
Benefits linked to taking up or terminating office	N/A	N/A	<ul style="list-style-type: none"> <li>▶ Thierry Funck-Brentano is not entitled to any benefits of this nature.</li> </ul>
Benefits linked to non-competition agreements	N/A	N/A	<ul style="list-style-type: none"> <li>▶ Thierry Funck-Brentano is not entitled to any benefits of this nature.</li> </ul>
Supplementary pension plan	€0	€0	<ul style="list-style-type: none"> <li>▶ Thierry Funck-Brentano is a beneficiary of the defined benefit supplementary pension plan set up by Lagardère Management for members of the Executive Committee.</li> <li>▶ In accordance with French Government Order no. 2019-697 dated 3 July 2019, which reformed these pension regimes, the plan was closed to new entrants as from 2019 and the benefits accrued under the plan along with their benchmark remuneration was frozen as at 31 December 2019.</li> <li>▶ The plan was a conditional benefit plan, and the pension will only be payable if the beneficiary is still with the Company at retirement age, except in the event of (i) termination (other than for serious misconduct) after the age of 55 if the beneficiary does not take up another post, (ii) long-term disability or (iii) early retirement.</li> <li>▶ Thierry Funck-Brentano's pension benefit entitlements accrue at a rate of 1.75% of the benchmark remuneration per year of membership of the plan. The benchmark remuneration corresponded to the average gross annual remuneration over the last five years (fixed and variable up to a maximum of 100% of the fixed portion), and cannot exceed 50 times the annual ceiling used to calculate social security contributions. As the number of years of plan membership used to calculate the benefit entitlements was capped at 20, the supplementary pension could not exceed 35% of the benchmark remuneration.</li> <li>▶ At 31 December 2020, the estimated amount of Thierry Funck-Brentano's future annuity, determined in accordance with the applicable regulations, is the amount calculated at 31 December 2019, i.e., €669,144, representing approximately 35.89% of his total gross remuneration (fixed and variable) paid in 2020.</li> <li>▶ No benefits were due or paid to Thierry Funck-Brentano under this plan for 2020.</li> </ul>

## 2.5 REMUNERATION AND BENEFITS OF THE MEMBERS OF THE SUPERVISORY BOARD

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The purpose of this chapter is to present (i) the remuneration policy for the members of the Company's Supervisory Board and (ii) the components of the total remuneration and benefits paid during or allocated in respect of 2020 to these members. This remuneration

policy and the components of the remuneration packages will be submitted for shareholder approval at the Annual General Meeting to be held on 30 June 2021.

### 2.5.1 REMUNERATION POLICY FOR THE MEMBERS OF THE SUPERVISORY BOARD

In accordance with legal provisions, the remuneration policy applicable to members of the Supervisory Board was drawn up by the Supervisory Board at its meeting on 28 February 2020, based on the proposals set out by the Appointments, Remuneration and CSR Committee at its meeting on 25 February 2020. Based on a recommendation of the Appointments, Remuneration and CSR Committee meeting of 30 March 2021, the Supervisory Board decided to renew this policy for the 2021 fiscal year at its meeting of 26 April 2021.

The components of remuneration for members of the Supervisory Board for 2021 are determined, allocated, or decided in this context.

This procedure will be identical for any subsequent revision of the remuneration policy.

The Supervisory Board members are paid an annual fixed fee (previously called "attendance fees") whose amount is set by the shareholders at the Annual General Meeting.

Since a resolution approved by 98.25% of shareholders at the General Meeting of 10 May 2011, this aggregate amount of annual remuneration has been set at €700,000.

The allocation criteria for this remuneration are as follows. These rules apply to all members of the Supervisory Board, including the members representing Group employees:

- ▶ each member of the Supervisory Board is entitled to one basic portion;
- ▶ each member of the Audit Committee is entitled to 2 additional portions;
- ▶ each member of the Strategy Committee is entitled to 1.5 additional portions;
- ▶ each member of the Appointments, Remuneration and CSR Committee is entitled to 1.5 additional portions;
- ▶ the Chairs of the Board and the Committees are entitled to 1 additional portion.

The basic portion of the fees is equal to the aggregate amount of the fees divided by the total number of portions to which Board members are entitled.

Sixty percent of these fees is paid based on each member's actual attendance at the Supervisory Board meetings and the meetings of the Board(s) of which he or she is a member.

The fees are paid by Lagardère SCA, on an annual basis at the start of each year for amounts due in respect of the prior year.

In accordance with the recommendations of the Afep-Medef Code, the members of the Supervisory Board – including its Chairman – do not receive any further variable remuneration, share or performance share options, or any further benefits.

However, in accordance with the applicable legal provisions, the members of the Supervisory Board representing Group employees will hold employment contracts with the Company or one of its subsidiaries and therefore receive remuneration corresponding to their position (salary and, where applicable, any incentives, profit sharing, variable remuneration and/or free shares).

The components of remuneration for Supervisory Board members are regularly reviewed in order to (i) compare them with the practices of other issuers or industry peers, notably based on public or private surveys, and to (ii) verify that they are in line with best corporate governance practices (recommendations in the Afep-Medef Code, AMF and HCGE reports, etc.).

The policy implemented translates into remuneration whose aggregate amount set by the Company's shareholders has not changed since 2011, and takes into account members' actual attendance at Supervisory Board and Board Committee meetings in determining a weighted variable portion. This policy therefore ensures a measured, balanced and equitable package that is fully aligned with the corporate and long-term interests of the Company.

In accordance with the second paragraph of article L. 22-10-76 III of the French Commercial Code, the Supervisory Board may decide to make an exception to the remuneration policy by modifying the criteria applicable to the overall fees or by allocating an additional portion to one or more members in consideration for the completion of specific ad hoc missions. Any such temporary exception would be made public and justified, notably with regard to the Group's corporate and long-term interests.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol **AFR**

## 2.5.2 TOTAL REMUNERATION AND BENEFITS PAID DURING OR ALLOCATED IN RESPECT OF 2020

This section notably includes, with regard to the members of the Supervisory Board, the information referred to in article L. 22-10-9 of the French Commercial Code.

The tables provided in this section show the remuneration based on the presentation format recommended in the Afep-Medef Code and AMF recommendation no. 2021-02.

### 2.5.2.1 MEMBERS OF THE SUPERVISORY BOARD

Pursuant to the allocation criteria for the attendance fees set out in the remuneration policy described above, the members of the Supervisory Board received the following remuneration:

(in euros)	Amount allocated in respect of 2019 and paid in 2020	Amount allocated in respect of 2020 and paid in 2021
Nathalie Andrieux	63,926.94	14,634.15
Jamal Benomar	21,308.98 <sup>(1)</sup>	47,500.00 <sup>(1)</sup>
Valérie Bernis	-	13,414.63
Martine Chêne	21,308.98	8,536.59
Georges Chodron de Courcel	13,850.84	-
François David	127,853.88	15,853.66
Michel Defer	-	2,134.15
Yves Guillemot	18,112.63	13,658.55
Soumia Malinbaum	63,926.94	53,353.66
Hélène Molinari	63,926.94	13,109.76
Guillaume Pepy	-	109,146.34
Gilles Petit	41,552.51	103,658.54
François Roussely	5,327.25	-
Nicolas Sarkozy	-	49,939.02
Xavier de Sarrau	106,544.90 <sup>(1)</sup>	8,231.71 <sup>(1)</sup>
Aline Sylla-Walbaum	63,926.94 <sup>(1)</sup>	39,024.39
Susan M. Tolson	21,308.98 <sup>(1)</sup>	57,926.83 <sup>(1)</sup>
Patrick Valroff	63,926.94	138,719.51
<b>Total</b>	<b>696,803.65<sup>(1)</sup></b>	<b>688,841.49<sup>(1)</sup></b>

(1) Withholding tax is deducted from this amount.

### 2.5.2.2 CHAIRMAN OF THE SUPERVISORY BOARD

Patrick Valroff did not receive any other component of remuneration besides attendance fees, in accordance with the allocation rules set out in section 2.5.1.

Remuneration received				
	Full-year 2019 <sup>(1)</sup>		Fiscal year 2020	
	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Remuneration	63,926.94 <sup>(2)</sup>	58,721.70	138,719.51 <sup>(3)</sup>	63,926.94
Other remuneration	N/A	N/A	N/A	N/A
<b>Total</b>	<b>63,926.94</b>	<b>58,721.70</b>	<b>138,719.51</b>	<b>63,926.94</b>

(1) Patrick Valroff was appointed Chairman of the Supervisory Board on 4 December 2019.

(2) Amount corresponding to three basic portions of fees based on an attendance rate of 100%.

(3) Amount corresponding to six and a half basic portions of fees based on an attendance rate of 100%..

### PAY RATIOS

The methods used for calculating these ratios were the same as those used for the executive corporate officers. For further details, therefore, see section 2.4.2.1.

#### Patrick Valroff

	2016	2017	2018	2019	2020
Remuneration paid or allocated during the year (in €)	57,931	55,263	55,629	58,721	63,926
Average remuneration paid or allocated during the year to Company employees (in €)	444,525	415,095	328,974	352,018	277,431
Ratio versus the average remuneration of Company employees	0.1	0.1	0.1	0.1	0.2
Median remuneration paid or allocated during the year to Company employees (in €)	269,460	255,548	251,902	260,472	212,681
Ratio versus the median remuneration of Company employees	0.2	0.2	0.2	0.2	0.3
Average remuneration paid or allocated during the year to Group employees in France (in €)	55,032	57,659	56,468	56,098	52,338
Ratio versus the average remuneration of Group employees in France	1	1	1	1	1.2
Median remuneration paid or allocated during the year to Group employees in France* (in €)	50,985	51,771	50,535	50,745	50,675
Ratio versus the median remuneration of Group employees in France*	1.1	1.1	1.1	1.1	1.3

(\*) The median remuneration of Group employees in France and the corresponding ratio do not include the value of free shares as this component cannot be disclosed meaningfully for this extremely wide scope.

## 2.5.3 APPROVAL OF THE COMPONENTS OF REMUNERATION PAID DURING OR ALLOCATED IN RESPECT OF 2020 TO THE CHAIRMAN OF THE SUPERVISORY BOARD

Further to the Company's application of the legal provisions, the fixed, variable and extraordinary components making up the total remuneration and benefits paid during or allocated in respect of 2020 to the Chairman of the Supervisory Board will, in accordance with article L. 22-10-77 II of the French Commercial Code, be

submitted to the approval of the Company's shareholders at the Annual General Meeting to be held on 30 June 2021.

These components, which are described in detail in the preceding sections, are summarised below in the format recommended in the Afp-Medef Code.

### Patrick Valroff

Components of remuneration put to the shareholders' vote	Amounts paid in 2020	Amounts allocated in respect of 2020 (or accounting values)	Presentation
Annual fixed remuneration	N/A	N/A	▶ Patrick Valroff does not receive any annual fixed remuneration.
Annual variable remuneration	N/A	N/A	▶ Patrick Valroff does not receive any annual variable remuneration.
Multi-annual cash-settled variable remuneration	N/A	N/A	▶ Patrick Valroff does not receive any multi-annual cash-settled variable remuneration.
Share options, performance shares and other grants of securities	N/A	N/A	▶ Patrick Valroff does not receive any share options, performance shares or grants of other securities.
Extraordinary remuneration	N/A	N/A	▶ Patrick Valroff did not receive any extraordinary remuneration for 2020.
Remuneration for offices held	€63,926.94 (amount allocated in respect of 2019)	€138,719.51	<ul style="list-style-type: none"> <li>▶ This amount corresponds to the fees due to Patrick Valroff in 2021 for the duties he performed in 2020 as Chairman of the Supervisory Board and of the Audit Committee, and as member of the Strategy Committee.</li> <li>▶ The aggregate amount of fees allocated among Supervisory Board members was set by the shareholders at €700,000 at the Annual General Meeting of 10 May 2011. In respect of 2020, each member of the Supervisory Board received a basic portion of fees. The following members also received an additional portion of fees corresponding to a multiple of the basic portion: members of the Audit Committee (twice the basic portion), members of the Strategy Committee and members of the Appointments, Remuneration and CSR Committee (1.5 times the basic portion) and the Chair of the Supervisory Board and the Committee Chairs (one basic portion). The basic portion of fees is equal to the total fees divided by the total number of portions to which Board members are entitled. The variable portion of the fees, which is determined based on actual attendance at meetings, represents 60% of the total amount received.</li> <li>▶ The amount due to Patrick Valroff for 2020 corresponds to 6.5 basic portions of fees based on an attendance rate of 100%.</li> </ul>
Benefits in kind	N/A	N/A	▶ Patrick Valroff does not receive any benefits in kind.
Benefits linked to taking up or terminating office	N/A	N/A	▶ Patrick Valroff is not entitled to any benefits of this nature.
Benefits linked to non-competition agreements	N/A	N/A	▶ Patrick Valroff is not entitled to any benefits of this nature.
Supplementary pension plan	N/A	N/A	▶ Patrick Valroff is not a member of a supplementary pension plan.

## 2.6 ADDITIONAL INFORMATION ON THE MANAGING PARTNERS AND MEMBERS OF THE SUPERVISORY BOARD

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### 2.6.1 DECLARATION OF NON-CONVICTION AND COMPETENCE

To the best of Lagardère SCA's knowledge:

- ▶ no member of the Supervisory Board or Managing Partner has been convicted of fraud in the last five years;
- ▶ no member of the Supervisory Board or Managing Partner has been associated with any bankruptcy, receivership or liquidation proceedings in the last five years;
- ▶ in legal proceedings, Nicolas Sarkozy was sentenced by a court ruling dated 1 March 2021 to three years' imprisonment, two of them suspended, for bribery and influence-peddling. Nicolas Sarkozy has appealed this ruling and accordingly, the

presumption of innocence continues to apply in all respects. This first-instance ruling in no way affects Nicolas Sarkozy's capacity to fulfil his duties as member of the Company's Supervisory Board. No other member of the Supervisory Board or Managing Partner has been subject to charges or official public sanction by statutory or regulatory authorities (including designated professional bodies);

- ▶ no member of the Supervisory Board or Managing Partner has been barred by a court from acting as a member of a governing, management or supervisory body or participating in a company's business management or governance in the last five years.

### 2.6.2 AGREEMENTS BETWEEN A MEMBER OF THE SUPERVISORY BOARD OR A MANAGING PARTNER AND LAGARDÈRE SCA OR ANY OF ITS SUBSIDIARIES

To the best of Lagardère SCA's knowledge, no member of the Supervisory Board or Managing Partner has entered into a service agreement with Lagardère SCA or any of its subsidiaries, with the exception, as regards the members of the Supervisory Board, of the legal advisory services contract between the Realize law firm and the Group (see section 2.3.1), and as regards the Managing Partners,

of the service agreement signed between Lagardère Management (a company entirely owned by Arnaud Lagardère) and Lagardère Ressources. For more information on this agreement, see section 2.8.1 below and the Statutory Auditors' report on related-party agreements in section 5.8.

### 2.6.3 CONFLICTS OF INTEREST

To the best of Lagardère SCA's knowledge, no arrangement or agreement has been entered into between the Company and its major shareholders, or with its customers, suppliers or any other party pursuant to which any Supervisory Board member or Managing Partner was selected.

To the best of Lagardère SCA's knowledge, no potential conflict of interests exists with respect to Lagardère SCA between the duties of the members of the Supervisory Board or the Managing Partners and their personal interests, or between those duties and any other responsibilities they may hold.

### 2.6.4 RESTRICTIONS ON THE SALE BY MEMBERS OF THE SUPERVISORY BOARD OR MANAGING PARTNERS OF THEIR INTEREST IN LAGARDÈRE SCA

To the best of Lagardère SCA's knowledge:

- ▶ no restriction has been accepted by members of the Supervisory Board concerning the sale of their interests in the Company's share capital within a certain period of time, except for the rules for trading in Lagardère SCA shares set forth in the internal rules of the Supervisory Board (see section 2.3.2);
- ▶ no restriction has been accepted by the Managing Partners concerning the sale of their interests in the Company's share capital within a certain period of time, except for:
  - the rules for trading in Lagardère SCA shares defined in the laws and regulations in force or in the Confidentiality and Market Ethics Charter Applicable to Lagardère group Associates,

- the mandatory holding period for performance share awards, pursuant to the rules set by the General Meeting and the Supervisory Board in accordance with the French Commercial Code and the recommendations of the Afep-Medef Corporate Governance Code (see the Special Report of the Managing Partners in section 2.9.9);
- as regards Arnaud Lagardère, the power held by Financière Agache to veto any decision made by Lagardère Capital to sell Lagardère SCA shares, for as long as Financière Agache holds at least 5% of Lagardère Capital's share capital pursuant to the terms of the shareholder agreement entered into on 24 September 2020 (see AMF Opinion no. 220C3883).

Items appearing in the Annual Financial Report are cross-referenced with the following symbol **AFR**



**2.6.5 TRANSACTIONS IN LAGARDÈRE SCA SHARES BY THE CORPORATE OFFICERS AND THEIR RELATIVES DURING 2020****2.6.5.1 MANAGING PARTNERS**

Pursuant to article L. 621-18-2 of the French Monetary and Financial Code (*Code monétaire et financier*) the following transactions in the Company's shares during 2020 were disclosed by the Managing Partners or parties related to them:

**PIERRE LEROY**

A total of 5,856 Lagardère SCA shares vested for Pierre Leroy, Co-Managing Partner, on 7 April 2020 under the 6 April 2017 performance share plan.

**THIERRY FUNCK-BRENTANO**

A total of 5,856 Lagardère SCA shares vested for Thierry Funck-Brentano, Co-Managing Partner, on 7 April 2020 under the 6 April 2017 performance share plan.

**2.6.5.2 SUPERVISORY BOARD**

None.

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No other transactions in the Company's shares were disclosed in 2020 by any executive or non-executive corporate officer or any parties related to them.

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## 2.7 OTHER GOVERNING BODIES

**AFR**

### 2.7.1 EXECUTIVE COMMITTEE

The Executive Committee, chaired by Arnaud Lagardère as Managing Partner of Lagardère SCA, holds meetings with the heads of the Group's major central management functions.

Two of them (Pierre Leroy and Thierry Funck-Brentano), along with Arnaud Lagardère, are Managing Partners and executive corporate officers.

The role of the Executive Committee is to assist the Managing Partners in performing their duties.

It enlists the help of any of the Group's senior executives whom it considers to be of use in the accomplishment of its duties.

The members of the Executive Committee are as follows:

Arnaud Lagardère,	General and Managing Partner, Chairman of the Management Board	} <i>Managing Partners</i>
Pierre Leroy,	Co-Managing Partner, Secretary General	
Thierry Funck-Brentano,	Co-Managing Partner, Chief Human Relations, Communications and Sustainable Development Officer	
Ramzi Khiroun,	Spokesman for the Managing Partners, Chief External Relations Officer	
Sophie Stabile,	Group Chief Financial Officer	

### 2.7.2 MANAGEMENT BOARD

This collective decision-making body was created in 2020 in connection with the Group's new strategic roadmap, the coordination of which requires the active involvement of the division senior executives.

The Management Board provides a platform for sharing information and coordinating the actions defined by the Company's Managing Partners and includes members of the Executive Committee along with the respective Chief Executive Officers of Lagardère Publishing and Lagardère Travel Retail.

### 2.7.3 ENLARGED COMMITTEE

The Managing Partners are also supported by the Enlarged Committee, which is made up of the members of the Management Board plus the Chief Executive Officer of Lagardère News, the

Deputy Secretary General and the Governance Director and CSR Director of Lagardère SCA. The Enlarged Committee meets every month.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol **AFR**

## 2.7.4 EXECUTIVE BODY GENDER BALANCE POLICY

At 31 December 2020, the Lagardère group had strong female representation, with women making up 65% of its workforce and 57% of its managerial-grade employees.

In 2020, the Group Executive Committee welcomed its first woman member, the Chief Financial Officer, bringing the percentage of woman members to 20%, while the percentage of woman members on the Enlarged Committee is 40%. Women make up 60% of Lagardère Publishing's International Executive Committee, 18% of Lagardère Travel Retail's Management Committee, and 40% of Lagardère News' Executive Committee.

Having a balanced representation of men and women in senior management positions is one of the priority commitments of the Group's CSR policy. Lagardère has signed up to the UN's Women Empowerment Principles and to the StOpE initiative which aims to combat casual sexism in the workplace.

In line with this commitment and with the recommendations of the AfeP-Medef Corporate Governance Code to which Lagardère SCA adheres, the Managing Partners have adopted a diversity policy for the Group's managing bodies, which is regularly reviewed by the Supervisory Board and its Appointments, Remuneration and CSR Committee.

The Managing Partners set a target of women making up 45% of the Group's executives in 2021, out of around 600 executives in the Group at the end of 2020. This target has been exceeded, with women representing 51% of the Group's executives at 31 December 2020.

To make further progress in this strategic issue, the Managing Partners have decided to focus their efforts going forward on a smaller scope that is more representative of the Group's top management. Top management corresponds to (i) members of the Enlarged Executive Committee and their direct reports, (ii) members of the Executive Committees and Management Committees of Lagardère Publishing, Lagardère Travel Retail and Lagardère News, and of subsidiaries with more than 500 employees, and (iii) senior executives of entities with less than 500 employees based within and outside France.

Covering some 300 people at end-2020, or around 1% of the Group's total workforce, this scope was chosen taking into account its specific characteristics, notably its significant decentralised structure and international exposure.

Within this new scope, where 42% of people were women in 2020, the Managing Partners set a target of women making up 45% of the population by the end of 2024. This will be achieved through several action plans, including:

- ▶ looking for an appropriate gender balance when recruiting for managerial positions, up to the short-list phase;
- ▶ preparing succession plans as part of talent reviews with a greater emphasis on gender balance;
- ▶ rolling out measures via the "LL by Lagardère" network, in particular the internal mentoring program;
- ▶ incorporating gender balance targets within the CSR criteria used to determine components of short- and long-term variable remuneration for the Group's Managing Partners and senior executives;
- ▶ providing training and awareness-raising on diversity issues and on bias caused by stereotypes for all those involved in the recruitment process;
- ▶ raising the awareness of all employees to casual sexism in the workplace;
- ▶ regularly reporting on diversity.

Under the responsibility of the Chief Executive Officers of Lagardère Publishing, Lagardère Travel Retail and Lagardère News, each year steering committees comprising Human Resources and CSR Directors review the implementation of these action plans along with the changes brought about. The Human Resources Committee is responsible for supervising action plans for the full Lagardère group scope, under the authority of the Chief Human Relations, Communications and CSR Officer and Co-Managing Partner.

## 2.8 TRANSACTIONS WITH RELATED PARTIES (EXECUTIVE CORPORATE OFFICERS AND MEMBERS OF THE SUPERVISORY BOARD)

AFR

### 2.8.1 SERVICE AGREEMENT

Since 1988, Lagardère Capital & Management (LC&M), a company created by Jean-Luc Lagardère, has provided the Group and its subsidiaries with a range of management resources and skills, with the following aims:

- ▶ over the long term, to guarantee that the Group's operating businesses have the best environment required for expansion;
- ▶ to supply the Group with strategic planning and operational services, coupled with high quality management services, including principally:
  - designing and developing economic and financial strategic scenarios; providing project monitoring skills,
  - providing research and follow-up concerning major markets and their development; assessing factors in different market environments that may create new opportunities for action,
  - monitoring and identifying potential investments and divestments,
  - managing business negotiations such as divestments, mergers and acquisitions,
  - orchestrating corporate operations, including state-of-the-art finance and capital management techniques,
  - establishing and maintaining relations in banking and finance, with particular attention to the characteristics of the various countries in which the Group does, or plans to do, business,
  - enhancing human resources by attracting high-potential management personnel,
  - providing overall management of the Group's image.

To meet these aims, LC&M employs the members of the Group Executive Committee, whose role is to assist the Managing Partners in performing their duties.

LC&M carries out its activities within the framework of the Service Agreement originally put in place in 1988 between LC&M and Lagardère Ressources, which is responsible for managing all of the Group's corporate resources.

Following an amendment in 2004, the remuneration paid under the Service Agreement is equal to the amount of expenses incurred in the execution of the Agreement, plus (in accordance with tax rules and customary market practices) a margin set at 10%, with an absolute upper limit of €1 million (an amount which, in practice, has been applied each year since 2004). After examination by the Audit Committee, these terms and conditions were approved by the Supervisory Board on 12 March 2004 and subsequently by the General Meeting of Shareholders on 11 May 2004.

In light of the 24 September 2020 acquisition by Groupe Arnault of a stake in LC&M through its subsidiary Financière Agache, the Service Agreement and all of its component parts, including the employment contracts of Executive Committee members and the supplementary pension benefit commitments accruing to them, were transferred prior to said acquisition without any modifications, to a new entity, Lagardère Management, wholly owned by Lagardère SAS, itself wholly owned by Arnaud Lagardère, under the terms of a partial transfer of assets involving a full business transfer (*transmission universelle du patrimoine*). The Supervisory Board of Lagardère SCA noted this transfer of the Service Agreement at its meeting of 24 May 2020.

Accordingly, with effect from 31 August 2020, Lagardère Management, of which Arnaud Lagardère and Pierre Leroy serve as Chairman and Chief Executive Officer, respectively, automatically replaced LC&M in the performance of the Service Agreement. The operation took effect retroactively on 1 July 2020 for accounting and tax purposes.

The expenses incurred in the execution of the Service Agreement, which form the basis for the remuneration due under the Agreement, can be split into three main categories, which would in any event have been borne by the Lagardère group.

The first category, representing the majority of expenses (around 82% in 2020), includes remuneration payable to members of the Executive Committee, the associated payroll taxes and duties (tax on wages, levy on performance share awards) and the amount accrued to the provision for the supplementary pension plan.

In accordance with applicable regulations, details of remuneration are provided in the annual report published by the Company. In compliance with the recommendations of the Afeq-Medef Code, since 2014 remuneration allocated to executive corporate officers has been submitted to the shareholders' vote and has always gathered high approval rates. Since 2020, shareholders have been asked to vote on the remuneration policy itself, in accordance with binding "say-on-pay" legislation that the Company has chosen to adopt of its own volition in order to implement best corporate governance practices.

The supplementary pension plan is also described in detail in the annual report. Like other components of remuneration, it is subject to a shareholder vote.

The second category (around 12.5% of the expenses in 2020) corresponds to the work environment of Executive Committee members and includes offices, equipment and furniture, meeting rooms, secretarial services, official vehicles and telecommunications.

As Lagardère Management (and previously LC&M) has none of its own resources, these items are made available by the Lagardère group. The corresponding expenses are thus monitored by the Group Management Control Department, which determines the amount billed to Lagardère Management (or to LC&M prior to 2020) for use of the above items. For the past dozen or so years, this amount has been stable at €1.9 million, and LC&M and Lagardère Management therefore bill the exact same amount to the Lagardère group.

The third category (around 5.5% of the expenses in 2020) includes miscellaneous other expenses incurred in connection with the Agreement. These expenses essentially consist of (i) fees for administrative and accounting services billed by the Lagardère group (following a similar scheme to the one for work environment costs), (ii) fees for consultants used by LC&M, and subsequently by Lagardère Management, and (iii) taxes and duties inherent to Lagardère Management's activities (property tax, etc.).

Hence, this contractual framework brings together in a clear and transparent manner the expenses corresponding to the total cost of

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the Group's general management, and subjects them to the statutory monitoring procedure applicable to related-party agreements.

As part of this procedure, the Service Agreement is reviewed annually by the Audit Committee and by the Supervisory Board and is also referred to in the Statutory Auditors' special report prepared in accordance with article L. 226-10 of the French Commercial Code.

The work of the Audit Committee on the precise conditions and costs related to the Service Agreement and any changes therein is presented to the Supervisory Board as part of the review required under article L. 225-88-1 of the French Commercial Code.

In 2020, the Supervisory Board asked the specialist financial firm Ledouble to perform a contractual audit on the application of the Service Agreement. Ledouble's favourable opinion was subsequently published on the Company's website.

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In 2020, invoicing to the Group in respect of the Service Agreement amounted to €16.66 million, further to review by the Audit Committee on 20 April 2021 and by the Supervisory Board at its meeting of 26 April 2021, versus €19.18 million in 2019. Total payroll costs recognized amounted to €13.1 million. These correspond to gross salaries, plus the related taxes, payroll taxes and pension provisions. The amount also includes the provision accrued for variable remuneration. Payment of this variable remuneration plus, where applicable, its inclusion in the basis for calculating fees, will be submitted to the 2021 General Meeting for approval in accordance with "say-on-pay" legislation. With the other expenses set out above (support costs invoiced by the Lagardère group for €1.9 million and other miscellaneous fees in an amount of €0.6 million), total costs amounted to €15.66 million versus €18.18 million in 2019. The contractual margin came out at €1 million, unchanged from 2019.

## 2.8.2 AGREEMENTS ENTERED INTO WITH MEMBERS OF THE SUPERVISORY BOARD

None – see section 2.6.2.

## 2.8.3 OTHER TRANSACTIONS

The other transactions with related parties in 2020 were undertaken in the normal course of business and under arm's length conditions. In particular, Lagardère SCA has not identified any agreements, other than those relating to normal business operations and entered into on arm's length terms, signed in 2020, directly or via an intermediary,

between (i) any of the Managing Partners, any members of the Supervisory Board or any shareholders of Lagardère SCA owning more than 10% of the voting rights and (ii) any company controlled by Lagardère SCA within the meaning of article L. 233-3 of the French Commercial Code.

## 2.9 SHARE CAPITAL

**AFR**

### 2.9.1 AMOUNT AND CHANGES IN THE SHARE CAPITAL

#### 2.9.1.1 AMOUNT

At 31 December 2020, the share capital amounted to €799,913,044.60, represented by 131,133,286 shares with a par value of €6.10 each, all ranking pari passu and fully paid up.

#### 2.9.1.2 CHANGES IN THE SHARE CAPITAL OVER THE LAST SIX YEARS

##### Amounts

Years	Type of transaction	Number of shares	Nominal amount (in euros)	Premium (in euros)	Total share capital (in euros)	Total number of shares
2015	Award of free shares to employees	104,253	635,943.30	-	800,548,987.90	131,237,539
	Capital reduction by cancelling shares	104,253	635,943.30		799,913,044.60	131,133,286
	Award of free shares to employees	412,853	2,518,403.30	-	802,431,447.90	131,546,139
	Capital reduction by cancelling shares	412,853	2,518,403.30		799,913,044.60	131,133,286
	Award of free shares to employees	134,552	820,767.20	-	800,733,811.80	131,267,838
	Capital reduction by cancelling shares	134,552	820,767.20		799,913,044.60	131,133,286
2016	Award of free shares to employees	139,467	850,748.70		800,763,793.30	131,272,753
	Capital reduction by cancelling shares	139,467	850,748.70		799,913,044.60	131,133,286
	Award of free shares to employees	201,420	1,228,662		801,141,706.60	131,334,706
	Capital reduction by cancelling shares	201,420	1,228,662		799,913,044.60	131,133,286
2017	Award of free shares to employees	250,992	1,531,051.20		801,444,095.80	131,384,278
	Capital reduction by cancelling shares	250,992	1,531,051.20		799,913,044.60	131,133,286
	Award of free shares to employees	172,365	1,051,426.50		800,964,471.10	131,305,651
	Capital reduction by cancelling shares	172,365	1,051,426.50		799,913,044.60	131,133,286
2018	Award of free shares to employees	384,440	2,345,084		802,258,128.60	131,517,726
	Capital reduction by cancelling shares	384,440	2,345,084		799,913,044.60	131,133,286
	Award of free shares to employees	97,800	596,580		800,509,624.60	131,231,086
	Capital reduction by cancelling shares	97,800	596,580		799,913,044.60	131,133,286
2019	Award of free shares to employees	59,000	359,900		800,272,944.60	131,192,286
	Capital reduction by cancelling shares	59,000	359,900		799,913,044.60	131,133,286
	Award of free shares to employees	522,012	3,184,273		803,097,317.80	131,655,298
	Capital reduction by cancelling shares	522,012	3,184,273		799,913,044.60	131,133,286
2020	Award of free shares to employees	289,188	1,764,046.80		801,677,091.40	131,422,474
	Capital reduction by cancelling shares	289,188	1,764,046.80		799,913,044.60	131,133,286
	Award of free shares to employees	157,830	962,763		800,875,807.60	131,291,116
	Capital reduction by cancelling shares	157,830	962,763		799,913,044.60	131,133,286

As shown in the above table, all changes in the share capital over the last six years arise from the final vesting of free shares awarded to Group employees and senior executives, and from the resulting share capital reduction by cancelling treasury shares.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol **AFR**

## 2.9.2 TREASURY SHARES

### 2.9.2.1 AMOUNT

At 31 December 2020, the Company directly held 1,590,628 of its own shares (par value: €6.10), representing 1.21% of the total share capital at that date. The total cost of these shares was €31,390,313.16.

Based on the average weighted market price of the Company's shares in December 2020 (€20.31 per share), an unrealised capital gain was recognised in an amount of €908,682.56, bringing the net carrying amount of treasury shares directly held by the Company to €32,298,995.72.

### 2.9.2.2 SHARE BUYBACK PROGRAMMES: SHARES ACQUIRED, SOLD, CANCELLED OR REALLOCATED

#### A) TRANSACTIONS CARRIED OUT IN 2020

In 2020, the Company used the authorisations given by the shareholders at the 10 May 2019 and 5 May 2020 Annual General Meetings to carry out the following transactions for the objectives defined in the 2019/2020 share buyback programme:

##### 1. Market liquidity transactions

Under the liquidity agreement entered into with Képler Cheuvreux on 7 October 2008, which has been renewed yearly since that date, in 2020 the Company:

- ▶ purchased 1,471,624 shares for a total price of €24,124,518.86 representing an average per-share price of €16.39;
- ▶ sold 1,702,787 shares for a total price of €28,637,982.67, representing an average per-share price of €16.82.

On 2 January 2020, the Company allocated an additional €2,776,986 to the liquidity agreement, as announced in a press release published on the same date (available on the Company's website at [www.lagardere.com](http://www.lagardere.com)).

##### 2. Award of shares to employees

In 2020, the Company used 8,157 shares held in treasury for the "award to employees" objective, in order to deliver shares to beneficiaries – fully vested and free of charge – under the free share and performance share plans set up on 9 May 2016.

##### 3. Capital reduction

The Company cancelled 447,018 shares in 2020, within the scope of two capital reductions carried out concomitantly with capital increases through the issuance of new shares, in connection with the final vesting of free shares and performance shares for Group employees and senior executives.

##### 4. Partial reallocation for other uses

The Company reallocated 447,018 shares from the "award to employees" objective to the "capital reduction" objective.

#### B) POSITION AT 31 DECEMBER 2020

At the end of 2020, the 1,590,628 shares with a nominal value of €6.10 directly held by the Company and representing 1.21% of the share capital were allocated as follows:

- ▶ 1,491,791 shares allocated to the "award to employees" objective, representing 1.14% of the share capital, for a total cost of €29,423,312.03.
- ▶ 98,837 shares allocated to the "promotion of market liquidity" objective, representing 0.07% of the share capital, for a total cost of €1,967,001.21.

#### C) TRANSACTIONS CARRIED OUT UNDER THE AUTHORISATION GRANTED BY THE ANNUAL GENERAL MEETING OF 5 MAY 2020

The Annual General Meeting of 5 May 2020 renewed the authorisation granted to the Managing Partners by the Annual General Meeting of 10 May 2019 to purchase Lagardère SCA shares representing up to 10% of the share capital (i.e., up to 13,113,328 shares), for a maximum amount of €500 million, and at a maximum per-share purchase price of €40, mainly for the following purposes:

- ▶ to reduce the share capital by cancelling all or some of the shares purchased;
- ▶ to award free shares to employees and officers of the Company and of entities or groups related to it within the meaning of articles L. 225-197-1 *et seq.* of the French Commercial Code;
- ▶ to tender shares upon the exercise of share options;
- ▶ to set up any company or group savings scheme (or similar plan) under the conditions provided for by law, notably articles L. 3332-1 *et seq.* of the French Labour Code (*Code du travail*), including by way of awarding the shares free of consideration as part of the employer's contribution and/or in replacement of the discount, in accordance with the applicable laws and regulations;
- ▶ to award or transfer shares to employees as part of a profit-sharing scheme;
- ▶ to award shares to employees and corporate officers of the Company and of entities or groups related to the Company for any other purpose permitted by the applicable law and regulations;
- ▶ to remit shares upon the exercise of rights attached to securities giving access to the Company's share capital in any way whatsoever;
- ▶ to promote liquidity in the Company's shares under liquidity agreements that comply with a code of conduct recognised by the AMF and entered into with independent investment services providers;
- ▶ to hold the shares for subsequent exchange or payment as consideration for external growth transactions, merger, demerger or asset contribution;
- ▶ and more generally, to carry out any transaction in accordance with applicable laws and regulations and, in particular, with market practices accepted by the AMF.

This authorisation – which was given for a period of 18 months as from 5 May 2020 – superseded the authorisation given for the same purpose at the 10 May 2019 Annual General Meeting.

The corresponding share buyback programme was described in a press release issued on 6 May 2020 and available on the Group's corporate website at [www.lagardere.com](http://www.lagardere.com).

Under this authorisation, the Company carried out the following transactions from 6 May 2020 to 31 March 2021:

##### 1. Market liquidity transactions

The Company purchased 976,389 shares for a total price of €16,528,997.50, i.e., an average per-share price of €16.93, and sold 1,307,389 shares for a total price of €21,085,772.49 on the market, i.e., an average per-share price of €16.13, under the liquidity agreement referred to above.

##### 2. Award of shares to employees

The Company used 11,407 shares for the "award to employees" objective, in order to deliver shares to beneficiaries – fully vested and

free of charge – under the free share plans set up on 9 May 2016, 16 April 2018 and 8 April 2019.

### 3. Capital reduction

The Company cancelled 157,830 shares in 2020, as part of a capital reduction carried out concomitantly with a capital increase through the issuance of new shares, in connection with the delivery of vested

shares to Group employees and senior executives under free share and performance share plans.

### 4. Partial reallocation for other uses

The Company reallocated 157,830 shares from the “award to employees” objective to the “capital reduction” objective.

The Annual General Meeting of 30 June 2021 will be asked to renew this authorisation.

## 2.9.3 OTHER SECURITIES AND RIGHTS GIVING ACCESS TO THE COMPANY'S SHARE CAPITAL

### 2.9.3.1 MARKETABLE SECURITIES

None of the existing securities give or potentially give immediate or future access to the Company's share capital.

### 2.9.3.2 SHARE SUBSCRIPTION OPTIONS

At 31 December 2020, there were no subscription options outstanding which, if exercised, would result in the issue of an equivalent number of new shares, the last share subscription plan having expired in December 2007.

### 2.9.3.3 FREE SHARE AWARDS

In 2020, the Company did not award any free shares or performance shares to employees or officers of the Company or of entities or groups related to the Company within the meaning of articles L. 225-197-1 *et seq.* of the French Commercial Code.

The shares due to be remitted to employees and senior executives of the Company and of other companies related to the Company between 2021 and 2023 as a result of free share awards made in 2017, 2018 and 2019 will in principle be new shares created through a capital increase by capitalising reserves. The maximum number of shares to be created for that purpose would amount to 1,687,260 shares with a par value of €6.10 each, representing a maximum share capital dilution of 1.29% that will, in principle, be neutralised by cancelling an equivalent number of treasury shares, as has historically been the case.

## 2.9.4 AUTHORISED, UNISSUED SHARE CAPITAL

The Ordinary and Extraordinary General Meeting of 10 May 2019 authorised the Managing Partners, for a period of 38 months:

- ▶ to award existing or new shares free of consideration and shares with performance conditions to Group employees and senior executives (other than the executive corporate officers of Lagardère SCA) within an annual limit of 0.8% of the total number of shares making up the share capital;
- ▶ to award performance shares free of consideration to the executive corporate officers of Lagardère SCA within an annual limit, for each executive corporate officer, of 0.025% of the total number of shares making up the share capital.

The Ordinary and Extraordinary General Meeting of 10 May 2019 authorised the Managing Partners, for a period of 26 months:

- ▶ to issue, with or without pre-emptive subscription rights, securities giving immediate or future access to the Company's share capital, within the following limits:
  - maximum nominal amount of capital increases which may result from authorised issues without pre-emptive subscription rights and without priority rights: €80 million,

- maximum nominal amount of capital increases which may result from authorised issues with pre-emptive subscription rights or with priority rights: €300 million,
- maximum authorised amount for debt issuances: €1,500 million;
- ▶ to increase the share capital by capitalising reserves, profits or issue premiums and award newly-issued free shares to shareholders (or increase the par value of existing shares) within the limit of €300 million;
- ▶ to issue ordinary shares of the Company and/or securities giving access to the Company's share capital, without pre-emptive subscription rights, to be awarded to Group employees within the scope of corporate savings schemes and within an annual limit of 0.5% of the number of shares making up the share capital.

The Annual General Meeting of 10 May 2019 also authorised the Managing Partners to issue, on one or more occasions, securities other than new securities giving access to the Company's capital, up to a maximum amount of €1.5 billion.

In 2020, the Company did not use any of these authorisations.

The Annual General Meeting of 30 June 2021 will be asked to renew these authorisations.



## Summary table of authorisations to increase the share capital, given by shareholders at the 10 May 2019 Annual General Meeting to the Managing Partners

Type of authorisation	Term	Description	% share capital	Used in 2020
<b>Free share awards</b>	38 months			
<b>Free shares</b> (13 <sup>th</sup> resolution)		▶ Maximum nominal amount: approx. €3.2 million/year	<b>0.4%/year</b>	None
<b>Performance shares (excluding ECOs<sup>(1)</sup>)</b> (12 <sup>th</sup> resolution)		▶ Maximum nominal amount: approx. €3.2 million/year	<b>0.4%/year</b>	None
<b>ECO performance shares</b> (12 <sup>th</sup> resolution)		▶ Maximum nominal amount: approx. €0.2 million/year/ECO	<b>0.025%/year/ECO</b>	None
<b>Capital increases</b>	26 months	<b>Overall ceiling (maximum nominal amount) of debt securities: €1,500 million</b>		
<b>Capital increases with pre-emptive subscription rights<sup>(2)</sup></b> (15 <sup>th</sup> resolution)		<b>Overall ceiling (maximum nominal amount) of capital increases with priority rights: €300 million</b> ▶ Maximum nominal amount: €265 million ▶ Maximum nominal amount of debt securities: €1,500 million ▶ Possibility for shareholders to have a pre-emptive right to subscribe for any securities not taken up by other shareholders ▶ Possibility for the Managing Partners to limit a capital increase to 75% of the original amount and to offer all or some of the unsubscribed shares on the market	<b>approx. 37.5%</b>  approx. 33%	None
<b>Capital increases without pre-emptive subscription rights<sup>(2)</sup>:</b>		<b>Overall ceiling (excluding issues with priority rights): €80 million</b>	<b>approx. 10%</b>	
▶ Public offers with a priority right (16 <sup>th</sup> resolution)		<b>▶ Overall ceiling (maximum nominal amount) of capital increases with pre-emptive subscription rights: €300 million</b> ▶ Maximum nominal amount: €160 million ▶ Maximum nominal amount of debt securities: €1,500 million ▶ Priority right for a minimum of five trading days ▶ Maximum discount of 5%	approx. 20%	None
▶ Public offers without a priority right (17 <sup>th</sup> resolution)		▶ Maximum nominal amount: €80 million ▶ Maximum nominal amount of debt securities: €1,500 million ▶ Maximum discount of 5%	approx. 10%	None
▶ Private placements governed by article L. 411-2 II of the French Monetary and Financial Code (18 <sup>th</sup> resolution)		▶ Maximum nominal amount: €80 million ▶ Maximum nominal amount of debt securities: €1,500 million ▶ Maximum discount of 5%	approx. 10%	None
▶ Public exchange offers (20 <sup>th</sup> resolution)		▶ Maximum nominal amount: €80 million ▶ Maximum nominal amount of debt securities: €1,500 million	approx. 10%	None
▶ Contributions in kind (20 <sup>th</sup> resolution)		▶ Maximum nominal amount: €80 million ▶ Maximum nominal amount of debt securities: €1,500 million	approx. 10%	None
<b>Greenshoe option<sup>(2)</sup></b> (19 <sup>th</sup> resolution)		▶ Issue of additional securities subject to the ceilings applicable to the original issue and not exceeding 15% of the original issue amount	15% of the original issue	None
<b>Capital increases by capitalising reserves, profit and/or share premiums</b> (22 <sup>nd</sup> resolution)		▶ <b>Maximum nominal amount: €300 million</b> ▶ Rights to fractions of shares neither transferable nor tradable	approx. 37.5%	None
<b>Issue of securities for employees who are members of a corporate savings scheme</b> (23 <sup>rd</sup> resolution)		▶ <b>Annual ceiling: 0.5%</b> ▶ Maximum discount of 30% ▶ Possibility of awarding free shares in replacement of the discount and/or the employer's contribution	0.5% per year	None

(1) ECO: Executive corporate officers of Lagardère SCA.

(2) Subject to the overall ceilings applicable to capital increases and issues of debt securities (21<sup>st</sup> resolution adopted by the 10 May 2019 Annual General Meeting).

## 2.9.5 PLEDGES OF COMPANY SHARES

### 2.9.5.1 PLEDGES OF REGISTERED SHARES OF THE COMPANY AT 31 DECEMBER 2020

- ▶ Number of shareholders: 71
- ▶ Number of shares: 9,570,142 (7.30% of the share capital)

### 2.9.5.2 PLEDGES OF COMPANY SHARES REGISTERED IN THE NAMES OF SHAREHOLDERS HOLDING MORE THAN 0.5% OF THE SHARE CAPITAL AT 31 DECEMBER 2020

A total of 9,511,965 shares belonging to Lagardère Capital (formerly Lagardère Capital & Management), representing 7.25% of the share capital, are pledged to Crédit Agricole Corporate and Investment Bank under a financial instruments pledge agreement dated 28 September 2007, until reimbursement of the debt for which they serve as guarantee.

## 2.9.6 STOCK MARKET INFORMATION

### 2.9.6.1 GENERAL INFORMATION

- ▶ Number of shares making up the share capital at 31 December 2020: 131,133,286
- ▶ Number of shares listed on 31 December 2020: 131,133,286

- ▶ Compartment A
- ▶ Ticker symbol: MMB
- ▶ ISIN: FR0000130213
- ▶ Listed on: Euronext Paris

### 2.9.6.2 DIVIDENDS (OVER THE LAST FIVE YEARS) AND SHARE PRICES AND TRADING VOLUMES (OVER THE LAST FOUR YEARS)

#### Dividends per share

Year of payment	Number of shares entitled to dividend	Dividend (euros per share)	Tax credit (euros per share)	Gross dividend (euros per share)	Total dividend (in millions of euros)
2016	128,727,324	1.30	None	1.30	167.35
2017	129,438,203	1.30	None	1.30	168.27
2018	129,858,508	1.30	None	1.30	168.82
2019	130,566,820	1.30	None	1.30	169.74
2020 (*)	0	0.00	N/A	0.00	0

(\*) In light of the challenges of solidarity and corporate responsibility resulting from the unprecedented crisis linked to the Covid-19 pandemic, the Managing Partners, in agreement with the Supervisory Board, decided not to pay any dividends in 2020 in respect of 2019. An amount of €5 million deducted from the cash initially set aside to pay the dividend was transferred to the Covid-19 Solidarity Fund set up by Lagardère.

Any dividend not claimed within five years from the due date lapses and is paid to the French Treasury.

## Trading volumes and changes in the Lagardère SCA share price (source: Euronext Paris)

	High for month (in euros)	Date of high	Low for month (in euros)	Date of low	Closing price (in euros)	Average opening price (in euros)	Average closing price (in euros)	Number of shares traded	Total amount traded (in millions)	Number of trading days
<b>2017</b>										
January	26.84	3 Jan.	23.21	31 Jan.	23.21	25.16	25.08	7,528,269	187.91	22
February	24.70	10 Feb.	23.15	27 Feb.	23.74	23.73	23.73	6,828,414	162.62	20
March	27.61	31 March	23.74	1 March	27.61	25.56	25.71	10,535,409	271.35	23
April	28.24	28 April	26.97	21 April	28.12	27.57	27.62	5,964,197	164.48	18
May	28.95	5 May	27.07	18 May	27.98	27.90	27.94	7,772,469	216.62	22
June	28.68	20 June	27.50	12 June	27.65	28.15	28.11	7,133,960	200.48	22
July	28.21	31 July	26.69	10 July	27.75	27.46	27.46	5,788,649	159.08	23
August	27.91	1 Aug.	25.78	29 Aug.	26.99	27.20	27.18	5,837,292	158.41	21
September	28.32	29 Sept.	26.77	7 Sept.	28.32	27.35	27.42	4,230,899	116.09	21
October	28.66	27 Oct.	27.87	25 Oct.	28.27	28.26	28.25	5,212,553	147.23	22
November	28.69	13 Nov.	26.59	15 Nov.	27.53	27.72	27.67	7,873,711	217.44	22
December	28.02	18 Dec.	26.59	29 Dec.	26.73	27.47	27.44	5,515,184	151.63	19
<b>2018</b>										
January	27.17	8 Jan.	25.10	31 Jan.	25.12	26.06	26.00	8,327,735	216.27	22
February	25.32	1 Feb.	23.46	6 Feb.	24.20	24.52	24.49	7,702,237	188.13	20
March	24.38	8 March	21.99	9 March	23.20	23.33	23.28	13,283,797	306.42	21
April	23.84	26 April	22.76	3 April	23.68	23.32	23.31	10,087,545	235.04	20
May	25.43	3 May	22.17	29 May	23.10	23.16	23.10	23,863,192	552.32	22
June	24.22	12 June	22.61	29 June	22.61	23.44	23.40	13,330,581	312.67	21
July	25.24	30 July	22.35	9 July	24.99	23.48	23.49	9,969,012	235.27	22
August	25.85	28 Aug.	24.34	15 Aug.	25.40	25.08	25.10	6,824,824	170.86	23
September	26.81	20 Sept.	24.67	6 Sept.	26.51	25.78	25.83	6,956,966	180.03	20
October	26.79	1 Oct.	23.60	29 Oct.	24.19	25.37	25.21	9,139,992	230.89	23
November	26.33	8 Nov.	24.04	1 Nov.	24.98	25.00	25.01	7,026,313	175.97	22
December	25.38	3 Dec.	20.99	20 Dec.	22.02	22.75	22.63	6,953,260	157.30	19
<b>2019</b>										
January	23.74	28 Jan.	21.36	7 Jan.	22.83	22.53	22.60	7,068,807	159.31	22
February	23.51	1 Feb.	22.01	12 Feb.	22.75	22.69	22.65	5,138,861	116.30	20
March	24.93	15 March	22.35	26 March	22.92	23.15	23.15	6,844,119	159.84	21
April	25.26	23 April	22.96	1 April	24.26	24.03	24.04	5,164,539	124.53	20
May	24.66	7 May	21.34	23 May	21.80	22.69	22.61	7,477,238	167.88	22
June	23.70	13 June	21.76	3 June	22.90	22.93	22.96	6,006,637	137.78	20
July	23.16	4 July	20.48	31 July	20.50	22.29	22.22	5,551,338	122.78	23
August	20.56	1 Aug.	18.59	15 Aug.	19.37	19.48	19.43	7,016,800	136.63	22
September	21.56	20 Sept.	18.85	3 Sept.	20.30	20.27	20.31	8,804,948	180.09	21
October	20.66	29 Oct.	19.15	8 Oct.	20.02	20.11	20.09	7,357,319	147.44	23
November	21.06	12 Nov.	18.93	6 Nov.	19.83	20.29	20.24	6,156,268	124.17	21
December	20.26	13 Dec.	18.80	20 Dec.	19.43	19.61	19.54	6,940,069	135.06	20
<b>2020</b>										
January	19.76	2 Jan.	17.15	31 Jan.	17.15	18.87	18.71	7,886,283	146.93	22
February	18.70	12 Feb.	15.45	28 Feb.	15.66	18.04	18.00	11,909,045	210.55	20
March	16.12	2 March	8.14	17 March	11.50	11.50	11.26	21,897,214	246.08	22
April	18.20	20 April	11.20	1 April	14.80	14.65	14.85	12,278,459	184.92	20
May	15.73	26 May	10.91	22 May	12.62	13.32	13.16	9,749,560	128.73	20
June	14.48	8 June	11.60	15 June	12.67	12.85	12.83	10,827,157	139.64	22
July	14.70	23 July	11.61	31 July	12.85	13.66	13.69	11,606,984	155.09	23
August	16.74	31 Aug.	12.51	3 Aug.	16.62	14.84	15.04	6,010,770	89.42	21
September	21.46	30 Sept.	14.35	22 Sept.	21.12	17.36	17.60	11,271,281	203.67	22
October	28.48	8 Oct.	18.45	29 Oct.	18.77	23.16	23.20	8,692,122	204.41	22
November	22.40	26 Nov.	18.14	2 Nov.	19.67	19.92	19.90	4,784,290	94.59	21
December	21.36	29 Dec.	19.00	1 Dec.	20.48	20.24	20.32	2,788,041	56.52	22
<b>2021</b>										
January	20.94	4 Jan.	18.70	11 Jan.	19.20	19.49	19.40	2,838,832	55.16	20
February	23.98	23 Feb.	19.20	1 Feb.	22.28	21.60	21.77	2,608,524	57.04	20
March	24.28	10 March	21.58	25 March	22.42	22.93	22.98	2,134,195	49.16	23

## 2.9.7 OPTIONS GRANTED TO THIRD PARTIES ON SHARES MAKING UP THE SHARE CAPITAL OF CERTAIN GROUP COMPANIES

Certain investments included in Lagardère SCA's consolidated financial statements are subject to put options whose exercise is conditional. These commitments are detailed in the notes to the consolidated financial statements set out in chapter 5 of this

Universal Registration Document. At the date of filing, there were no other put options concerning all or part of any significant investment held directly or indirectly by Lagardère SCA.

## 2.9.8 SHARE OWNERSHIP STRUCTURE – PRINCIPAL SHAREHOLDERS

### 2.9.8.1 CHANGES IN SHARE OWNERSHIP STRUCTURE AND VOTING RIGHTS OVER THE LAST THREE YEARS

Shareholders	At 31 December 2020				At 31 December 2019				At 31 December 2018			
	Number of shares	% of share capital	% of voting rights exercisable at General Meetings	% of theoretical voting rights	Number of shares	% of share capital	% of voting rights exercisable at General Meetings	% of theoretical voting rights	Number of shares	% of share capital	% of voting rights exercisable at General Meetings	% of theoretical voting rights
<b>Vivendi SE</b>	38,296,855	29.20	22.62	22.41	-	-	-	-	-	-	-	-
Amber Capital UK LLP	25,499,001	19.45	15.06	14.92	10,356,855	7.90	6.00	5.92	6,692,276	5.10	3.81	3.75
Amber Capital Italia SGR SpA	546,634	0.42	0.32	0.32	469,199	0.36	0.27	0.27	265,720	0.20	0.15	0.15
<b>Sub-total – Amber Capital acting in concert</b>	<b>26,045,635</b>	<b>19.86</b>	<b>15.39</b>	<b>15.24</b>	<b>10,826,054</b>	<b>8.26</b>	<b>6.27</b>	<b>6.18</b>	<b>6,957,996</b>	<b>5.31</b>	<b>3.96</b>	<b>3.90</b>
<b>Qatar Holding LLC<sup>(*)</sup></b>	<b>17,091,585</b>	<b>13.03</b>	<b>20.19</b>	<b>20.00</b>	<b>17,091,585</b>	<b>13.03</b>	<b>19.79</b>	<b>19.53</b>	<b>17,091,585</b>	<b>13.03</b>	<b>19.45</b>	<b>19.18</b>
Lagardère Capital <sup>(**)</sup>	9,521,625	7.26	11.25	11.14	9,521,625	7.26	11.03	10.88	9,606,781	7.33	10.93	10.78
Financière Agache	10,163,504	7.75	6.00	5.95	-	-	-	-	-	-	-	-
Agache	0	0	0	0	-	-	-	-	-	-	-	-
<b>Sub-total – Lagardère/ Groupe Arnault acting in concert</b>	<b>19,685,129</b>	<b>15.01</b>	<b>17.25</b>	<b>17.09</b>	<b>not applicable</b>	<b>not applicable</b>	<b>not applicable</b>	<b>not applicable</b>	<b>not applicable</b>	<b>not applicable</b>	<b>not applicable</b>	<b>not applicable</b>
<b>Other shareholders</b>	<b>25,786,369</b>	<b>19.66</b>	<b>22.16</b>	<b>22.29</b>	<b>88,383,756</b>	<b>67.40</b>	<b>60.25</b>	<b>59.45</b>	<b>93,784,068</b>	<b>71.52</b>	<b>63.38</b>	<b>63.28</b>
<b>Employees and Group Savings Plan investment funds</b>	<b>2,637,085</b>	<b>2.01</b>	<b>2.69</b>	<b>2.34</b>	<b>2,967,170</b>	<b>2.26</b>	<b>2.66</b>	<b>2.63</b>	<b>2,603,977</b>	<b>1.99</b>	<b>2.28</b>	<b>2.25</b>
<b>Treasury shares</b>	<b>1,590,628</b>	<b>1.21</b>	<b>-</b>	<b>0.93</b>	<b>2,343,096</b>	<b>1.79</b>	<b>-</b>	<b>1.34</b>	<b>1,088,879</b>	<b>0.83</b>	<b>-</b>	<b>0.61</b>
<b>Total (***)</b>	<b>131,133,286</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>131,133,286</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>131,133,286</b>	<b>100</b>	<b>100</b>	<b>100</b>

(\*) Based on the shareholding information provided in the latest threshold declaration received by the Company on 9 August 2018. In accordance with the Company's Articles of Association, shares held by Qatar Holding LLC carry double voting rights.

(\*\*) Arnaud Lagardère, LM Holding, Lagardère SAS and their subsidiary Lagardère Capital (formerly Lagardère Capital & Management).

(\*\*\*) The total ownership interest of each shareholder or category of shareholders is presented in the table above, rounded to the nearest hundredth.

Of the 2.01% of capital held by Group employees, 0.45% is held via the Group Savings Plan investment funds or directly under employee profit-sharing and savings schemes pursuant to article L. 225-102 of the French Commercial Code.

At 31 December 2020, the share capital was held by 44,794 shareholders and intermediaries directly registered in the Company's register.

In 2020, significant changes in the Company's shareholding structure were as follows:

- ▶ Amber Capital UK LLP and Amber Capital Italia SGR SpA, acting in concert, significantly increased the stake held in the Company by the funds they manage, from 7.90% of the share capital at 31 December 2019 to an overall 19.86% capital stake at 31 December 2020.
  - ▶ Vivendi SE acquired a stake in the Company, holding 29.20% of its share capital at 31 December 2020.
  - ▶ Financière Agache also acquired a stake in the Company, holding 7.75% of its share capital at 31 December 2020.
- There has been no significant change in the Company's share ownership structure or voting rights since 31 December 2020.

### 2.9.8.2 REGULATORY SHAREHOLDING THRESHOLD CROSSINGS

Date of AMF notice	Shareholder	Threshold crossed
9 January 2020	Caisse des Dépôts et Consignations	Above 5% of voting rights on 2 January 2020
12 February 2020	Amber Capital UK LLP and Amber Capital Italia SGR SpA	Above 10% of share capital on 5 February 2020
12 February 2020	Amber Capital UK LLP	Above 10% of share capital on 6 February 2020
28 February 2020	Amber Capital UK LLP and Amber Capital Italia SGR SpA	Above 10% of voting rights on 25 February 2020
28 February 2020	Amber Capital UK LLP	Above 10% of voting rights on 26 February 2020
2 March 2020	Amber Capital UK LLP and Amber Capital Italia SGR SpA	Above 15% of share capital on 28 February 2020
4 March 2020	Amber Capital UK LLP	Above 15% of share capital on 2 March 2020
9 April 2020	Caisse des Dépôts et Consignations	Below 5% of voting rights on 3 April 2020
21 April 2020	Vivendi SE	Above 5% of share capital on 15 April 2020
21 April 2020	Vivendi SE	Above 5% of voting rights on 16 April 2020
24 April 2020	Vivendi SE	Above 10% of share capital on 21 April 2020
7 May 2021	Vivendi SE	Above 10% of voting rights on 6 May 2020
25 May 2020	Vivendi SE	Above 15% of share capital on 18 May 2020
15 July 2020	Vivendi SE	Above 15% of voting rights on 8 July 2020
15 July 2020	Vivendi SE	Above 20% of share capital on 9 July 2020
15 July 2020	Amber Capital UK LLP and Amber Capital Italia SGR SpA	Above 15% of voting rights on 10 July 2020
25 September 2020	Financière Agache	Above 5% of share capital on 23 September 2020
25 September 2020	Arnaud Lagardère and Lagardère, LM Holding and Lagardère Capital with Groupe Arnault and Financière Agache	Above 5% of share capital on 24 September 2020
25 September 2020	Arnaud Lagardère and Lagardère, LM Holding and Lagardère Capital with Groupe Arnault and Financière Agache	Above 10% of share capital on 24 September 2020
25 September 2020	Arnaud Lagardère and Lagardère, LM Holding and Lagardère Capital with Groupe Arnault and Financière Agache	Above 5% of voting rights on 24 September 2020
25 September 2020	Arnaud Lagardère and Lagardère, LM Holding and Lagardère Capital with Groupe Arnault and Financière Agache	Above 10% of voting rights on 24 September 2020
25 September 2020	Arnaud Lagardère and Lagardère, LM Holding and Lagardère Capital with Groupe Arnault and Financière Agache	Above 15% of voting rights on 24 September 2020
2 October 2020	Vivendi SE	Above 25% of share capital on 25 September 2020
2 October 2020	Vivendi SE	Above 20% of voting rights on 29 September 2020
5 October 2020	Financière Agache	Above 5% of voting rights on 29 September 2020
13 October 2020	Arnaud Lagardère and Lagardère, LM Holding and Lagardère Capital with Groupe Arnault and Financière Agache	Above 15% of share capital on 7 October 2020
9 March 2021	Amber Capital UK LLP	Above 15% of voting rights on 5 March 2021

### 2.9.8.3 ACTIONS IN CONCERT WITH OTHER GROUPS

The following actions in concert have been disclosed to the Company:

- ▶ action in concert by (i) Arnaud Lagardère, personally and via the three companies he controls, Lagardère SAS, LM Holding and Lagardère Capital (formerly Lagardère Capital & Management) and (ii) the two companies, Agache (formerly Groupe Arnault) and Financière Agache;
- ▶ action in concert by Amber Capital UK LLP and Amber Capital Italia SGR SpA, acting on behalf of funds that they manage.

### 2.9.8.4 VOTING RIGHTS

Including the double voting rights attributed to shares registered in the name of the same shareholder for at least four years (see section 2.10.6.4), the total number of rights to vote at General Meetings at 31 December 2020 was 169,282,290.

However, in application of AMF regulations, the number of voting rights to be taken into consideration for assessing whether regulatory thresholds have been crossed is the gross number, which at 31 December 2020 amounted to 170,902,398.

The total number of voting rights (gross and net) is published every month at the same time as the amount of the share capital, in accordance with article L.233-8 II of the French Commercial Code and article 223-16 of the AMF's General Regulations.

Under the Articles of Association, the number of voting rights to be taken into consideration for assessing whether disclosure thresholds have been crossed is the total number of exercisable rights to vote at General Meetings, i.e., 169,282,290 at 31 December 2020.

The percentage of voting rights held by Supervisory Board members was 0.0027% at 31 December 2020 (0.0035% of the share capital).

### 2.9.8.5 PRINCIPAL SHAREHOLDERS

At 31 December 2020, Arnaud Lagardère, personally and via the three companies that he controls, Lagardère SAS, LM Holding and Lagardère Capital (formerly Lagardère Capital & Management), held 7.26% of the Company's share capital and 11.25% of the rights to vote at General Meetings. At that date, he also held 15.01% of the share capital and 17.25% of the rights to vote at General Meetings in concert with Financière Agache (which itself held 7.75% of the Company's share capital and 6% of its voting rights at 31 December 2020). In accordance with the Company's Articles of Association (see section 2.10.6.4), shares held by Arnaud Lagardère and by the companies Lagardère Capital or Lagardère SAS carry double voting rights. Arnaud Lagardère, who controls and chairs

Lagardère Capital, is Managing Partner of Lagardère SCA alongside Arjil Commandité-Arco, a subsidiary of Lagardère Capital.

At 31 December 2020, Vivendi held 29.20% of the share capital and 22.62% of the rights to vote at General Meetings.

At 31 December 2020, Amber Capital UK LLP held 19.45% of the Company's share capital and 15.06% of the rights to vote at General Meetings on behalf of the funds it manages, and 19.86% of the share capital and 15.39% of the rights to vote at General Meetings in concert with Amber Capital Italia SGR SpA on behalf of the funds they manage.

At 31 December 2020, based on the shareholding information provided in the latest threshold disclosure received by the Company prior to that date, Qatar Investment Authority (via its subsidiary Qatar Holding LLC) held 13.03% of the Company's share capital and 20.19% of the rights to vote at General Meetings. In accordance with the Company's Articles of Association, shares held by Qatar Holding LLC carry double voting rights.

To the best of the Company's knowledge, at 31 December 2020 no other shareholder held more than 5% of the Company's share capital or voting rights directly or indirectly, alone or in concert.

### 2.9.8.6 SHAREHOLDER AGREEMENTS

1. Amber Capital UK LLP and Amber Capital Italia SpA, acting on behalf of the funds they manage ("Amber Capital"), and Vivendi SE reported to the Company, pursuant to the provisions of article L. 233-11 of the French Commercial Code, that on 10 August 2020 they had entered into a shareholder agreement concerning Lagardère SCA shares, the main terms of which are detailed in the opinion published by the AMF and available on its website (Opinion 220C2974).

2. Arnaud Lagardère and Pierre Leroy, along with Lagardère SAS, LM Holding, Lagardère Capital, Financière Agache and Agache (formerly Groupe Arnault), reported to the Company, pursuant to the provisions of article L. 233-11 of the French Commercial Code, that on 24 September 2020 they had entered into a shareholder agreement regarding Lagardère Capital and containing stipulations concerning Lagardère SCA shares, the main terms of which are detailed in the opinion published by the AMF and available on its website (Opinion 220C3883).

### 2.9.8.7 GROUP TO WHICH THE COMPANY BELONGS

Lagardère SCA is the ultimate holding company of the Lagardère group. See the simplified Group organisation chart at 31 December 2020 in section 1.3 of the 2020 Universal Registration Document.

## 2.9.9 FREE SHARE AWARDS BY LAGARDÈRE SCA OR BY ITS RELATED ENTITIES

### SPECIAL REPORT OF THE MANAGING PARTNERS ON FREE SHARE AWARDS

Pursuant to the provisions of article L. 225-197-4 of the French Commercial Code, please find below the required information related to transactions in free share awards carried out in 2020.

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The policy on free share awards is intended to give the Lagardère group's executives worldwide a stake in the Group's growth and consequent rise in value.

The policy enables the Group to single out and foster loyalty among those who have particularly contributed to its performance and whom the Group wishes to retain on a lasting basis in order to future-proof its growth as part of its long-term corporate strategy.

For Lagardère SCA's executive corporate officers and the Group's other senior executives, free share awards – which are all subject to exacting performance conditions – are also an important way of incentivising and encouraging a long-term vision.

In accordance with best corporate governance practices, the Lagardère SCA free share plans are not just restricted to executive corporate officers and senior executives. They also cover over 400 Group employees each year, notably young high-potential managers identified during the talent management process.

For some beneficiaries, there are no performance conditions attached to the vesting of their shares, although they must have formed part of the Group for at least three years at the vesting date. Free share awards are an important tool in the Group's human

resources strategy, enabling it to recruit, incentivise and retain key talent. It is vital for the Group to retain their high-level expertise in diverse, and often highly competitive, fields, even though, due to the nature of their underlying jobs, not all beneficiaries may have a direct impact on the Group's financial performance.

In addition, as free share awards offer fiscal conditions that are more advantageous than cash-based remuneration, they are an effective way of containing payroll costs.

These plans thereby promote the close alignment of the beneficiaries' interests with those of the Company and of its shareholders.

## GENERAL INFORMATION

### Free shares awarded by the Company which vested in 2020

In the course of 2020, 455,175 free shares vested, of which 447,018 were issued through a capital increase carried out by capitalising reserves, with a share capital reduction carried out concomitantly by

### Free share plans granted by the Company and in effect in 2020

The main characteristics of all the free share plans which expired in 2020 or were in effect at 31 December 2020 are summarised in the table below:

Date of the plan	Total number of shares awarded	Total number of awarded shares cancelled	Total number of awarded shares vested	Total number of outstanding awarded non-vested shares
9 May 2016	829,660	135,461	694,199	-
6 April 2017	817,660	344,632	294,188	178,840
16 April 2018	812,460	86,250	5,000	721,210
8 April 2019	474,990	15,650	-	459,340
14 May 2019	232,370	4,000	-	228,370
10 October 2019	100,000	500	-	99,500
<b>Total</b>	<b>3,267,140</b>	<b>586,493</b>	<b>993,387</b>	<b>1,687,260</b>

\*\*\*

### Awards of free shares by entities or groups related to the Company

- On 30 June 2020, Ice Participations, an entity in the Lagardère Publishing division, awarded and delivered 530,087 free shares to each of its two Deputy Chief Executive Officers.
- In the course of 2020, no other free shares were awarded by entities or groups related to Lagardère SCA within the meaning of article L. 225-197-2 of the French Commercial Code, or by entities controlled by Lagardère SCA within the meaning of article L. 233-16 of said Code.

cancelling 447,018 treasury shares purchased under the Company's share buyback programme. The remaining 8,157 shares were taken from treasury shares allocated for "award to employees".

- ▶ 289,188 free shares/performance shares were delivered under the 6 April 2017 plan.
- ▶ 165,987 free shares/performance shares were delivered under the 9 May 2016 plan.

### Awards of free shares by the Company in 2020

In the exceptional context of the Covid-19 crisis, no free shares or performance shares were awarded during 2020.

## SPECIFIC INFORMATION ON THE EXECUTIVE CORPORATE OFFICERS AND EMPLOYEES OF LAGARDÈRE SCA

- In 2020, Pierre Leroy and Thierry Funck-Brentano, employees of Lagardère Management and executive corporate officers of Lagardère SCA, were not awarded any Lagardère SCA shares in the unprecedented context of Covid-19.
- In 2020, Lagardère SCA's executive corporate officers were not awarded any free shares by the entities and groups related to Lagardère SCA within the meaning of article L. 225-197-2 of the French Commercial Code, or the companies that it controls within the meaning of article L. 233-16 of said Code.
- In 2020, Lagardère SCA's eight employees were not awarded any free shares by Lagardère SCA.
- In 2020, Lagardère SCA's employees were not awarded any free shares by the companies and groups related to Lagardère SCA within the meaning of article L. 225-197-2 of the French Commercial Code, or by companies that it controls within the meaning of article L. 233-16 of said Code.

## 2.10 PRINCIPAL PROVISIONS OF THE COMPANY'S ARTICLES OF ASSOCIATION

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### 2.10.1 CORPORATE PURPOSE

The Company's corporate purpose, in France and abroad, is:

- ▶ to acquire any form of interests or investments in all types of company or business, whether French or foreign, by any appropriate means;
- ▶ to manage any type of transferable security portfolio and to carry out any related spot or forward transactions, whether contingent or not;
- ▶ to acquire and license any patents, trademarks, and commercial and industrial businesses;
- ▶ and more generally, to carry out any commercial, financial, industrial, security and property transactions related to the above purposes or to any other purpose related thereto which would be likely to promote and develop the Company's business.

### 2.10.2 MANAGING PARTNERS

1. The Company is managed by one or more Managing Partners.
2. Throughout the life of the Company, any new Managing Partner is appointed unanimously by the General Partners, with the approval of the Supervisory Board or of the General Meeting according to the provisions of article 14 of the Articles of Association below.
3. Each Managing Partner has the broadest possible authority to act in any circumstances in the name of the Company, within the scope of the corporate purpose and subject to the powers expressly attributed by the law or the Articles of Association to the General Meeting of shareholders and the Supervisory Board.

In accordance with the law, each Managing Partner may authorise and grant, in the name of the Company, any sureties, warranties and undertakings which he deems reasonable.

Each Managing Partner may delegate part of their powers to one or more persons, whether or not they are employees of the Company and whether or not such persons have a contractual relationship with the Company. Such delegation in no way affects the duties and liability of the Managing Partner in relation to the exercise of such powers.

4. The Managing Partner(s) must take all necessary care in handling the business of the Company.
5. The age limit for a Managing Partner who is a natural person is 80.
6. The term of office of a Managing Partner cannot exceed six years but is renewable.

Any Managing Partner wishing to resign must inform the other Managing Partners, the General Partners and the Chairman of the Supervisory Board by registered letter with acknowledgement of receipt, at least three months before the date on which the said resignation is to take effect.

In the event that a corporate General Partner that is also a Managing Partner of the Company changes its own

Managing Partner(s), Chairman of its Board of Directors and/or Chief Executive Officer(s) and/or Chief Operating Officer(s), it is deemed to have resigned as Managing Partner of the Company, with immediate effect. This is also the case if those persons are no longer approved by the Supervisory Board in accordance with article 14 of the Company's Articles of Association (see below), or if there is any sale or subscription of shares that is not approved by the Supervisory Board pursuant to article 14 of the Articles of Association (see below).

When a Managing Partner's office terminates, the management of the Company is carried out by the Managing Partner or Partners who remain in office, without prejudice to the right of the General Partners to appoint a new Managing Partner as a replacement, or to renew the appointment of the outgoing Managing Partner, under the conditions described in paragraph 2 above.

When a sole Managing Partner's office terminates, one or more new Managing Partners are appointed, or the outgoing sole Managing Partner is re-appointed, under the conditions provided for in paragraph 2 above. However, pending such appointment, the Company shall be managed by the General Partner or Partners who may delegate all necessary powers for the management of the Company until the new Managing Partner or Partners have been appointed.

A Managing Partner may be dismissed at any time on the grounds of incapacity (whether as a result of insolvency proceedings or otherwise) or for any other cause, by the unanimous decision of the General Partners, after the Supervisory Board has expressed its opinion under the conditions provided for in article 14 of the Company's Articles of Association (see below). A Managing Partner may also be dismissed for just cause, by way of a decision of a court of law.

### 2.10.3 SUPERVISORY BOARD

#### COMPOSITION OF THE SUPERVISORY BOARD (ARTICLE 12 OF THE ARTICLES OF ASSOCIATION)

1. The Company has a Supervisory Board comprising a maximum of ten members selected exclusively from among shareholders who are neither General nor Managing Partners, as well as either one or two members representing employees, appointed by the Group

Employees' Committee, in accordance with article L. 225-79-2 of the French Commercial Code.

Items appearing in the Annual Financial Report are cross-referenced with the following symbol **AFR**



2. The members of the Supervisory Board chosen from among the shareholders are appointed or dismissed by the shareholders in an Ordinary General Meeting. Shareholders who are also General Partners are not entitled to vote on such resolutions.
3. The term of office of members of the Supervisory Board cannot exceed four years. It terminates at the close of the Annual General Meeting called to approve the financial statements for the preceding year that is held during the year in which the term of the member expires. Members of the Supervisory Board may be re-appointed. No more than one-third of the members of the Supervisory Board in office may be more than 75 years old. If this proportion is exceeded, the oldest member is deemed to have resigned.
4. When the provisions of article L. 225-79-2 of the French Commercial Code apply to the Company, the Supervisory Board includes one or two members representing Group employees.

The Supervisory Board has two employee representative members when the number of the other Board members exceeds eight, and one employee representative member when the number of the other Board members is equal to or less than eight.

Employee representative members of the Supervisory Board are appointed for four-year terms. If the number of the other Supervisory Board members falls to eight or less, the terms of office of the sitting employee representative members will not be affected and will remain in force until their scheduled expiry date. If the seat of an employee representative member of the Supervisory Board falls vacant for any reason, such seat will be filled in accordance with the terms and conditions set out in article L. 225-34 of the French Commercial Code.

As an exception to the rule applicable to the other Supervisory Board members, the employee representative members of the Supervisory Board are not required to hold a minimum number of the Company's shares.

### **MEETINGS OF THE SUPERVISORY BOARD (ARTICLE 13 OF THE ARTICLES OF ASSOCIATION)**

The Supervisory Board appoints one of its members as Chairman and may, if it wishes, appoint one or more Deputy Chairmen to preside over Board meetings.

The Board meets as often as the Company's interests require and in any event at least once every six months.

Meetings may be called by the Chairman of the Board or, in the absence of the Chairman, by one of the Deputy Chairmen, or by at least half of the Board members, or by any of the Company's Managing Partners or General Partners.

At least half of the members must be present in order for the Board's decisions to be valid.

The decisions are made by a majority vote of the members present or represented. In the event of a tied vote, the Chairman has the casting vote.

In calculating the quorum and majority, Board members attending the meeting via video conferencing or other telecommunications technology are considered to be present.

The deliberations are recorded in minutes of the meetings which are stored in a special register and signed by the Chairman of the meeting as well as by the Board Secretary or the majority of the members present.

### **POWERS OF THE SUPERVISORY BOARD (ARTICLE 14 OF THE ARTICLES OF ASSOCIATION)**

1. The management of the Company is placed under the permanent supervision of the Supervisory Board as provided by law.

In accordance with the law, the Board prepares a report for each Annual General Meeting called to approve the financial statements of the Company. This report is made available to the shareholders at the same time as the Managing Partners' report and the parent company financial statements.

In the event of one or more Managing Partners being dismissed by the General Partners, the Board must give its opinion. For this purpose, the Board is notified by the General Partners at least fifteen days in advance, and it must give its opinion within ten days of such notice. Notice is given by registered letter addressed to the Chairman of the Supervisory Board.

The Supervisory Board draws up a report on any proposal to increase or reduce the Company's share capital submitted to the shareholders.

The Supervisory Board may, if it deems it necessary, after having informed the Managing Partners in writing, call an Ordinary or Extraordinary General Meeting of shareholders, in compliance with the legal provisions relating to calling meetings.

The Supervisory Board has, by law, the right to receive from the Managing Partners the same documents as are made available to the Statutory Auditors.

2. The appointment or re-appointment of any Managing Partner must be approved by the Supervisory Board. Should Arjil Commanditée-Arco be appointed as Managing Partner, the Supervisory Board's approval has to be obtained, not in respect of Arjil Commanditée-Arco itself, but in respect of its Chairman, Chief Executive Officers and Chief Operating Officers.

The Supervisory Board has a maximum of twenty days from receiving notice from the General Partners in which to grant or refuse its approval of the proposed appointment.

If the Supervisory Board refuses to approve an appointment twice within a period of two months, in respect of two different candidates, while the Company is left without a Managing Partner and is being managed on an interim basis by the General Partners under article 10-6 of the Articles of Association, approval may be given by a majority vote of the shareholders in an Ordinary General Meeting called by the General Partner(s) at which only one of the two candidates is put forward.

In the absence of approval from either the Supervisory Board or the General Meeting in accordance with the above paragraphs, the General Partner(s) shall designate a third person. If the Supervisory Board fails to approve the appointment of the said third candidate, the appointment shall be submitted to the shareholders in an Ordinary General Meeting, which may only refuse the candidate by a vote of a two-thirds majority of the shareholders present or represented.

3. If Arjil Commanditée-Arco becomes a Managing Partner of the Company, from the date of its appointment to such office, no person may become a shareholder of Arjil Commanditée-Arco either by acquiring shares in Arjil Commanditée-Arco or by subscribing to an increase in its share capital, exercising share warrants or through the conversion or redemption of bonds, without the prior agreement of the Supervisory Board, which must approve or refuse this proposal within twenty days of receiving notice, either from Arjil Commanditée-Arco or from those shareholders who intend to transfer their shares.

If such a transaction takes place without the approval of the Supervisory Board, Arjil Commanditée-Arco, by virtue of the third

paragraph of article 10-6 of the Articles of Association, shall be deemed to have resigned from its office as Managing Partner, effective immediately.

4. Any transaction for the transfer of Arjil Commanditée-Arco shares or the issue of transferable securities by Arjil Commanditée-Arco, which might alter its control immediately or in the future, is subject to the prior approval of the Company's Supervisory Board, which must make a decision within twenty days of receiving notice, either from Arjil Commanditée-Arco or from those shareholders who intend to transfer their shares.

Should the transaction take place without the approval of the Supervisory Board, Arjil Commanditée-Arco, by virtue of article 18-5 of the Articles of Association, shall automatically lose its status as General Partner, effective immediately.

5. The approval of the Supervisory Board required in paragraphs 3 and 4 above shall be automatically deemed to have been given, if the acquiring or subscribing candidate makes a valid public tender offer for all of the Company's shares. Such approval shall not be required in the event of a transfer of Arjil Commanditée-Arco shares by way of inheritance.

## 2.10.4 GENERAL PARTNERS (ARTICLE 18 OF THE ARTICLES OF ASSOCIATION)

1. The General Partners (*Associés Commandités*) are:

- ▶ Arnaud Lagardère, domiciled at 4, rue de Presbourg, 75116 Paris, France;
- ▶ Arjil Commanditée-Arco, a French joint-stock corporation (*société anonyme*) with share capital of €40,000, whose registered office is located at 4, rue de Presbourg, 75116 Paris, France. Registered with the Paris Trade and Companies Registry under number 387 928 393.

2. The appointment of one or more new General Partners is decided by the shareholders in an Extraordinary General Meeting, upon the unanimous recommendation of the existing General Partners or Partner.

3. The Company shall not be wound up in the case of the death or incapacity of a natural person who is a General Partner, nor in the event of liquidation of a corporate person who is a General Partner.

4. Any natural person who is a General Partner and who is also a Managing Partner ceases to be a General Partner, automatically and effective immediately, if he is dismissed as Managing Partner for just cause under the terms of article 10-6 of the Articles of Association.

5. Any corporate entity which is a General Partner automatically ceases to be a General Partner, effective immediately, in the event that a sale or subscription of shares which is likely to change its control has been carried out without the consent of the Supervisory Board, as provided in article 14-4 of the Articles of Association.

In either case, the Articles of Association are automatically amended accordingly. The amendment is recorded and published by a Managing Partner or, in the absence of a Managing Partner, by a General Partner or by the Supervisory Board.

### RIGHTS OF THE GENERAL PARTNERS (ARTICLE 18 A OF THE ARTICLES OF ASSOCIATION)

A General Partner who is not also a Managing Partner (*Commandité Non-Gérant*) does not participate directly in the management of

the Company, except as described in article 10-6 of the Articles of Association.

General Partners exercise all the prerogatives attributed to their status by law and the Articles of Association.

By reason of the unlimited joint and several liability they assume, a General Partner who is not also a Managing Partner has the right to see all books and documents of the Company and to submit in writing to the Managing Partners any questions concerning the management of the Company. The Managing Partners must answer such questions in writing as promptly as possible. In addition, in consideration for their unlimited joint and several liability, General Partners are entitled to specific remuneration calculated in accordance with the provisions of article 25 of the Articles of Association.

### DECISIONS OF THE GENERAL PARTNERS (ARTICLE 18 B OF THE ARTICLES OF ASSOCIATION)

1. The decisions of the General Partner(s) may be made either at meetings, or by written consultation (ordinary letter, telex, telegram, fax, etc.).
2. In the event of a written consultation, each General Partner has a period of fifteen days to inform the Managing Partners of his decision on each of the draft resolutions. A General Partner who does not reply within this period is considered to have voted against the resolution.
3. Decisions taken by the General Partner(s) are recorded in minutes stating, *inter alia*, the date and method of consultation, the report or reports made available to the General Partner(s), the text of the resolutions and the result of the vote.

The minutes are drawn up by the Managing Partners or by one of the General Partners and signed by the General Partner(s) and/or the Managing Partner(s), as appropriate.

Copies or extracts of the minutes are validly certified as true copies either by the sole Managing Partner or by one of the Managing Partners if there are more than one, and by the General Partners.

## 2.10.5 REQUIREMENTS FOR CHANGING SHAREHOLDERS' RIGHTS

Any change in the rights of shareholders as defined in the Company's Articles of Association requires:

- ▶ a unanimous decision by the General Partners;

- ▶ a decision by the Extraordinary General Meeting, passed by a two-thirds majority of the votes of shareholders present or represented, including votes cast remotely.

## 2.10.6 GENERAL MEETINGS OF SHAREHOLDERS

### 2.10.6.1 GENERAL MEETINGS (ARTICLE 19 OF THE ARTICLES OF ASSOCIATION)

General Meetings are called either by the Managing Partners or by the Supervisory Board, or by any other person having the right to do so by virtue of the law or under the Articles of Association.

General Meetings are held at the registered office or at any other place as indicated in the notice of meeting. Notices of meeting are issued in the manner and within the time period provided by law and regulations.

General Meetings are chaired by the Managing Partner or one of the Managing Partners if there are several of them. If the meeting is called by the Supervisory Board, it is chaired by the Chairman of the Supervisory Board or by a member of the Supervisory Board appointed to this effect. Where the meeting has been called by any other person legally empowered to do so, the meeting is chaired by the person who called the meeting. If the person entitled or appointed to chair the meeting fails to do so, the meeting itself elects its Chairman.

The duties of vote tellers (*scrutateurs*) are performed by the two shareholders having the greatest number of shares, either directly or by way of proxy, and who are present and accept to be tellers.

The vote tellers thus designated constitute the officers of the meeting (*bureau*), and appoint a secretary who need not be a shareholder.

The officers of the meeting verify, certify and sign the attendance register, on the basis of specifications provided by the establishment in charge of organising the meeting, ensure that discussions are properly held, settle any differences that may arise in the course of the meeting, count the votes cast and ensure their validity and ensure that minutes of the meeting are drawn up.

Minutes recording the deliberations of each meeting are entered in a special register signed by the officers of the meeting. The minutes, drawn up and recorded in this form, are considered to be a true transcript of the meeting. All copies of or extracts from the minutes must be certified by one of the Managing Partners, by the Chairman of the Supervisory Board, or by the secretary of the meeting.

### 2.10.6.2 ORDINARY GENERAL MEETINGS (ARTICLE 20 OF THE ARTICLES OF ASSOCIATION)

The Annual General Meeting examines the management report prepared by the Managing Partners, the report of the Supervisory Board and the Statutory Auditors' reports. It discusses and approves the Company financial statements for the previous year and the proposed allocation of profit, in accordance with the law and the Articles of Association. In addition, the Annual General Meeting and any other Ordinary General Meeting may appoint or dismiss the members of the Supervisory Board, appoint the Statutory Auditors and vote on all questions within its authority and placed on the agenda, with the exception of those matters defined in article 21 of the Articles of Association as being exclusively within the authority of an Extraordinary General Meeting.

With the exception of resolutions concerning the election, resignation or dismissal of Supervisory Board members and the approval of the appointment of a Managing Partner (after the Supervisory Board has exercised its power of veto twice within two months in accordance with section 2.10.3 – Powers of the Supervisory Board), resolutions may only be passed at an Ordinary General Meeting with the unanimous and prior consent of the General Partner(s). This consent must be obtained by the Managing Partners prior to the said Ordinary General Meeting.

Apart from the case expressly provided for in the last paragraph of article 14-2 of the Articles of Association (see section 2.10.3 – Powers of the Supervisory Board), such resolutions are passed by a majority vote of the shareholders present, represented or having voted by mail at this meeting.

### 2.10.6.3 EXTRAORDINARY GENERAL MEETINGS (ARTICLE 21 OF THE ARTICLES OF ASSOCIATION)

Extraordinary General Meetings may validly deliberate on:

- ▶ any amendments to the Articles of Association for which approval by an Extraordinary General Meeting is required by law, including, but not limited to, and subject to the provisions of the Articles of Association, the following:
  - ▶ an increase or reduction of the Company's share capital;
  - ▶ a change in the terms and conditions of share transfers;
  - ▶ a change in the composition of Ordinary General Meetings or in the shareholders' voting rights at Ordinary or Extraordinary General Meetings;
  - ▶ a change in the purposes of the Company, its duration or its registered office, subject to the powers granted to the Managing Partners to transfer the Company's registered office pursuant to the Articles of Association;
  - ▶ the transformation of the Company into a company having another legal form, such as a French joint-stock corporation (*société anonyme*) or a limited liability company (*société à responsabilité limitée*);
  - ▶ the winding-up of the Company;
  - ▶ the merging of the Company;
- ▶ and all other matters on which an Extraordinary General Meeting may validly decide in accordance with the law.

No resolution can be passed by the Extraordinary General Meeting without the unanimous prior consent of the General Partner(s). However, where there are several General Partners, a resolution to transform the Company into a company having another legal form requires the prior agreement of only a majority of the General Partners.

The agreement of the General Partner(s) must be obtained by the Managing Partners, in advance of the Extraordinary General Meeting.

### 2.10.6.4 ATTENDANCE AND REPRESENTATION AT MEETINGS, PROXIES, DOUBLE VOTING RIGHTS (ARTICLE 19 OF THE ARTICLES OF ASSOCIATION)

Each shareholder has the right to attend General Meetings and to take part in the deliberations, either personally or through a proxy, subject to providing proof of their identity and to submitting evidence of the registration of their shares in the registered shareholders' accounts kept by the Company – either in their own name or in the name of the authorised intermediary acting on their behalf in accordance with the seventh paragraph of article L. 228-1 of the French Commercial Code – at 00:00 hours, Paris time, on the second working day preceding the meeting.

Subject to inclusion of the relevant decision by the Managing Partners in the public notice of meeting and the notice of call of meeting sent to shareholders, shareholders may participate in General Meetings by means of video conferencing technology, and vote in these meetings by electronic means of communication. The

Managing Partners shall establish the procedures of attendance and voting after consulting the Supervisory Board. Any technologies used must guarantee the continuous and simultaneous transmission of the deliberations of the meeting, secure communication, authentication of those participating and voting and the integrity of the votes cast.

A shareholder who does not personally attend the meeting may choose one of the three following possibilities:

- ▶ give proxy to any other person of his or her choice; or
- ▶ vote remotely; or
- ▶ send a blank proxy form to the Company without naming a proxy, in accordance with the applicable laws and regulations.

In this last case, the Chairman of the General Meeting casts a vote in favour of the draft resolutions presented or approved by the Managing Partners and a vote against all other draft resolutions. In order to cast their votes differently, shareholders must either vote remotely or choose a proxy holder who agrees to vote as instructed by them.

If a shareholder decides, after a decision of the Managing Partners taken in accordance with the terms of the second paragraph of article 19-3 of the Articles of Association, either to vote remotely, or to give a proxy to a third party, or to send a proxy to the Company without indicating the name of a proxy holder, by sending the corresponding form electronically, the electronic signature must:

- ▶ either take the form of a secure electronic signature as defined by the applicable legislation;
- ▶ or result from the use of a reliable identification procedure guaranteeing the connection between the shareholder and the document to which his or her identity is attached, or from any other identification and/or verification procedure admitted by the applicable legislation.

At each General Meeting, each shareholder has a number of votes equal to the number of shares he or she owns or represents, as evidenced by the share register on the second working day prior to the meeting at 00:00 hours, Paris time. However, voting rights double those attributed to other shares as a proportion of the share capital they represent – two votes for each share – are attributed to all those shares which are fully paid-up and which have been registered in the name of the same shareholder for at least four years. In addition, shareholders entitled to double voting rights on the date on which the Company was transformed into a French partnership limited by shares (*société en commandite par actions* – SCA), retain their double voting rights.

Furthermore, where the Company's share capital is increased by incorporation of reserves, profits or issue premiums, double voting rights are granted, from the date of issue, in respect of registered shares distributed free of charge to the holder of shares which originally carried double voting rights.

Transfer of title to a share results in the loss of double voting rights. However, transfer of title as a result of inheritance, the liquidation of commonly-held property between spouses or an *inter vivos* gift to a spouse or to a relative automatically entitled to inherit under French law does not cause existing double voting rights to lapse, nor does it interrupt the four-year period referred to above. Similarly, the merger or demerger of the Company has no effect on double voting rights, which may be exercised within the resulting company or companies if the Articles of Association of the said companies recognise such rights. For pledged shares, the right to vote is exercised by the owner.

For shares where beneficial ownership and bare ownership are separated, the right to vote is exercised by the beneficial owner (*usufruitier*) at Ordinary General Meetings, and by the bare owner (*nu-proprétaire*) at Extraordinary General Meetings.

## 2.10.7 REQUIREMENTS FOR A CHANGE IN CONTROL OF THE COMPANY

As stated above at the beginning of section 2.1.1, a French partnership limited by shares (*société en commandite par actions* – SCA) has two categories of partner: General Partners and Limited Partners.

As the Company is listed on the stock exchange, it would be possible for a third party to take control of the capital and associated voting rights through a public tender offer. However, it would not be possible to take control over General Partners' meetings, and consequently, no third party could independently amend the Company's Articles of Association in particular.

As any new Managing Partner must be appointed by unanimous decision of the General Partners subject to approval of the Supervisory Board, the person or entity taking control over the capital and associated voting rights would be unable to appoint new Managing Partners.

Therefore, it is impossible to appoint any new Managing Partners or amend the Articles of Association without the consent of the General Partners.

In the event there are no Managing Partners, and up to the end of such period, the General Partners are responsible for the Company's management.

## 2.10.8 DISCLOSURE OF SHAREHOLDINGS EXCEEDING SPECIFIC THRESHOLDS (ARTICLE 9 A OF THE ARTICLES OF ASSOCIATION)

Without prejudice to the provisions of article L. 233-7 of the French Commercial Code, any shareholder holding directly or indirectly, as defined in said article L. 233-7, at least 1% of the voting rights, must, within five days following registration to his or her account of the shares that brought his or her holding to or above such threshold, disclose to the Company the total number of shares and voting rights he or she holds by registered letter with acknowledgement of receipt addressed to the head office. For registered shareholders and intermediaries not living in France, this disclosure may be made by means of a procedure similar to that of sending a registered letter with acknowledgement of receipt in use in his or her country of residence. Such procedure must enable Lagardère SCA to have proof of the date on which the disclosure was sent and received.

This procedure must be repeated as described above every time a threshold of a further 1% is crossed.

In the absence of disclosure according to the conditions described above, all shares in excess of the threshold for which disclosure should have been made may lose their voting rights for any General Meeting that may be held within a two-year period following the date on which the declaration is finally made, at the request of one or more shareholders together holding 5% or more of the share capital, such request being duly recorded in the minutes of the General Meeting.

In these same circumstances, voting rights attached to such shares for which a proper declaration has not been made cannot be exercised by the shareholder at fault, nor may he or she delegate such rights to others.

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